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CLÍNICA BAVIERA, S.A. and Subsidiaries

Independent Auditor's Report

Consolidated Annual Accounts and Consolidated Management Report for the year ended 31 December 2024

Alcalá, 63
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Free translation of the auditors' report originally issued in Spanish based on our work performed in accordance with audit regulations in force in Spain and of consolidated annual accounts originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see note 3 to the accompanying consolidated annual accounts). In the event of a discrepancy, the Spanish-language version prevails.

Independent Auditor's Report on the Consolidated Annual Accounts

To the Shareholders of
CLÍNICA BAVIERA, S.A.

Auditor's Report on the annual accounts

Opinion

We have audited the consolidated annual accounts of **CLÍNICA BAVIERA, S.A.** (hereinafter, the Parent) **and its subsidiaries** (together, the Group), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated cash flows statement and the notes thereto for the year then ended.

In our opinion, the accompanying consolidated annual accounts present fairly, in all material respects, the consolidated equity and financial position of the Group as at December 31, 2024, and its consolidated financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, adopted by the European Union (IFRS-EU) and other provisions of the regulatory financial reporting framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with audit regulations in force in Spain. Our responsibilities under those regulations are further described in the *Auditor's responsibilities for the audit of consolidated annual accounts* section of our report.

We are independent of the Group in accordance with ethical requirements, including those regarding independence, that are relevant to our audit of consolidated annual accounts in Spain pursuant to audit regulations in force. In this regard, we have not provided any non-audit services, nor have any situations or circumstances arisen that, under the aforementioned audit regulations, might have affected the required independence in such a way as to compromise our independence.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated annual accounts of the current period. These matters were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Ordinary revenue recognition - surgical procedures

The Group's activity consists of delivering any kind of services in the field of ophthalmic medicine, including outpatient and inpatient consultations, surgical procedures and rehabilitation. As indicated in the accompanying notes to the consolidated financial statements (note 4.n), ordinary revenue from services delivered to customers is registered based on accrual, i.e. when the service is effectively delivered. In the case of surgical procedures, contracts with customers include more than one service; however, these services never constitute separate performance obligations, given that they are highly related. Therefore, the Group could not satisfy its commitment with the customer by transferring one of the services independently. In these cases, the Group recognises revenue based on the advance degree, in proportion to resources or costs incurred at each moment, registering as customer advances the difference between the amount invoiced and services that have not yet been delivered.

At December 31, 2024, the total recognised ordinary revenue amounts to 262,648 thousand Euros, of which 237,456 thousand Euros correspond to surgical procedures (note 5), and customer advances recognised in item "Accruals" of current liabilities in the statement of financial position amount to 2,631 thousand Euros.

The measurement of the advance degree through the resource method requires relevant estimates by management. Further, given the relevance and magnitude of the ordinary revenue over the set of the consolidated annual accounts, we consider that registering ordinary revenue from surgical procedures as a consequence of services actually provided and for the correct amount and in the correct period is a key audit matter.

Our audit procedures have included, among others:

- assessing the design and implementation of relevant controls associated to the recognition process of revenue from surgical procedures, as well as carrying out operating efficiency tests on them;
- obtaining information contained in the invoicing application and analysing the Group's reconciliation of information from this application to the amount booked in the caption of "Ordinary revenue – turnover" of the consolidated income statement, analysing that the resulting differences respond to treatments in progress at each year-end closing;
- verifying that the adjustment of ordinary revenue from surgical procedures in progress, at year-end closing, calculated through the resource method, is reasonable;
- checking, for a sample of surgical procedures, the justifying evidence of the actual service delivery, the collection received from the customer, the variable payment to the surgeon for procedure and the revenue registration for the correct amount and period;
- analysing the reconciliation between the amount invoiced for surgical procedures to collections received from customers during the financial year;
- checking that no non-standard or unusual entries have been made in relation to the recognition of ordinary revenue.

We have also checked that the accompanying notes to the consolidated financial statements include, in relation to this matter, disclosures required by the financial reporting framework applicable to the Group.

Recoverability of the goodwill of the CGU Care Vision Germany, GbmH

At December 31, 2024 the Group has recognised goodwill in the consolidated balance sheet for an amount of 28,308 thousand Euros, of which an amount of 12,352 thousand Euros corresponds to the goodwill assigned in previous financial years to the cash generating unit (CGU) Care Vision Germany, GbmH (note 6).

The Group determines, at least on an annual basis, this goodwill's recoverable value, based on the value in use of the CGU, which calculates by discounting, at an appropriate discount rate, the projected cash flows of that CGU for the next 5 years, based on financial budgets approved by the Parent Company's Board of Directors, and the extrapolation, using a long-term steady growth rate, of future cash flows beyond the projected period (notes 3.d and 4.f). As a result of this analysis, the Group has concluded that it is not necessary to register any value impairment in 2024 in relation to this goodwill.

We have considered that the recoverability of this goodwill is a key audit matter, given the significance of the amount and that the determination of the recoverable value implies the use of key assumptions that entail the application of significant judgements and the performance of relevant estimates by management and the directors of the Parent Company.

Our audit procedures have included, among others:

- assessing the design and implementation of relevant controls associated to the process of approval of financial projections by the Parent Company's directors and the determination of calculation methods and key assumptions used in estimating the recoverable value of said asset;
- analysing the reasonability of financial projections elaborated by the Parent Company's management of Clínica Baviera, S.A., comparing them to the historical financial information of the CGU, with the approved business plans and expectations of the market where it operates, verifying that they have reasonably adjusted to actual results obtained in the financial year and in the past and accordingly assessing the monitoring degree and achievement of approved business plans;
- obtaining the report issued by the external expert engaged by the Parent Company's management, based on the Group's financial projections, which sustains the recoverability of the goodwill registered, assessing the competence, ability and objectivity of such expert, as well as the adequacy of their work to be used as audit evidence;
- assessing, with the collaboration of our internal valuation experts, the suitability of the calculation method and the consistency of the methodology applied, as well as discount and long-term growth rates used, comparing assumptions made to data obtained from internal and external sources and carrying out a critical evaluation;
- assessing the sensitivity analyses made by management on key assumptions and the financial projections used in estimating the recoverable value of the CGU;
- checking the mathematical accuracy of calculations and of the model used, as well as sensitivity analyses made.

We have also checked that the accompanying notes to the consolidated financial statements include, in relation to this matter, disclosures required by the financial reporting framework applicable to the Group.

Business combinations - Acquisition of the British group Optimax

As indicated in the accompanying notes to the consolidated financial statements (note 6), on June 26, 2024, the Group acquired 100% of shares in the share capital of Eye Hospital Group Limited and its subsidiaries (Optimax Group).

As established in the International Financial Reporting Standard 3 Business combinations (IFRS 3), the Group has valued and registered this business combination based on estimates made by the Parent Company's management of the fair value at acquisition date of acquired identifiable assets, of assumed liabilities and contingent liabilities, and of the contingent consideration established in the purchase agreement. As a result of this operation, the Group has recognised, in 2024, an intangible asset for an amount of 2,800 thousand Euros and a goodwill for an amount of 13,691 thousand Euros (note 6).

Given that the determination of the fair values implies making relevant assumptions that entail applying significant judgements and making relevant estimates by management and the directors of the Parent Company, we have considered this as a key audit matter.

Our audit procedures have included, among others:

- obtaining the purchase agreement, verifying the contractual terms of the transaction;
- verifying bank statements that justify the settlement of the fixed price established in the purchase agreement;
- obtaining and analysing due diligence reports elaborated by external experts engaged by the Parent's management, assessing the competence, ability and objectivity of those experts, as well as the suitability of their work to be used as audit evidence;
- performing specific audit procedures to obtain sufficient and appropriate audit evidence on the existence, totality and accuracy of the most relevant balances of the consolidated balance sheet of the Optimax group at acquisition date;
- understanding the methodology used by management to estimate fair values at acquisition date of acquired identifiable assets, assumed liabilities and contingent liabilities, as well as the contingent consideration;
- assessing, with the collaboration of our internal valuation experts, the adequacy of the methodology, key underlying assumptions and the mathematical accuracy of models used by the Group to estimate the fair values, comparing the assumptions made to data obtained from internal and external sources, and making a critical evaluation. In particular, we have assessed the suitability of assigning the acquisition price to acquired identifiable assets and assumed liabilities;
- checking the correct registration of the operation in accounts, as well as that the accompanying notes to the consolidated financial statements include, in relation to this matter, disclosures required by the financial reporting framework applicable to the Group.

Other information: Consolidated management report

Other information only comprises the consolidated management report for the 2024 financial year, the formulation of which is the responsibility of the Parent's Sole directors and is not an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the consolidated management report. Our responsibility regarding the consolidated management report, in conformity with the audit regulation in force in Spain, consists of:

a) only checking that the consolidated statement of no-financial information, certain information included in the Annual Corporate Governance Report and Annual Report on Directors' Remuneration, has been provided as established in applicable regulations and otherwise, reporting on it.

b) assessing and reporting on the consistency of other information included in the consolidated management report with the consolidated annual accounts, based on the Entity's knowledge obtained by us during the audit of the aforementioned consolidated annual accounts, as well as assessing and reporting on whether the content and presentation of that part of the consolidated management report are in accordance with applicable regulations. If, based on the work we have performed, we conclude that a material misstatement exists, we are required to report that fact.

Based on the work performed, as described above, we have checked that the information mentioned in section a) above is provided as indicated in the applicable regulations and that the other information included in the consolidated management report is consistent with that disclosed in the consolidated annual accounts for the 2024 financial year, and its content and presentation are in accordance with applicable regulations.

Responsibility of the directors and audit committee in relation to the consolidated annual accounts

The Parent's directors is responsible for the preparation of the accompanying consolidated annual accounts, such that they fairly present the Group's consolidated equity, consolidated financial position and consolidated financial performance in accordance with the regulatory financial reporting framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the Parent's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis unless the Parent's directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent Company's audit committee is responsible for monitoring the preparation and presentation of the consolidated annual accounts.

Auditor's responsibilities for the audit of the consolidated annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with audit regulations in force in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual accounts.

As part of an audit in accordance with audit regulations in force in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and the related disclosures made by the Parent's directors.

- Conclude on the appropriateness of the use by the Parent's directors of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and execute the Group's audit to obtain sufficient appropriate audit evidence regarding the financial information of the Group's entities or business units to form an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and review of the work for Group audit purposes. We remain solely responsible for our audit opinion.

We communicate with the Parent's audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Parent's audit committee with a statement that we have complied with ethics requirements related to Independence and have communicated with them to inform them of those matters that could reasonably imply a threat to our independence and, if any, of safeguarding measures adopted to eliminate or reduce the threat.

From the significant matters communicated with the Parent's audit committee, we determine those risks that were of most significance in the audit of the consolidated annual accounts of the current period and therefore are the key audit matters.

We describe these matters in our auditor's report unless laws or regulation preclude public disclosure about the matter.

Report on other legal and regulatory requirements

European Single electronic format

We have examined the digital files in the European Single Electronic Format (ESEF) of **CLÍNICA BAVIERA, S.A. and subsidiaries** for the 2024 financial year, comprising the XHTML file containing the consolidated annual accounts for the year and the XBRL files with the tags provided by the Entity, which will form part of the annual financial report.

The directors of **CLÍNICA BAVIERA, S.A.** are responsible for presenting the annual financial report for the 2024 financial year in accordance with the format and labelling requirements established in the European Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (hereinafter the EU Financial Reporting Standards Regulation). In this regard, the Annual Corporate Governance Report and the Annual Directors' Remuneration Report have been incorporated by reference into the consolidated management report.

Our responsibility is to examine the digital files prepared by the Parent Company's directors in accordance with the regulations governing the audit of accounts in force in Spain. These regulations require us to plan and perform our audit procedures to verify that the content of the consolidated annual accounts included in the aforementioned digital files corresponds entirely to the consolidated annual accounts we have audited, and that the format and labelling of the consolidated annual accounts and the aforementioned files have been carried out in all material respects in accordance with the requirements established in the ESEF Regulation.

In our opinion, the digital files examined correspond entirely to the audited consolidated annual accounts, and these are presented and have been marked, in all material respects, in accordance with the requirements established in the ESEF Regulation.

Additional Report to the Parent's audit committee

The opinion expressed in this report is consistent with our additional report to the Parent's audit committee dated April 7, 2025.

Appointment period

During the Parent's General Shareholders' Meeting held on June 27, 2024, we were appointed as the Group's auditors for the year ended December 31, 2024.

Previously, we were appointed as auditors by resolutions of the Extraordinary General Shareholders' Meeting for the period of 1 year and have been carrying out the audit of the Group's annual accounts uninterruptedly since the financial year ended December 31, 2018.

Madrid, 7 April 2025

Forvis Mazars Auditores, S.L.P.
ROAC Nº S1189

(signed in the original in Spanish)

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Anne-Laure Viard
ROAC Nº 19.994

CLÍNICA BAVIERA, S.A. AND SUBSIDIARIES

Consolidated annual accounts at 31 December 2024 and
Management Report of the financial year 2024

CLÍNICA BAVIERA, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2024
(Expressed in Euros)

	Notes	31/12/2024	31/12/2023
Non-Current Assets		**163,970,882**	**120,900,928**
Goodwill	6	28,307,779	14,615,838
Other intangible assets	7	8,731,160	2,746,839
Property, plant and equipment	8	122,661,637	99,059,646
Investments registered applying the equity method	23	58,280	92,501
Non-current financial assets	10	2,334,526	2,982,480
Deferred tax assets	20	1,877,500	1,403,624
Current assets		**47,723,324**	**57,741,488**
Inventories	11	3,282,607	2,473,453
Trade and other accounts receivable	10-12	4,216,587	3,013,226
Current Corporate Income Tax	20	153,263	-
Public entities, other	20	341,772	548,348
Other current financial assets	10	28,439,502	42,934,274
Other current assets	10	1,148,556	465,705
Cash and cash equivalents	10-13	10,141,037	8,306,482
Total Assets		**211,694,206**	**178,642,416**
Equity		**98,360,252**	**92,275,471**
Equity attributed to shareholders of the Parent Company		96,920,019	90,996,308
Share capital	14	1,630,758	1,630,758
Share premium	14	4,893,814	4,893,814
Reserves	14	58,263,982	47,726,280
Shares and interests in own equity	14	(9,136,752)	(109,914)
Profit/(loss) for the period		40,205,076	35,970,928
Instruments at fair value through other comprehensive income	31 and 32	903,277	884,442
Exchange differences	32	(347,713)	-
Other equity instruments	22	507,577	-
Equity attributed to minority shareholders	14	1,440,233	1,279,163
Non-Current Liabilities		**62,893,321**	**41,101,238**
Provisions	15	5,199,121	3,927,349
Loans and bank credits	16	5,288,249	503,022
Other non-current financial liabilities	17	51,491,969	36,157,115
Deferred tax liabilities	20	913,982	513,752
Current Liabilities		**50,440,633**	**45,265,707**
Provisions	15	267,778	343,338
Loans and bank credits	16	1,913,739	2,015,067
Trade and other accounts payable	18	17,173,800	15,524,293
Other current financial liabilities	19	20,714,572	17,961,354
Current Corporate Income Tax	20	3,606,657	3,484,222
Public entities, other	20	4,133,320	3,871,887
Accruals		2,630,767	2,065,546
Total Equity and Liabilities		**211,694,206**	**178,642,416**

Notes 1 to 36 described in the accompanying notes to the consolidated financial statements are an integral part of the consolidated balance sheet at December 31, 2024.

CLÍNICA BAVIERA, S.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT CORRESPONDING TO THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Expressed in Euros)

	Notes	2024	2023
Ordinary income (Turnover)	5	**262,648,149**	**224,923,951**
Other operating income	5-26	588,068	459,267
Work carried out by the company for assets	7-26	3,071,925	2,141,122
Operating expenses			
Consumption and other expenses	26	(33,635,923)	(29,215,107)
Personnel costs	26	(99,542,484)	(85,883,606)
Depreciation allowances	7 & 8	(20,880,350)	(16,980,535)
Other operating expenses	26	(56,601,593)	(45,404,401)
Impairment and gains/(losses) on disposal of fixed assets	8	27,149	(26,668)
Results from operating activities		**55,674,941**	**50,014,023**
Financial expenses	16 & 28	(1,218,537)	(571,654)
Financial income	10	296,490	151,341
Results from disposal of financial instruments	10	1,219,421	66,574
Exchange differences		36,103	7,398
Results from financing activities		**333,477**	**(346,341)**
Results of entities valued at the equity method	23	(17,028)	(14,642)
Consolidated results before tax		**55,991,390**	**49,653,040**
Corporate Income Tax	20	(14,855,566)	(12,918,702)
Consolidated profit/(loss) for the period		**41,135,824**	**36,734,338**
Attributable to:			
Shareholders of the Parent Company		40,205,076	35,970,928
Minority shareholders		930,748	763,410
Earnings per share			
Basic and diluted (in Euros)	14	2.47	2.21

Notes 1 to 36 described in the accompanying notes to the consolidated financial statements are an integral part of the consolidated income statement corresponding to the financial year ended 31 December 2024.

CLÍNICA BAVIERA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME CORRESPONDING TO THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Expressed in Euros)

	Notes	2024	2023
Consolidated profit/(loss) for the period		**41,135,824**	**36,734,338**
Fair value of financial instruments	32	67,939	1,079,890
Tax effect	20	(16,984)	(269,803)
Exchange differences	32	(351,668)	(999)
Other comprehensive income to be reclassified to profit/(loss) in following financial years, net of tax		**(300,713)**	**809,088**
Actuarial profit and loss	32	-	(91,972)
Tax effect		-	22,994
Other comprehensive income not to be reclassified to profit/(loss) in following financial years, net of tax		**-**	**(68,978)**
Other comprehensive income of the period, net of tax	32	**(300,713)**	**740,110**
Total consolidated comprehensive result of the period, net of tax		**40,835,111**	**37,474,448**
Attributable to:			
Shareholders of the Parent Company		39,876,198	36,689,658
Minority shareholders		958,913	784,790

Notes 1 to 36 described in the accompanying notes to the consolidated financial statements are an integral part of the consolidated statement of comprehensive income corresponding to the financial year ended 31 December 2024.

CLÍNICA BAVIERA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS CORRESPONDING TO THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Expressed in Euros)

	Notes	2024	2023
Profit/(loss) before tax		**55,991,390**	**49,653,040**
Adjustments for			
Amortisations and depreciation	7 & 8	20,880,350	16,980,535
Impairment due to commercial operations		63,390	(17,430)
Impairment and proceeds from disposals of fixed assets		(27,149)	26,668
Change in provisions	15	446,716	697,073
Financial expenses		1,218,537	571,654
Financial income		(296,490)	(151,341)
Change in fair value of financial instruments		(1,219,421)	(66,574)
Other income and expenses		334,984	4,235
Changes in operating assets and liabilities			
Inventories	11 & 26	(247,238)	(311,929)
Accounts receivable		217,332	(433,437)
Accounts payable		(1,777,180)	2,502,319
Other cash flows from/used in operating activities			
Income Tax paid		(13,078,055)	(11,642,698)
CASH FLOWS FROM/USED IN OPERATING ACTIVITIES		**62,507,166**	**57,812,115**
Payments for purchases of fixed assets	7 & 8	(26,507,732)	(22,678,503)
Payments for acquisition of Subsidiaries and associates	6	(11,107,720)	-
Payments for investments in other financial assets	10	(14,162,563)	(40,532,202)
Collections for interests		296,490	151,341
Collections for sale of investments in other financial assets	10	30,583,766	18,746,498
CASH FLOWS FROM/USED IN INVESTING ACTIVITIES		**(20,897,759)**	**(44,312,866)**
Acquisition of equity instruments of the Parent Company		(10,240,422)	(706,492)
Disposal of equity instruments of the Parent Company		1,431,161	711,127
Collections for new banking loans	16	7,200,000	-
Payments for banking loans	16	(2,516,101)	(2,004,322)
Payments for interests		(181,058)	(106,254)
Payment of dividends	14	(25,890,452)	(13,571,479)
Lease payments	28	(9,276,616)	(8,514,287)
Other financing payments		(182,179)	(173,956)
CASH FLOWS FROM/USED IN FINANCING ACTIVITIES		**(39,655,667)**	**(24,365,663)**
EFFECT OF EXCHANGE RATE FLUCTUATIONS		**(119,185)**	**-**
NET INCREASE/DECREASE IN THE CASH SITUATION		**1,834,555**	**(10,866,414)**
Reconciliation:			
Cash and cash equivalents at beginning of period		8,306,482	19,172,895
Cash and cash equivalents at end of period	13	10,141,037	8,306,482
Net increase/decrease in cash and cash equivalents		**1,834,555**	**(10,866,414)**

Notes 1 to 36 described in the accompanying notes to the consolidated financial statements are an integral part of the consolidated statement of cash flows corresponding to the financial year ended 31 December 2024

CLINICA BAVIERA

CLÍNICA BAVIERA, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY CORRESPONDING TO THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
(Expressed in Euros)

	Total equity	Equity minority shareholders	Equity shareholders Parent Company	Share capital (Note 14)	Share premium (Note 14)	Reserves (Note 14)	Treasury shares (Note 14)	Interim dividend	Profit/(loss) for the period	Instruments at fair value through OCI (Note 31)	Exchange profit/(loss)	Other equity instruments (Note 22)
Balance at 31/12/2022	**68,367,868**	**1,023,607**	**67,344,261**	**1,630,758**	**4,893,814**	**39,443,637**	**(93,678)**	**(8,151,564)**	**29,518,528**	**102,766**	**-**	**-**
Distribution of the previous year's consolidated results	-	-	-	-	-	8,324,719	-	8,151,564	(16,476,283)	-	-	-
Payment of dividends	(13,571,479)	(529,234)	(13,042,245)	-	-	-	-	-	(13,042,245)	-	-	-
Other changes in equity	-	-	-	-	-	-	-	-	-	-	-	-
Operations with shares of the Parent Company	4,634	-	4,634	-	-	20,871	(16,236)	-	-	-	-	-
Total distribution of consolidated results and operations with Shareholders	**(13,566,845)**	**(529,234)**	**(13,037,611)**	**-**	**-**	**8,345,590**	**(16,236)**	**8,151,564**	**(29,518,528)**	**-**	**-**	**-**
Consolidated profit/(loss) 2023	36,734,338	763,410	35,970,928	-	-	-	-	-	35,970,928	-	-	-
Other income and expenses of the year	740,110	21,380	718,730	-	-	(62,948)	-	-	-	781,676	-	-
Total global consolidated results	**37,474,448**	**784,790**	**36,689,658**	**-**	**-**	**(62,948)**	**-**	**-**	**35,970,928**	**781,676**	**-**	**-**
Balance at 31/12/2023	**92,275,471**	**1,279,163**	**90,996,308**	**1,630,758**	**4,893,814**	**47,726,280**	**(109,914)**	**-**	**35,970,928**	**884,442**	**-**	**-**
Distribution of the previous year's consolidated results	-	-	-	-	-	10,885,510	-	-	(10,885,510)	-	-	-
Payment of dividends	(25,890,452)	(805,034)	(25,085,418)	-	-	-	-	-	(25,085,418)	-	-	-
Other changes in equity	56,841	7,191	49,650	-	-	(457,927)	-	-	-	-	-	507,577
Operations with shares of the Parent Company	(8,916,719)	-	(8,916,719)	-	-	110,119	(9,026,838)	-	-	-	-	-
Total distribution of consolidated results and operations with Shareholders	**(34,750,330)**	**(797,843)**	**(33,952,487)**	**-**	**-**	**10,537,702**	**(9,026,838)**	**-**	**(35,970,928)**	**-**	**-**	**507,577**
Consolidated profit/(loss) 2024	41,135,824	930,748	40,205,076	-	-	-	-	-	40,205,076	-	-	-
Other income and expenses of the year	(300,713)	28,165	(328,878)	-	-	-	-	-	-	(18,835)	(347,713)	-
Total global consolidated results	**40,835,111**	**958,913**	**39,876,198**	**-**	**-**	**-**	**-**	**-**	**40,205,076**	**(18,835)**	**(347,713)**	**-**
Balance at 31/12/2024	**98,360,252**	**1,440,233**	**96,920,019**	**1,630,758**	**4,893,814**	**58,263,982**	**(9,136,752)**	**-**	**40,205,076**	**903,277**	**(347,713)**	**507,577**

Notes 1 to 36 described in the accompanying notes to the consolidated financial statements are an integral part of the consolidated statement of changes in equity of the year ended 31 December 2024

CLÍNICA BAVIERA, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CORRESPONDING TO THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(Expressed in Euros)

1. ACTIVITY AND GENERAL INFORMATION

Clínica Baviera, S.A. (hereinafter the Parent Company) is a Spanish limited company incorporated on February 5, 1992, under the original name of Clínica Oftalmológica Baviera, S.L., changing its name into the current corporate name in 2000.

The Parent Company's activity consists of delivering all kind of services within the field of ophthalmologic medicine, including external and internal consultations, surgery treatments and rehabilitation.

Clínica Baviera, S.A. and Subsidiaries (hereinafter Baviera Group or the Group) configure a group of companies which main activity consists of rendering all kind of ophthalmologic medicine services.

The Parent Company's registered address is located in Paseo de la Castellana, 20 in Madrid (Spain).

On April 3, 2007, shares representing the share capital of Clínica Baviera, S.A. were listed in the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges (Spain).

On August 4, 2017, Aier Eye International (Europe) S.L.U. acquired 86.83% of the Parent Company's share capital, by means of a takeover bid (Note 14.a). On July 4, 2018, the investment was reduced to 79.83%. On May 24, 2024, this investment was reduced to 78.23% as a consequence of the treasury shares purchase operation executed with the Parent Company (Note 14.e).

On March 28, 2025, the Board of Directors has elaborated the consolidated accounts of Clínica Baviera and Subsidiaries at December 31, 2024.

(Expressed in Euros)

2. CONSOLIDATION PERIMETER

The Parent Company is the head company of a Group of Companies that is made up of the following Subsidiaries at December 31, 2024:

Denomination	Address	Activity	Shareholding %	
			Direct	Indirect
Clínica Baviera Italia S.r.L.	Milan (Italy): Vía Trenno nº 12	Delivery of ophthalmologic medicine services	100	-
Care Vision Germany GmbH	Geschäftsanschrift: Friedrich-Ebert-Anlage 56, 60325 Frankfurt am Main	Delivery of ophthalmologic medicine services	100	-
Clínica Baviera Zapateros, S.L.	Madrid: Pº de la Castellana, 20	Delivery of ophthalmologic medicine services	90	-
Clínica Baviera Mallorca, S.L.	Madrid: Pº de la Castellana, 20	Delivery of ophthalmologic medicine services	74	-
Clínica Baviera Alicante, S.L.	Madrid: Pº de la Castellana, 20	Delivery of ophthalmologic medicine services	90	-
Clínica Baviera San Sebastián, S.L.	Madrid: Pº de la Castellana, 20	Delivery of ophthalmologic medicine services	80	-
Clínica Baviera Córdoba, S.L.	Madrid: Pº de la Castellana, 20	Delivery of ophthalmologic medicine services	77	-
Clinica Torre Eva S.r.L.	Venice-Mestre (Italy): Via Bruno Madera 5/7	Delivery of ophthalmologic medicine services	-	80
Clínica Baviera UK, S.L. (former Castellana Intermediación Sanitaria, S.L.)	Madrid: Pº de la Castellana, 20	Management and administration of values representing the equity of entities resident and non-resident in Spanish territory, via the corresponding organisation of material and personal means	100	-
Eye Hospital Group Limited	96 Bristol Road, Edgbaston, Birmingham, B5 7XJ	Delivery of ophthalmologic medicine services	-	100
Eye Hospitals Limited	96 Bristol Road, Edgbaston, Birmingham, B5 7XJ	Delivery of ophthalmologic medicine services	-	100
Optimax Clinics Limited	96 Bristol Road, Edgbaston, Birmingham, B5 7XJ	Delivery of ophthalmologic medicine services	-	100
Ultralase Eye Clinics Limited	96 Bristol Road, Edgbaston, Birmingham, B5 7XJ	Delivery of ophthalmologic medicine services	-	100
Flowerbell Limited	96 Bristol Road, Edgbaston, Birmingham, B5 7XJ	Delivery of ophthalmologic medicine services	-	100
Care Vision Trier GmbH	Geschäftsanschrift: Max-Planck-Straße 14-16, 54296 Trier	Delivery of ophthalmologic medicine services	-	62.8

Ass well as the following Company, over which management the Parent Company exercises a significant influence, not keeping control over it:

Denomination	Address	Activity	Shareholding %	
			Direct	Indirect
Aier Global Vision Care Management Co., Limited	Hong Kong (China): 7/F, Kaiseng Commercial Centre, 4-6 Hankow Road, Tsimshatusi, Kowloon	Advice and training in ophthalmologic medicine	40	-

(Expressed in Euros)

In 2024, there have been the following changes in the consolidation perimeter:

- On June 26, 2024, 100% of the group Eye Hospital (Optimax) was acquired, with an effective consolidation date is at July 1, 2024.
- On August 3, 2024, 62.8% of Care Vision Trier GmbH (former Augenklinik Trier Petrisberg GmbH) was acquired, with an effective consolidation date at November 1, 2024.

In 2023, there were no changes in the Group's consolidation perimeter.

In financial years 2024 and 2023, all Subsidiaries and associates closed their financial year on December 31.

3. BASES OF PRESENTATION OF THE CONSOLIDATED ANNUAL ACCOUNTS

a) Bases of presentation

The Baviera Group's consolidated annual accounts of the financial year 2024, elaborated by the Parent Company's Directors on March 28, 2025, have been prepared as established in the International Financial Reporting Standards adopted by the European Union (IFRS-EU), in accordance with EC Regulations 1606/2002 of the European Parliament and Council and other applicable financial reporting framework provisions. The Directors of Clínica Baviera, S.A. expect the General Shareholders' Meeting of the Parent Company to approve these consolidated annual accounts without any modification. Those corresponding to the financial year 2023 were approved by the General Shareholders' Meeting on June 24, 2024.

The Baviera Group has applied all standards or interpretations that, having been issued and adopted by the EU, were in force at January 1, 2024. The policies explained below have been uniformly applied to all financial years presented in these consolidated annual accounts, unless otherwise indicated.

The preparation of this consolidated annual accounts in agreement with the IFRS-EU requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement within the process of application of the Group's accounting policies. Note 3.d) discloses areas which imply a higher degree of judgement or complexity or areas where assumptions and estimates are significant for the consolidated financial statements.

b) Changes in the accounting policies and disclosures

New standards IFRS-EU, modifications and IFRIC interpretations

b.1 New compulsory standards, modifications and interpretations for the first time in the financial year

Approved for use in the European Union		**Compulsory application financial years from:**
Modification of IFRS 1	Classification concerning the presentation of liabilities as current and non-current	1 January 2024
Modification of IFRS 7	Financing agreements with suppliers	1 January 2024
Modification of IAS 16	Lease liability in a sale with subsequent lease	1 January 2024

The Group has incorporated, since its entry into force at January 1, 2024, the abovementioned applicable standards and interpretations, without any resulting significant impact in the consolidated financial statements.

b.2 New compulsory standards, modifications and interpretations in financial years following the calendar year starting January 1, 2024.

Ay the date of elaboration of these consolidated annual accounts, the following standards and interpretations had been published by the IASB, but were not yet in force, with an effective date following the date of the consolidated annual accounts:

Approved for use in the European Union		**Compulsory application financial years from:**
Modification of IFRS 21	Effects of exchange rate variations: lack of convertibility	1 January 2025

b.3. Standards, modifications and interpretations of existing standards that cannot be early adopted or which have not been adopted by the European Union.

At the date of elaboration of this Consolidated annual accounts, the IASB and the IFRS Interpretations Committee had published the standards, modifications and interpretations detailed below, which have not been adopted yet by the European Union.

Not approved for use in the European Union		**Compulsory application financial years from:**
Modification a the IFRS 7 and 9	Contracts relating to electricity dependent on nature	1 January 2026
Modification a the IFRS 7 and 9	Classification and valuation of financial instruments	1 January 2026
IFRS 18	Presentation and publication of the financial statements	1 January 2027

The Group has not made an early application of the standards above and is currently analysing these new standards, modifications and interpretations that have not yet come into force and, accordingly, there is no sufficient information available to quantify the expected impact, if any, from the application of those standards.

c) True and fair view

The Consolidated annual accounts has been prepared on the basis of accounting records of the different Companies included on the consolidated set, for the purpose of presenting the true and fair view of the consolidated equity and consolidated financial position, at December 31, 2024, as well as the consolidated results, consolidated cash flows and consolidated changes in equity of the Baviera Group corresponding to the financial year therein ended.

Figures contained in documents comprised on this consolidated annual accounts are expressed in Euros, unless otherwise indicated.

d) Use of estimates

The preparation of the consolidated annual accounts in agreement with the IFRS-EU requires the Parent Company's Directors to make judgements, estimates and assumptions that affect the application of accounting policies and balances of assets, liabilities, income and expenses and the disclosure of contingent liabilities at the date of elaboration of these consolidated annual accounts.

Estimates and related assumptions are based on the historical experience and other diverse factors that are understood as reasonable in the circumstances, which results constitute the basis to establish judgements on accounting values that are not readily available through other sources. However, the uncertainty inherent to estimates and assumptions, in particular those derived from the evolution of the pandemic, could lead to results that may require a future adjustment of the affected assets and liabilities' accounting values.

Due to the international scope of the Group's operations, the Parent Company's Directors jointly with the Steering Committee and the Group's legal and tax consultants carry out interpretations of specific aspects of applicable regulations in each country where the Group renders services. The Parent Company's Directors and their consultants estimate that such interpretations are subject to law, and comply with legal and tax regulations, although these interpretations could differ from those that may be developed by competent authorities.

Estimates and assumptions

Estimates and their respective assumptions are continuously reviewed. Reviews of accounting estimates are recognised on the period on which estimates are reviewed and in affected future years.

The Group's main estimates fundamentally refer to the following:

- Value impairment of non-non-current financial assets

The measurement of non-current assets, other than financial assets, requires the performance of estimates in order to determine their recoverable amount, for the purposes assessing a possible impairment, particularly of goodwill. In order to determine this recoverable amount, the Parent Company's Directors estimate, where applicable, expected future cash flows of assets or of cash generating units from which they are part, and use an appropriate discount rate to calculate the current value of such cash flows. Estimates and assumptions used to determine the recoverable amount are based on the Group's historical experience, on macroeconomic indicators, investment plans and best estimates available on the Group's future income and results, as well as in other diverse factors that are understood as reasonable, in the circumstances.

- Corporate Income Tax and deferred tax assets

The Group is subject to Corporate Income Tax in several jurisdictions. A degree of judgement is required to determine the income tax provision at European level. The Group recognises liabilities for eventual tax claims on the basis of the estimate of whether additional taxes would be necessary. When the final tax result of these matters differs from initially-recognised amounts, such differences will have an effect on the Corporate Income Tax and the deferred tax liabilities on the year when such determination is made. In order to determine the amount of deferred tax assets to be registered, the Parent Company's Directors estimate amounts and dates when future tax gains will be obtained, and the reversal period of the taxable temporary differences.

- Estimates of provisions related to certain claims and litigations in progress

The Group has made judgements and estimates related to the probability of occurrence of risks subject to originating the registration of provisions, as well as, where applicable, their amount, only registering a provision when the risk is deemed probable, estimating, in this case, the cost to be originated from such obligation (Note 15).

- Revenue recognition over time, based on the advance degree of ophthalmological treatments in progress at year-end closing.

The Group makes estimates related to the advance degree of ophthalmological treatments in progress at year-end closing. Based on the methodology to determine the advance of treatments, significant estimates include the total cost of treatments and remaining completion costs, according to the input method.

- Deferred payments in business combinations

The Group makes estimates in relation to the current value of disbursements expected to be necessary to cancel future payment obligations in business combinations, when a portion of the price is variable based on certain financial parameters.

e) Consolidation bases and methods

The consolidated annual accounts are made up of the annual accounts of Clínica Baviera, S.A. and Subsidiaries.

The Subsidiaries included on the consolidation perimeter are consolidated from the date when control is acquired on the Group company. Likewise, their consolidation is terminated from the moment when control is transferred outside the Group. In this situation, the consolidated annual accounts include assets acquired, liabilities assumed, as well as results from the portion of the year during which the Group held control on it.

The method applied in the consolidation of all Subsidiaries has been the global integration, since the Parent Company holds a direct or indirect shareholding above 50% in their share capital and counts with the majority of voting rights in the corresponding administration bodies. The Company Aier Global Vision Care Management Co., Limited, where the Group holds a 40% share, has been integrated through the equity method (Note 23). Note 2 of these notes to the consolidated financial statements shows information related to Subsidiaries and associates. Subsidiaries are all entities on which the Group holds control. The Group controls an entity when it is exposed, or holds the right, to obtain variable yields for its involvement in the investee, and holds capacity to use its power on it in order to influence such returns.

f) Non-controlling shares

Minority shareholders represent the portion of profit or loss and equity not held by the Group.

Minority shareholders' investment value in equity and results of consolidated Subsidiaries are presented on caption "Equity attributed to minority shareholders" of the consolidated balance sheet, in "Consolidated profit/(loss) for the period attributable to minority shareholders" of the consolidated income statement, respectively, and in "Total consolidated comprehensive results of the period, net of tax attributable to minority shareholders".

g) Evaluative standardisation

The necessary evaluative standardisation adjustments have been performed in order to adapt the valuation criteria of Subsidiaries included in the consolidation perimeter to the Group's valuation criteria.

h) Write-off of internal operations

All accounts receivable and payable and operations between Group companies, as well as results not yet realised with third parties have been written off in the consolidation process.

i) Comparison of information

In compliance with the IFRS-EU, the consolidated annual accounts present, together with figures corresponding to the year ended December 31, 2024, those corresponding to the year ended December 31, 2023.

As required by the IAS 1, the information included in these consolidated annual accounts referring to the financial year 2024 is presented, for comparison purposes, together with the information referring to the financial year 2023.

4. MEASUREMENT STANDARDS

The consolidated annual accounts has been prepared on the basis of the historical cost, except for financial assets at fair value through other comprehensive income. The main accounting policies and valuation standards used are the following:

a) Business combinations and goodwill

Business combinations are registered through the application of the acquisition method.

Acquired identifiable assets and assumed liabilities are valued at fair value at acquisition date. For each business combination, the acquirer values all non-controlling interests in the acquired business at fair value or for the proportional portion of the non-controlling interest of the acquired entity's identifiable net assets. Costs related to the acquisition are registered as expenses in the consolidated income statement.

When the Group acquires a business, acquired identifiable assets and assumed liabilities are classified or designated as necessary on the basis of contractual agreements, economic conditions, accounting and exploitation policies, and other existing pertinent conditions at acquisition date.

If the business combination is carried out in stages, the Group values again its investments in the acquired entity's equity previously held at fair value at acquisition date and recognises the resulting profit or loss, if any, on the consolidated income statement.

All contingent considerations transferred by the Group are recognised at fair value at acquisition date. Subsequent changes in the fair value of contingent considerations classified as asset or liability will be recognised in agreement with IFRS 9, registering resulting profits or losses in results or in other comprehensive results. If the contingent consideration is classified as equity, they are not newly valued and their subsequent liquidation is registered within equity.

Goodwill acquired on a Business Combination is initially measured, at acquisition, at cost, being the excess between the amount of the transferred consideration plus any non-controlling interest in the acquired entity, and the amount of acquired identifiable assets and assumed liabilities. If the consideration is below the fair value of the acquired entity's net assets, the difference is recognised on results.

After initial recognition, goodwill is valued at cost, less accumulated impairment losses. Goodwill's impairment tests are annually performed, or more frequently when events or changes in the circumstances indicate that the carrying value could be impaired.

For the impairment test, the goodwill acquired on a Business Combination is, from acquisition date, allocated to each of the Group's Cash generating Unit (CGU) or group of cash generating units that are expected to benefit from the combination's synergies, regardless of any other Group's asset or liability allocated to these units or groups of units.

The goodwill's impairment is determined by assessing the recoverable amount of the cash generating unit or group of units to which goodwill relates. If the recoverable amount of the cash generating unit or units is lower than its carrying value, the Group registers an impairment loss. These calculations use projected cash flows based on financial budgets approved by the Parent Company's Directors and which cover a 5-year period; cash flows beyond this 5-year period are extrapolated, using constant growing rates.

Goodwill's impairment losses cannot be reversed in future periods.

If goodwill has been distributed to a cash generating unit and the entity disposes from an activity within such unit, the goodwill associated to the activity will be included on the carrying amount of the activity when the result from the disposal is determined, and will be valued from related values of the activity disposed of and from the portion of the held cash generating unit.

b) <u>Other intangible assets</u>

Other intangible assets acquired by the Group are registered at cost, less the accumulated amortisation and the existing impairment losses. The cost of other intangible assets acquired through a Business Combination is their fair value at acquisition date.

Internally generated intangible assets, excluding capitalised development expenses, are not capitalised, but the expense is registered against profit/(loss) of the year when they have been incurred.

An intangible asset is only recognised when it is likely to generate future profits to the Group and when its cost shall be reliably valued.

Profits or losses derived from the write-off of an intangible asset are valued as the difference between net resources obtained from the disposal and the asset's carrying value and are registered on the consolidated income statement when the asset is written off.

i. Computer software

Software includes amounts satisfied for the access to ownership or for the right of use of computer programmes. These computer applications' maintenance expenses are directly allocated as expenses in the year in which they occur. They are amortised in a linear manner within a period from three to six years from the moment when the corresponding computer application starts being used.

ii Other intangible assets

In this caption, the Group registers, among others, the amount corresponding to the brand identified in the pricing process, derived from acquisition of the Eye Hospital group (Optimax) carried out in the financial year 2024 (Note 6). In order to estimate the brand value, the royalty relief method has been used.

At each accounting closing, the Parent Company's Directors estimate whether there has been an impairment that reduces the recoverable value to an amount below the registered net cost and, if so, the appropriate clean-up is carried out, using as offsetting entry the caption "Impairment and disposals of fixed assets" of the accompanying consolidated income statement.

The Parent Company's Directors have considered that the brand has an indefinite useful life.

Impairment losses related to this intangible asset are not subject to subsequent reversal.

ii. Internally developed intangible assets

Development expenses are activated as intangible assets when they meet the following conditions:

- Being able to demonstrate the technical feasibility to complete the intangible asset for it to be apt for use or sale.
- Having the intent to complete the asset and having financial capacity to do so.
- Having the capacity to use or sell the resulting asset.
- Having the capacity to reliably measure the expense during the development.
- Being able to generate probable economic benefits in the future.
- Having the availability of appropriate technical, financial or other resources to complete the development and to use or sell the intangible asset.

When the development begins to be used, its cost is transferred to "Computer software" and its amortisation begins. During the 2024 financial year, the Group has capitalised developments of this nature in its digitalisation plan and transferred them to "Computer software", for an amount of 3,025 thousand Euros (2,142 Euros at December 31, 2023)

c) Property, plant and equipment and property investments

Elements included on these captions are valued at acquisition price or cost of production, less their corresponding accumulated amortisation and, where applicable, accumulated impairment losses.

Baviera Group considers that property investments are estates that, at each closing date, are not affected to exploitation.

Renewal, extension or improvement costs are incorporated to the asset as the good's higher value, exclusively when they imply an increase of capacity, productivity or an extension of its useful life and as long as it is possible to know or estimate the net book value of resulting elements that are written off from the inventory after being substituted.

Conservation, repair and maintenance expenses incurred during the year are considered as expense at the moment when they are produced, since they do not imply an improvement in the productive capacity of fixed assets.

Financial costs directly attributable to the acquisition or development of property, plant and equipment are capitalised when assets require a substantial period, generally above one year, to be in conditions of use. During 2024 and 2023, no financial costs have been capitalised.

An element of property, plant and equipment is written off when it is disposed of or when future economic benefits, derived from its use or disposal, are not expected. Profit or loss generated from the asset's write-off (calculated as the difference between net resources from the write-off and the asset's carrying value) are included on the consolidated income statement of the year when the asset is written off.

Amortisation of property, plant and equipment and of property investments is systematically calculated through the linear method based on the respective good's useful life. In the case of estates leased through operating leases, which contract length is below the useful life, the amortisation period of installations permanently attached to premises is limited to the validity of the corresponding lease agreement, including, where applicable, the corresponding extensions.

These premises' leases are considered as operating leases, registered as operating expenses, as per accrual, following a linear base throughout agreement's validity period.

Property investments are written off when they are disposed of or permanently withdrawn from use, and when no future economic benefits are expected from their disposal. Profits or losses generated from the investment's withdrawal or disposal are recognised on the consolidated income statement of the period of such withdrawal or disposal.

Goods are transferred to property investments only when there is a change in their use. In order to transfer an investment property into the category of property occupied by the proprietor, the initial cost of the property to be considered to register it on the new category is the carrying value at the date of change of use. If the property occupied by the Group becomes a property investment, the Group registers such property with the policy established for property, plant and equipment, until the date of change of use.

Amortisation coefficients used in the calculation of the depreciation undergone by elements of property, plant and equipment and property investments are the following:

	Percentage
Buildings	2%
Machinery	10% - 15%
Furniture, tools and other installations	10% - 12%
Other property, plant and equipment	25%

Useful lives are annually examined and changes, if any, are incorporated to accounts in a prospective manner.

At year end, the Group verifies whether there are signs of impairment of elements of property, plant and equipment and, if any, impairment tests are performed on these assets, either at individual level or as integral part of cash generating units.

d) <u>Fair value calculation</u>

The Group values financial instruments, such as investment funds at fair value through other comprehensive income.

Fair value is the price which would be received to sell an asset or would be paid to transfer a liability in an ordered transaction between market participants at transaction date. The fair value is based on the presumption that the transaction to sell the asset or transfer the liability takes place:

- On the asset or liability's main market, or
- In absence of a main market, in the most advantageous market for the transaction of such assets or liabilities.

The main or most advantageous market must be accessible for the Group.

The fair value of an asset or liability is calculated by using assumptions that would be used by market participants when making an offer for such asset or liability, assuming that these market participants act on their own economic interest.

The Group uses the appropriate valuation techniques in the circumstances and with sufficient information available to calculate the fair value, maximising the use of relevant observable variables and minimising the use of non-observable variables.

All assets and liabilities for which calculations or disclosures of fair value are made on the consolidated annual accounts are categorised within the fair value hierarchy described below, based on the lowest-level variable necessary to calculate the fair value as a whole:

- Level 1- Listing values (not adjusted) in active markets for identical assets or liabilities
- Level 2- Valuation techniques for which the used lowest-level variable, significant for the calculation, is directly or indirectly observable
- Level 3- Valuation techniques for which the used lowest-level variable, significant for the calculation, is not observable

For assets and liabilities that are registered at fair value in the consolidated annual accounts, at least at each closing, the Group determines whether there have been transfers between the different levels of hierarchy by reviewing their categorisation (based on the lowest-level variable that is significant to calculate the fair value as a whole).

For the purposes of the necessary disclosures of fair value, the Group has determined the different classes of assets and liabilities based on their nature, characteristics, risks and fair value hierarchy levels, as explained above.

e) <u>Financial instruments</u>

Financial assets

Financial assets are recognised in the consolidated balance sheet when acquired, initially registering them at fair value.

Financial assets held by the Group are classified as:

- Financial assets at fair value through other comprehensive income are non-derivatives designated in this category or not classified in any other category. The Group classifies these assets under the caption of current asset since they are redeemable investment funds without penalties on the basis of cash needs, thus explaining their classification.

They are registered at fair value, calculated on the basis of their listing at the date of the financial statements, net of the corresponding tax effect. Market value variations, net of the corresponding tax effect, are charged or credited in the item "Other consolidated comprehensive income" of equity, up to the moment of disposal of these investments, where the amount accumulated in this caption is fully allocated to the consolidated income statement

Moreover, when a decrease of the fair value of a financial asset at fair value through other comprehensive income has been directly recognised in other comprehensive income, and there is objective evidence that the asset has been impaired, accumulated losses directly recognised in equity will be eliminated and recognised in profit/(loss) for the period, even if the financial asset has not been written off in accounts.

Financial assets which fair value determination is registered in level 1 are considered.

- Financial assets at amortised cost: assets which contractual cash flows exclusively consist of payments of principal and interests and, in turn, these assets' management model is to hold them to obtain contractual flows. In this case, the Group charges any change in the value variation in the consolidated comprehensive income statement.

Transaction costs at acquisition date will be registered as higher acquisition cost or as expense, depending on whether the financial asset subject to the transaction is considered at fair value through comprehensive income or profit and loss.

Interests accrued for financial assets at amortised cost will be recognised in the consolidated income statement based on their effective interest rate. Amortised cost is understood as the initial cost minus collections or amortisations of principal, taking into account potential reductions based on the expected loss.

The Group writes off the financial assets when the rights over the cash flows of the corresponding financial asset have expired or been transferred, and risks and benefits inherent to the asset's ownership have been substantially transferred.

On the other hand, the Group does not write off the financial assets, and recognises a financial liability for an amount equal to the consideration received, in assignments of financial assets where risks and benefits inherent to ownership are substantially withheld.

f) <u>Impairment of non-current financial assets</u>

At each year-end closing, the Group considers the possibility of impairment signs in non-current assets. If such signs are detected, and in any case for goodwill, the Group estimates the asset's recoverable amount, understood as the highest between fair value less disposal costs, and the value in use. If the asset's recoverable amount is below the carrying value, it is considered as impaired and its carrying value is reduced to its recoverable amount. Impairment losses are recognised on the consolidated income statement.

In order to estimate the value in use, estimated future cash flows are discounted to their current value, using a pre-tax discount rate reflecting current market estimates on the time value of money and the asset's specific risks.

Except for impairments corresponding to goodwill, impairment losses are reversed in cases of changes on its determining causes. The reversal of an impairment loss is registered on the consolidated income statement. Impairment losses shall only be reversed to the extent where the asset's carrying value does not exceed the amount that would have been determined, net of amortisations, if said impairment loss had not been recognised.

Also, at each year-end closing, the Group estimates expected impairment losses in its non-current financial assets, based on their probability. This calculation is based on historical data, current conditions and forecasts of future conditions. At the financial years 2024 and 2023, no significant amount has been registered for this concept in the consolidated income statement.

g) Inventories

Inventories are measured at acquisition price. The acquisition price includes the amount invoiced by the seller, after deducting any discounts, price reductions or other similar items, and all additional expenses produced until the goods are placed for use, such as transportation, custom tariffs, insurances and others directly attributable to the acquisition of the inventories.

Since the Group's inventories do not require a period of time above one year to be in conditions to be sold, the acquisition price or production cost do not include financial expenses.

When the net realisable value of the inventories is below their acquisition price, the corresponding value corrections are made, recognising them as expense in the account consolidated results.

h) Trade and other accounts receivable

Trade receivables are amounts owed by customers for sales of goods or services in the normal operating course. If the debt is expected to be collected within one year or less (or in the normal operating cycle, if longer), they are classified as current assets. Otherwise, as non-current assets.

Trade receivables are initially recognised at fair value and, subsequently, at amortised cost in agreement with the effective interest rate method, less the provision for impairment.

If there is objective evidence of impairment losses of accounts receivable registered at amortised cost, the amount of losses is valued as the difference between the asset's carrying value and the current value of estimated future cash flows, discounted at the financial asset's original effective interest rate (that is to say, the effective interest rate at the moment of initial recognition). The asset's carrying value will be reduced, directly or through a provision account. The loss amount will be recognised on profit/(loss) for the year.

If, at a subsequent period, there is a decrease of the impairment loss decreased that could be objectively related to an event occurred after the impairment's recognition, the previously recognised impairment loss would be reversed. All subsequent reversal of impairment losses is recognised on the consolidated income statement, up to the limit of the asset's carrying value, not exceeding its amortised cost at reversal date.

With regard to debtors and other accounts receivable, when there is objective evidence of the fact that the Group will not collect debts, an impairment correction is performed (as probability of the debtor's insolvency or significant financial difficulties) since the Group will not be able to collect all debited amounts under the invoice's original terms. Uncollectible amounts are recorded as provision when identified.

i) Cash and cash equivalents

this caption includes cash at hand, current bank accounts and deposits and temporary acquisitions of assets that comply with all of the following requirements:

- They are convertible in cash.
- At the moment of acquisition, their maturity did not exceed three months.
- They are not subject to a significant risk of change of value.
- They are part of the Group's normal cash management policy.

For the purpose of the statement of cash flows, occasional overdrafts that are part of the Group's cash management are included as less cash and cash equivalents.

j) Treasury shares

The Parent Company's shares, held by the Group, are registered at cost as a reduction of equity. No profit or loss is recognised on profit/(loss) for the period, derived from the sale of treasury shares, which is directly registered in consolidated equity.

k) Loans and bank credits and other financial liabilities

Loans and bank credits and other financial liabilities are initially registered at fair value, less costs directly allocable to the transaction, where applicable. After initial recognition, they are valued at amortised cost, using the effective interest rate method. Interests are registered as expense in the consolidated income statement in the year in which they are accrued, following a financial criterion.

A financial liability is written off when the corresponding obligation is liquidated, cancelled or matured.

l) Provisions

Existing obligations at the date of the consolidated balance sheet, arisen as a consequence of past events from which equity damages could arise for the Group, which amount and write-off timing are not determined, are registered in the consolidated statement of financial position as provisions at the current value of the most probable amount to be disbursed by the Group to cancel the obligation. Provisions are quantified taking into consideration the best information available at the date of elaboration of the consolidated annual accounts on the consequences of the causing event, and are re-estimated at each accounting closing.

If the money time effect is significant, provisions are determined through the discount of future expected cash outflows, using pre-tax interest rates and which reflect market estimates of the money time effect and, when appropriate, the liability's specific risks. When the Group uses the discount method, the increase of the provision derived from the passage of time is recognised as interest expense in the consolidated income statement.

At December 31, 2024 and 2023, provisions reflected on the consolidated balance sheets mostly correspond to the Parent Company and mainly cover certain risks derived from the development of its activity for third parties' claims.

m) Corporate Income Tax

Income Tax is calculated as the current tax payable with regard to tax results of the corresponding period, adjusted by the amount of variations during such year in deferred tax assets and liabilities. The tax expense is recognised on the consolidated income statement, except for those cases where it is related to items directly registered in other consolidated comprehensive income or equity, in which case the tax effect is also registered in other consolidated comprehensive income or equity.

Deferred tax assets and liabilities corresponding to existing temporary differences are registered at the date of the consolidated balance sheet, determined as per the liability method. Following this method, deferred tax assets and liabilities are calculated on the basis of existing temporary differences between the assets and liabilities' carrying values and their tax value.

The Group recognises a deferred tax liability for all taxable temporary differences except when:

- The deferred tax liability derives from the initial recognition of a goodwill or an asset or liability in a transaction that is not a business combination and that at transaction date, did not affect the accounting or tax results.
- Taxable temporary differences associated to investments in subsidiaries and associates, if the moment of reversal of temporary differences can be controlled by the Parent Company, and the temporary difference is not likely to reverse in a foreseeable future.

The Group recognises deferred tax assets for all deductible temporary differences, unused tax credits and tax losses carried forward not applied, in so far as tax benefits are likely to exist, against which the Group shall use the deductible temporary difference, the unused tax credit or tax losses carried forward, except when:

- The deferred tax asset related to the deductible temporary difference derived from the initial recognition of an asset or liability in a transaction that is not a business combination, and that, at the transaction date, did not affect accounting or tax results.

- Deductible temporary differences associated to investments in subsidiaries and associates, when temporary differences are not likely to reverse in a foreseeable future and there is no sufficient tax benefit available against which temporary differences can be applied.

The Group reviews the carrying value of deferred tax assets at each year-end closing, reducing them to the extent when it is no longer probable to count with sufficient tax benefits to allow the application of a portion or the entire deferred tax asset. Furthermore, the Group reviews at each year-end closing the unregistered deferred tax assets, and recognises them in so far as it is probable for the future tax benefit to allow the recovery of the deferred tax asset.

Deferred taxes assets and liabilities are valued at effective tax rates expected to be applicable on the year when assets are realised or liabilities are liquidated, based on tax rates (and tax legislation) approved or virtually approved at year-end closing.

By virtue of IAS 12, deferred tax assets and liabilities are not discounted, and are registered as non-current assets or liabilities, regardless of their reversal date.

The Parent Company is taxed, since 2005, in the Consolidated Income Tax Filing System, under number 321/18 (until 2017, it was taxed under number 214/05), heading the group made up together with the Subsidiaries Clínica Baviera Alicante, S.L. and Clínica Baviera UK, S.L. (former Castellana de Intermediación Sanitaria, S.L.), Clínica Baviera Zapateros, the latter since the financial year 2022, and its parent company Aier International (Europe) S.L.U. since the financial year 2018.

n) <u>Recognition of income and expenses</u>

Income and expenses are allocated on the basis of the accrual criterion, that is to say, when services are really rendered, regardless of the moment of the monetary or financial flow derived from them. Such service rendering is materialised when the operation is performed and, at this moment, the income is recognised.

Ordinary income is recognised at the moment of the gross entry of economic benefits originated from the Group's ordinary activities during the year, as long as such benefit inflow causes an increase in consolidated equity not related to contributions from equity's owners, and these benefits shall be reliably valued. Ordinary income is valued at the fair value of the consideration received or to be received, derived from them.

Given the activity developed by the Group, in some cases, contracts with clients may include more than one service. However, these services never constitute separate performance obligations, as defined in IFRS 15, as they are highly interrelated so that the Group could not comply with its commitment with the client transferring one of the services in an independent manner. For instance, surgery usually involves a number of check-ups in the days, weeks or months following the operation until the patient is finally discharged, which, as mentioned above, constitute a single performance obligation. In such cases, the Group recognises revenue in proportion to the resources or costs incurred at each stage, recording the difference between the amount invoiced and the amount for services not yet provided as advances from customers. This account is included under "Accruals' in current liabilities in the consolidated balance sheet.

o) <u>Post-employment benefits and others</u>

By virtue of the labour legislation in force, Group Companies are compelled to indemnifying their employees with whom, under certain conditions, labour relationships are terminated. The Group has registered a provision for an amount of 1,098 and 885 thousand Euros at December 31, 2024 and 2023, respectively, by virtue of Italian labour obligations.

As stipulated in the different collective bargaining agreements, the Group is compelled to satisfying certain bonuses to their employees if permanence requirements established on such agreements are met.

The Group classifies its pension commitments depending on their nature in defined contribution plans and defined benefit plans. Defined contribution refers to those plans where the Group commits to make predetermined contributions to a separate entity (such as an insurance entity or a pension plan), and provided that there is no legal, contractual or implicit obligation to make additional contributions if the separate entity could not meet the assumed commitments. Plans that are not defined contribution plans are considered defined benefit plans.

<u>Defined contribution plan</u>

Contributions made to the defined contribution plan are allocated to the consolidated income statement according to the accrual principle. At year-end closing, accrued contributions that have not been satisfied are registered in liabilities, in the caption “Trade and other accounts payable– Personnel (salaries payable)”.

<u>Defined benefit plan</u>

The Group recognises in the consolidated balance sheet the difference between the current value of committed remunerations and the fair value of assets related to the plan and the amount originating from costs for past services that have not yet been recognised. If an asset arises from this difference, its valuation cannot exceed the current value of the economic benefits that could return to the Group as direct reimbursements or as lower future contributions, plus, where applicable, the part to be allocated to results of costs for unrecognised past services.

All variations of these amounts are registered in the profit and loss account, except for the following:
- Actuarial profits and losses that are directly registered in consolidated equity, recognising them as reserves.
- The amount that cannot be registered as asset, as it exceeds the current value of the economic benefits that could return to the Group as reimbursements or lower future contributions, plus the part to be allocated to results of costs for past services, which are directly registered in reserves.

Costs for past services derived from the establishment of a new defined benefit plan or an improvement in the conditions of the existing plan are recognised as expense in the consolidated income statement as follows:
- Irrevocable rights are immediately registered.
- Revocable rights are linearly registered in the average period remaining until they become irrevocable, unless an asset arises, in which case they are immediately registered.

<u>Profit sharing and bonus plans.</u>

The Group recognises a liability and an expense as bonus and/or profit-sharing when it is contractually obliged or when past practice has created an implicit obligation.

p) Leases

The Group acts as lessee in contracts in clinics, offices or vehicles. In all these cases, the Group applies a single recognition and valuation model, except for those low-value assets or short-term leases.

i. Rights of use

The Group recognises the rights of use at the beginning of the lease, that is to say, the date when the underlying asset is available for use. Rights of use are valued at cost, less cumulative amortisation and impairment losses, and are adjusted for any change in the valuation of associated lease liabilities. The initial cost of rights of use includes the amount of recognised lease liabilities, initial direct costs, lease payments made before the date of beginning of the lease and dismantling expenses in the cases where the Group considers it likely to incur in them at the end of the contract. Incentives received are discounted from the initial cost.

In case of indication, rights of use are linearly amortised during the lease term, including extension options expected to be exercised by the lessee:

- Estates: 5 to 10 years
- Vehicles: 3 a 5 years

Rights of use are subject to impairment analysis. Some contracts may include dismantling or restoration obligations.

Rights of use are classified in the item of property, plant and equipment within the balance sheet.

ii. Lease liabilities

At the beginning of the lease, the Group recognises lease liabilities by the current value of lease payments that will be made during the term of the lease. Lease payments include fixed payments less lease incentives, variable payments that depend on an index or rate, and amounts expected to be paid for guarantees of residual value. Lease payments also include the price for exercising a call option if the Group has reasonable certainty that the option will be exercised and payments of penalties for terminating the lease, if the lease term reflects the Group's exercise of the option to terminate the lease. Variable lease payments that do not depend on an index or rate are recognised as expenses of the period when the event or condition that triggers the payment occurs.

When calculating that the current value of the lease payments, the Group uses the incremental interest rate at inception date of the lease if the interest rate implicit in the lease cannot be readily determined. After the inception date, the amount of lease liabilities is increased to reflect the accumulation of interest and reduced by lease payments made. In addition, the lease liability is remeasured if there is a modification, a change in the lease term, a change in the fixed lease payments in substance, or a change in the assessment of the option to purchase the underlying asset. The liability is also increased if there is a change in future lease payments resulting from a change in the index or rate used to determine those payments.

iii. Short-term leases and of low-value assets

The Group applies the exemption to recognise the short-term lease to all leases with a lease term of 12 months or less from the date of inception and which do not have a call option. The Group also applies the exemption to recognise low-value assets to leases of equipment and elements considered as low value. Lease payments in short-term leases and leases of low-value assets are linearly recognised as expenses in the consolidated income statement during the term of lease.

iv. Judgements applied when determining the term of lease of contracts with renewal options

The Group determines the lease term as the non-cancellable term of a lease, to which are added the optional periods for extending the lease, if it is reasonably certain that such option will be exercised. Periods covered by the option to terminate the lease are also included, if it is reasonably certain that such option will not be exercised.

The Group has the option, by virtue of some of its contracts, to lease the assets for additional terms from one to five years. The Group assesses whether it is reasonably certain to exercise the renewal option, i.e., the Group takes into consideration all pertinent factors that create an economic incentive to renew and also takes into account its own historical experience of assets of a similar nature. After inception date, the Group reassesses the lease term if there is a significant event or a change in the circumstances that is under its control and affects its ability to exercise the renewal option or not.

Additionally, Group has applied the following policies, estimates and criteria:

- The Group has opted for not registering separately the components that are not leases from those that are, for those classes of assets where the materiality of these components is not significant with regard to the total value of the lease.
- In those cases where the Group cannot readily estimate the implicit interest rate, the Group has applied the incremental borrowing rate for leases, which it calculates as the rate it would have to pay to borrow for a similar term, and with similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

q) Transactions with equity instruments-based payments

The Group will liquidate such plans through the delivery of stock in the Parent Company, and therefore the personnel cost is determined on the basis of the fair value of shares to be delivered, calculated at the concession agreement's date. The personnel cost is registered in the consolidated income statement in so far as services are rendered in the 3-year stipulated period. The fair value of options, established at the concession agreement's date, is not modified since initial recognition.

Options' fair value is determined by using options' valuation models and taking into account the option's price, the option's life, the price to exercise the stock, the expected volatility of the stock's price, and the risk-free interest rate for the option's life. Options' valuation models used for the different plans and assumptions employed are detailed on Note 22.

At each year-end closing, the Group reviews estimates on the number of options expected to be consolidated, as per irrevocability conditions not referred to the market, and the service's conditions. Where applicable, the effect of the review of initial estimates is recognised on the consolidated income statement, with the corresponding adjustment to consolidated equity.

When exercising options, the Parent Company issues new shares or delivers shares held on treasury stock by the Parent Company. Income received, after discounting directly attributable transaction costs, is credited on share capital (face value) and on share premium, or treasury stocks delivered are registered, with the consequent effects on consolidated equity.

r) Current and non-current

Credits and debts are classified as current when their maturity is equal or below one year, and as non-current, when maturity exceeds one year, counted from the date of the consolidated statement of financial position.

s) Related parties

Baviera Group considers that related parties are shareholders and/or partners of Group Companies, their Directors, key management personnel, and related persons indicated on NIC24.9. Transactions with related parties are performed under normal market conditions.

t) Grants, donations and legacies received

Non-refundable grants, donations and legacies are registered as income directly allocated to equity and are recognised in the consolidated income statement as income on a systematic and rational base in a correlated manner to expenses derived from the expense or investment subject to the grant. Refundable grants, donations and legacies are registered as the Group's liabilities until they acquire the non-refundable condition.

When subsidies are granted to finance specific expenses, they shall be recognised as income in the financial year in which the expenses they finance are incurred.

In the financial year 2024, the Group registered 98 thousand Euros for these concepts (75 thousand Euros in the financial year 2023).

u) Transactions in foreign currency

The conversion to Euros of balances in foreign currencies is made as follows:

Conversion to Euros of the financial statements of subsidiaries with functional currencies other than Euro.

Balances of the annual accounts of consolidated entities whose functional currency is other than Euro are translated to Euros as follows:
- Assets and liabilities, by applying exchange rates at the year-end closing.
- Income and expenses and cash flows, by applying average exchange rates of the year.
- Equity, at historical exchange rates.

Differences arisen in the conversion process are registered in the section of 'Exchange differences' of consolidated equity.

5. FINANCIAL INFORMATION PER SEGMENT

The Group develops the totality of its operating activities within a single segment: ophthalmology. However, due to the geographic dispersion of the clinics and the growth of certain areas, the Directors have identified two segments based on the geographic criterion: Spain and Rest of Europe.

The Group has identified the operating segments considering the following factors:

- Economic characteristics of the different regions.
- Providing users of the consolidated annual accounts with relevant financial information on the economic environments where it operates.
- The existence of separate operational management in the two identified geographic segments.
- Taking into account the components which operating results are regularly examined by the Parent Company's Board of Directors in order to allocate resources and assess their performance.

The following charts detail information of the consolidated income statement and the consolidated balance sheet in relation to the Group's operating segments for years ended December 31, 2024 and 2023, and based on reports elaborated by Management of the different Group Companies, expressed in Euros:

Geographic segments	Spain		Germany		Rest of Europe		Consolidated	
Financial years	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Turnover								
External customers	180,688,517	160,444,104	55,468,313	47,516,978	26,491,319	16,962,869	262,648,149	224,923,951
Between segments	-	-	-	-	-	-	-	-
Total turnover	**180,688,517**	**160,444,104**	**55,468,313**	**47,516,978**	**26,491,319**	**64,479,847**	**262,648,149**	**272,440,929**
Other operating income	420,485	254,608	130,490	44,189	34,093	160,470	585,068	459,267
Amortisations	(11,989,053)	(10,014,884)	(5,355,494)	(4,643,126)	(3,535,803)	(2,322,525)	(20,880,350)	(16,980,535)
Profit of the segment	47,560,451	39,668,521	11,520,969	9,762,163	(3,090,030)	222,356	55,991,390	49,653,040
Property, plant and equipment and other intangible assets	51,769,448	41,978,200	30,483,562	29,311,571	79,623,349	30,516,714	161,876,359	101,806,485
Operating assets	79,629,392	44,192,304	45,923,139	45,216,055	103,698,756	86,387,679	229,251,287	175,796,038
Operating liabilities	72,057,167	58,137,505	18,711,663	19,418,558	41,515,101	8,910,022	132,283,931	86,466,085

The detail of ordinary income of years ended December 31, 2024 and December 31, 2023 is the following:

Ophthalmology	2024	2023
Consultations	11,162,930	8,711,504
Interventions	237,456,285	202,755,948
Other	14,028,934	13,456,499
Total ordinary income	**262,648,149**	**224,923,951**

Ordinary income has mainly been obtained from individual customers. Approximately 16% of Ophthalmology income of the year ended December 31, 2024 has been obtained in agreements with insurance entities (approximately 20% ain the year ended December 31, 2023).

6. GOODWILL AND BUSINESS COMBINATIONS

On June 26, 2024, Clínica Baviera UK, S.L. acquired shares representing the totality of the share capital of Eye Hospital Group Limited and its subsidiaries, Eye Hospital Limited, Optimax Clinics Limited, Ultralase Eye Clinics Limited and Flowerbell Limited (Optimax Group) for an initial amount of 10,808 thousand Euros.

Part of the acquisition price is deferred, as stipulated in the purchase agreement, and will be determined on the basis of certain financial parameters of these companies in 2027, 2028 and 2029. The best estimate of the current value of expected disbursements necessary to cancel this obligation by the Group's Management amounts to a total of 4,642 thousand Euros. This amount includes 196 thousand Euros of financial expenses for the update of those liabilities at year-end closing.

Once costs directly attributable to the combination are included and taking into account the financial effect of the abovementioned deferred payment, the acquisition price amounts to 15,254 thousand Euros.

(Expressed in Euros)

Although the acquisition of 100% of the share capital of the Optimax group was completed on June 26, 2024, due to the proximity of the acquisition date of June 26 and the end of the first half of the year, on June30, in order to ensure proper alignment with applicable accounting and financial standards and to present consistent and accurate financial information to stakeholders, the Group decided to consolidate the assets and liabilities, as well as the results of the Optimax group, as of July 1, 2024.

Further, on August 3, 2024, 62.8% of Augenklinik Trier Petrisberg GmbH (subsequently, renamed Care Vision Trier GmbH) was acquired through Care Vision Germany GmbH, which effective consolidation date is on November 1, 2024.

The effects of the incorporation of these companies to the Group are summarised below:

Company	Takeover date	Business combination cost	Fair value of acquired assets and liabilities	Goodwill
Eye Hospital Group Limited (Optimax Group)	01/07/2024	15,253,920	1,561,979	13,691,941
Care Vision Trier GmbH	01/11/2024	16,956	16,956	-
		15,270,876	**1,578,935**	**13,691,941**

The detail of the fair value of assets acquired and liabilities assumed and contingent liabilities at the Optimax Group's acquisition date is detailed below:

	Carrying value of acquired assets and assumed liabilities	Adjustments at fair value	Fair value of acquired assets and assumed liabilities
Intangible assets (brand)	-	2,800,000	2,800,000
Property, plant and equipment	1,721,699	11,847,919	13,569,618
Financial investments	113,119	-	113,119
Inventories	561,916	-	561,916
Trade receivables	861,633	-	861,633
Accruals	750,151	-	750,151
ASSETS	**4,008,518**	**14,647,919**	**18,656,437**
Provisions	484,751	334,197	818,947
Financial debts	2,308,684	10,023,581	12,332,265
Deferred tax liabilities	-	372,535	372,535
Trade payables	3,272,324	-	3,272,324
Accruals	298,385	-	298,385
LIABILITIES	**6,364,145**	**10,730,313**	**17,094,458**
Net	**(2,355,627)**	**3,917,606**	**1,561,979**

Since the business has been acquired on July 1, 2024, the amount of the group's turnover has increased in 6,896 thousand Euros as a consequence of the abovementioned business combination and net results (losses) of the year have decreased in (3,199) thousand Euros. If the acquisition had taken place on January 1, 2024, the contributed turnover would have amounted to 14,288 thousand Euros, and contributed net results (losses) would have been of (6,458) thousand Euros.

(Expressed in Euros)

The Group has a 12-month period to allocate the definitive value of acquired assets and assumed liabilities in these business combinations, in compliance with the international standard IFRS 3 (business combinations).

The following table presents the detail and variation of goodwill for the different cash generating units or groups of units to which it is assigned:

Company	31/12/2023	Additions	Write-offs	31/12/2024
Care Vision Germany, GbmH	12,351,710	-	-	12,351,710
Clínica Baviera Zapateros, S.L.	432,863	-	-	432,863
Clínica Baviera San Sebastián, S.L.	673,595	-	-	673,595
Clinica Torre Eva S.r.L.	1,157,670	-	-	1,157,670
Eye Hospital Group Limited (Optimax Group)	-	13,691,941	-	13,691,941
Total	**14,615,838**	**13,691,941**	**-**	**28,307,779**

In the financial year 2023, there were no variations of goodwill.

<u>Goodwill's impairment test</u>

The Group carries out annual impairment tests, comparing the recoverable value of the Cash Generating Unit (CGU) where goodwill is assigned with the carrying value such Cash Generating Unit. In all cases, these calculations are based on projections of cash flows generated by the Cash Generating Units derived from current operating results and existing business plans, which cover a 5-year period. Forecasts correspond to historical experience and results, macroeconomic indicators, investment plans and best estimates available on the Group's future income and results as well as other factors that are understood as reasonable in the circumstances.

Management reviews the business performance on the basis of geographical (Spain, Germany, Italy and United Kingdom), except for clinics where there are minority shareholders that represent a CGU by themselves.

According to estimates and projections available for the Parent Company's management, forecasts for cash flows attributable to the different Cash Generating Units or groups of units on which goodwill has been allocated allows the Group to recover the value of goodwill registered at December 31, 2024 and 2023.

<u>Main assumptions used in the changes of value in use</u>

In order to calculate the value in use of the different Cash Generating Units, the following assumptions are used:

- EBITDA
- Discount rates
- Market share during the budgeted period
- Growing rates used to extrapolate cash flows beyond the budgeted period

EBITDA: they are based on historical values as well as on expected increases for efficiency improvements.

Discount rates: the market's weighted average capital cost (WACC) has been taken, considering specific risks, the sector of activity and the time value of money.

Market share during the projected period: the Parent Company's management assesses the foreseeable evolution of the Cash Generating Unit on a case-by-case basis with regard to competitors, transferring conclusions to cash flows estimates.

(Expressed in Euros)

Growing rates used to extrapolate cash flows beyond the projected period: taking as market reference. The Group has estimated, in 2024, nil growth to extrapolate cash flows beyond the five-year period.

In order to calculate the value in use for each CGU, key assumptions used are the following:

2024	Germany	Spain (Albacete)	Spain (San Sebastián)	Italy (Venice)	UK
Sales 2028 (% growth rate 2024)	50%	18%	18%	38%	199%
EBITDA 2028 (% growth rate 2024)	56%	49%	38%	39%	-
Long-term growth rate	0%	0%	0%	0%	0%
Discount rate	6%	7%	7%	7%	9%

2023	Germany	Spain (Albacete)	Spain (San Sebastián)	Italy (Venice)
Sales 2027 (% growth rate 2023)	46%	17%	16%	30%
EBITDA 2027 (% growth rate 2023)	50%	75%	52%	87%
Long-term growth rate	0%	0%	0%	0%
Discount rate	5%	6%	6%	7%

During 2024, discount rates have been adjusted to the specific risks of each CGU generating flows.

The Parent Company’s Management considers that there is no goodwill impairment at 2024 and 2023 closings, and therefore no value correction has been made during those financial years.

Analysis of sensitivity of changes in key premises

The Parent Company’s Management performs a sensitivity analysis, particularly in relation to the discount rate used and the residual perpetual growth rate, in order to ensure that possible changes in the estimate of such rates do not influence the recovery of the abovementioned values.

With regard to the determination of the value in use of the Cash Generating Units of Care Vision Germany GmbH, Clínica Baviera Zapateros, Clínica Baviera San Sebastián and Clinica Torre Eva S.r.L, management considers that no reasonably possible change in any of the key assumptions above would imply for the carrying value of the CGUs to substantially exceed their recoverable values.

(Expressed in Euros)

7. OTHER INTANGIBLE ASSETS

The composition of Group's other intangible assets at December 31, 2024 and December 31, 2023 and of their corresponding amortisations, together with the variation during the year is the following:

31/12/2024	Opening balance	Additions	Business combinations	Closing balance
Computer software	4,414,308	3,043,918	-	7,458,226
Other intangible assets	141,414	1,082,102	2,800,000	4,023,516
Computer software in progress	-	-	-	-
COST	**4,555,722**	**4,126,020**	**2,800,000**	**11,481,742**
Computer software	(1,708,611)	(901,595)	-	(2,610,206)
Other intangible assets	(100,272)	(40,104)	-	(140,376)
AMORTISATION	**(1,808,883)**	**(941,699)**	**-**	**(2,750,582)**
NET BOOK VALUE	**2,746,839**			**8,731,160**

31/12/2023	Opening balance	Additions	Write-offs	Closing balance
Computer software	1,598,093	2,828,063	(11,848)	4,414,308
Other intangible assets	141,414	-	-	141,414
Computer software in progress	(0)	-	-	(0)
COST	**1,739,507**	**2,828,063**	**(11,848)**	**4,555,722**
Computer software	(1,197,999)	(522,461)	11,848	(1,708,611)
Other intangible assets	(80,420)	(19,851)	-	(100,272)
AMORTISATION	**(1,278,419)**	**(542,312)**	**11,848**	**(1,808,883)**
NET BOOK VALUE	**461,088**			**2,746,839**

En the financial year 2024, within the group's digitalisation plan, an amount of 3,024,554 Euros (2,141,122 Euros in the 2023) have been activated, corresponding to internal developments registered in caption "Computer software", once they have started to be used.

At December 31, 2024, there are fully amortised elements in use for an amount of 1,342,330 Euros (1,383,272 Euros at December 31, 2023).

There are no commitments for the acquisition of other intangible assets.

The Parent Company's Management considers that there is no indication of impairment of intangible assets at 2024 and 2023 closings, and therefore no value correction has been made during those financial years.

(Expressed in Euros)

8. PROPERTY, PLANT AND EQUIPMENT

The composition of the property, plant and equipment of the Group at December 31, 2024 and 2023 and its corresponding amortisations, are the following:

31/12/2024	Opening balance	Additions	Transfers	Business combinations	Write-offs	Closing balance
Lands and constructions	107,326,667	15,374,668		11,847,919	(12,884,915)	121,664,338
Installations and machinery	102,902,940	17,089,060	6,370,032	1,721,699	(6,080,070)	122,003,662
Other installations, tools and furniture	10,825,499	2,723,939			(1,084,456)	12,464,982
Other fixed assets	6,723,603	1,618,437			(468,373)	7,873,667
Fixed assets in progress	6,370,032	381,753	(6,370,032)		-	381,753
COST	**234,148,741**	**37,187,857**	**-**	**13,569,618**	**(20,517,814)**	**264,388,401**
Constructions	(60,777,714)	(9,481,249)			7,644,321	(62,614,642)
Installations and machinery	(62,977,518)	(8,475,326)			4,945,629	(66,507,215)
Other installations, tools and furniture	(6,460,068)	(811,675)			335,704	(6,936,039)
Other fixed assets	(4,873,795)	(1,170,401)			375,328	(5,668,868)
AMORTISATION	**(135,089,095)**	**(19,938,651)**	**-**	**-**	**13,300,982**	**(141,726,764)**
NET BOOK VALUE	**99,059,646**					**122,661,637**

31/12/2023	Opening balance	Additions	Transfers	Write-offs	Closing balance
Lands and constructions	98,871,631	12,499,404		(4,044,368)	107,326,667
Installations and machinery	91,417,867	17,227,982	3,937,507	(9,680,415)	102,902,940
Other installations, tools and furniture	9,200,157	2,450,760	-	(825,418)	10,825,499
Other fixed assets	5,928,130	1,070,077	-	(274,604)	6,723,603
Fixed assets in progress	5,000,078	5,307,461	(3,937,507)	-	6,370,032
COST	**210,417,862**	**38,555,684**	**-**	**(14,824,805)**	**234,148,741**
Constructions	(54,815,575)	(8,237,337)	-	2,275,198	(60,777,714)
Installations and machinery	(59,160,326)	(6,673,471)	-	2,856,279	(62,977,518)
Other installations, tools and furniture	(6,167,440)	(621,338)	-	328,710	(6,460,068)
Other fixed assets	(4,195,232)	(1,029,495)		350,932	(4,873,795)
AMORTISATION	**(124,338,573)**	**(16,561,641)**	**-**	**5,811,119**	**(135,089,095)**
NET BOOK VALUE	**86,079,289**				**99,059,646**

Additions in 2024 and 2023 and entries for business combinations in lands and constructions correspond to rights of use of estates, for which more information is provided in the Note 28, as well as the acquisition on February 2024 of installations of the Venice clinic, for an amount of 2,272 thousand Euros. Additions of other captions mainly correspond to the acquisition and renewal of equipment and installations for clinics.

At 2024 and 2023 closings, fixed assets in progress include works of the different clinics that will open during the financial years 2025 and 2024, respectively, in countries where the Group is present.

During the financial year 2024, fully amortised elements have been written off, for an amount of 5,512,586 thousand Euros (3,536 thousand Euros in 2023). The impact recognised in the consolidated income statement of elements written off that were not fully amortised, as well as for the cancelation of certain rights of use on estates, has generated profits of 27 thousand Euros (losses of 27 thousand Euros at 2023 closing).

(Expressed in Euros)

At December 31, 2024, there are fully amortised elements in use for an amount of 48,857,331 Euros (46,316,552 Euros at December 31, 2023).

At December 31, 2024 and 2023, there are no mortgaged, pledged or collateralised properties.

The Group's policy is to contract the insurance policies deemed necessary to cover possible risks that may affect elements of property, plant and equipment.

In 2024 and 2023, the Group has not subscribed commitments to acquire under lease, with call option, medical equipment. The Group does not hold acquisition commitments for fixed assets under ownership.

At December 31, 2024 and 2023, the Group has not held assets under financial lease.

The Parent Company's Management considers that there are no indications of impairment of elements of property, plant and equipment at 2024 and 2023 closings, and therefore no value correction has been made during those financial years.

9. PROPERTY INVESTMENTS

At December 31, 2024 and 2023, the Group does not have assets classified as property investment, since all estates owned by the group are affected to operating activities.

10. FINANCIAL ASSETS

The classification of financial assets is the following:

<u>31/12/2024:</u>

Non current	Measured at amortised cost	At fair value through other comprehensive income (Note 31)	Total
Financial assets	98,279		**98,279**
Trade and other accounts receivable	2,236,247	-	**2,236,247**
Cash and cash equivalents	-	-	**-**
Total	**2,334,526**	**-**	**2,334,526**

(Expressed in Euros)

Current	Measured at amortised cost	At fair value through other comprehensive income (Note 31)	Total
Financial assets	846,891	27,590,861	**28,437,752**
Trade and other accounts receivable	5,366,893	-	**5,366,893**
Cash and cash equivalents	10,141,037	-	**10,141,037**
Total	**16,354,821**	**27,590,861**	**43,945,682**

31/12/2023:

Non current	Measured at amortised cost	At fair value through other comprehensive income (Note 31)	Total
Financial assets	934,590	-	**934,590**
Trade and other accounts receivable	2,047,890	-	**2,047,890**
Cash and cash equivalents	-	-	**-**
Total	**2,982,480**	**-**	**2,982,480**

Current	Measured at amortised cost	At fair value through other comprehensive income (Note 31)	Total
Financial assets	1,475,491	41,458,783	**42,934,274**
Trade and other accounts receivable	3,478,931	-	**3,478,931**
Cash and cash equivalents	8,306,482	-	**8,306,482**
Total	**13,260,904**	**41,458,783**	**54,719,687**

The detail of variations in 2024 and 2023 of the captions of current and non-current financial assets of the balance sheet are the following:

	31/12/2024	31/12/2023
Opening balance	45,916,754	23,023,054
Cash inflows	(45,726,492)	63,649,306
Cash outflows	30,583,766	(40,755,606)
Closing balance	**30,774,028**	**45,916,754**

The category “Trade and other accounts receivable” includes an amount of 5,365,143 Euros, 3,478,931 Euros in the previous year, classified as current, with the following detail:

Current	31/12/2024	31/12/2023
Trade and other accounts receivable	4,216,587	3,013,226
Other current assets	1,150,306	465,705
Total	**5,366,893**	**3,478,931**

The detail of the “Trade and other accounts receivable” is included in Note 12. Item “Other current assets” mainly includes accruals.

“Trade and other accounts receivable” registered as non-current include: 2,236,247 Euros (2023: 2,047,890 Euros) classified as non-current financial assets which detail at December 31, 2024 and 2023 is the following:

Non-current	31/12/2024	31/12/2023
Loans and accounts receivable	137,500	167,500
Long-term deposits	2,098,747	1,880,390
Total	**2,236,247**	**2,047,890**

Sureties correspond to amounts established in lease contracts of premises where Group Companies carry out their activity. These assets do not accrue interests and are recognised at the effectively delivered amount. The difference with regard to their amortised cost is estimated as not significant for the consolidated annual accounts as a whole.

The detail and variation of Financial assets at fair value through other comprehensive income is the following:

	31/12/2024	31/12/2023
Opening balance	**41,458,783**	**19,288,222**
Additions	11,495,037	30,036,531
Write-offs	(25,430,897)	(8,945,860)
Variation in the fair value of financial assets	67,939	1,079,890
Closing balance	**27,590,861**	**41,458,783**
Less: Non-current portion	-	-
Current portion	**27,590,861**	**41,458,783**

Financial assets at fair value through other comprehensive income mainly include investments in diversified securities portfolios subject to official listing and denominated in Euros. Additions in 2024 and 2023 are due to the cash surplus generated during the financial year by the own activity.

Write-offs have generated profits of 1,219 and 67 thousand Euros in 2024 and 2023, respectively.

The detail and variation of Financial assets at amortised cost is the following:

	31/12/2024	31/12/2023
Opening balance	**2,410,081**	**1,749,009**
Additions	-	1,701,012
Write-offs	(1,484,675)	(1,088,592)
Update amortised cost	19,764	48,652
Closing balance	**945,170**	**2,410,081**
Less: current portion	98,279	934,590
Non-current portion	**846,891**	**1,475,491**

Additions of the financial year 2023 correspond to fixed-income securities issued by public entities and private companies at a discount with low credit risk..

(Expressed in Euros)

11. INVENTORIES

Inventories mainly include intraocular lenses, pharmaceutical products and surgical consumables.

There are no impairment value corrections in 2024 and 2023.

12. TRADE AND OTHER ACCOUNTS RECEIVABLE

The detail of this caption of the consolidated balance sheet at December 31, 2024 and 2023 is the following:

	31/12/2024	31/12/2023
Trade receivables	4,419,138	3,280,267
Impairment corrections	(400,238)	(328,429)
	4,018,900	2,951,838
Other receivables	197,687	61,388
Total	**4,216,587**	**3,013,226**

Accounts receivable do not accrue interests. The average collection period of operating customers is of 4 days in 2024 and 2023.

The variation of the impairment correction during the year ended December 31, 2024 and the 31 December 31, 2023 is the following:

	31/12/2024	31/12/2023
Opening balance	(328,429)	(362,363)
Allocations (reversals) of the year	(88,103)	16,086
Write-offs of the consolidation perimeter	-	-
Applications	16,294	17,848
Closing balance	**(400,238)**	**(328,429)**

At December 31, 2024 and 2023, the average ageing of accounts receivable which mostly correspond to insurers, is below 2 months.

13. CASH AND CASH EQUIVALENTS

These financial assets correspond to highly liquid assets, mainly current accounts.

There are no restrictions to the availability of these balances.

14. EQUITY AND EARNINGS PER SHARE

The detail and variations of equity are shown in the Consolidated statement of changes in equity.

a) Share capital

The Parent Company's Share Capital at August 31, 2024 and 2023 amounts to one million six hundred and thirty thousand seven hundred and fifty-eight Euros (1,630,758 Euros), divided into 16,307,580 ordinary shares of a face value of 10 cents of Euros each, fully subscribed and paid in, with the same rights and obligations. The totality of shares is represented by book entries and is admitted to listing in the Stock Exchanges of Madrid, Barcelona, Valencia and Bilbao.

(Expressed in Euros)

At December 31, 2024 and 2023, Companies with a shareholding in the Parent Company's capital equal or above 10% were the following:

	Percentage	
	31/12/2024	**31/12/2023**
Aier Eye International (Europe) S.L.U.	78.23%	79.83%
Vito Gestión Patrimonial, S.L.	9.8%	10%

On May 24, 2024, as a consequence of the related operation consisting of the direct share acquisition by the Parent Company from majority shareholders (Note 24) and related to the Share Buyback Programme (see e) treasury shares), the shareholding percentage and effective control held by the majority shareholder decreased by 1.6%, amounting to 78.23% at December 31, 2024.

The main objectives of the capital management of the Baviera Group are to ensure the financial stability at the short and long terms, the positive evolution of shares of Clínica Baviera, S.A., the appropriate financing of investments and the reduction of the levels of indebtedness of the Baviera Group. Leverage ratios, calculated as (Net financial debt / (Net financial debt + Equity) at December 31, 2024 and 2023 are the following:

	31/12/2024	**31/12/2023**
Net financial position **	30,531,660	47,247,176
Equity		
attributable to the Parent Company	96,920,019	90,996,308
attributable to the non-controlling investments	1,440,233	1,279,163
Leverage	-24%	-34%

** Net financial position: Cash and current financial investments less loans accruing explicit interests

b) Share premium

The share premium balance is mainly originated from the successive increases of the Parent Company's share capital, as well as from merger processes in 1999. The Consolidated Text of the Corporate Enterprises Act expressly allows the use of the share premium balance to increase capital, being freely disposable.

c) Reserves

Legal reserve

In agreement with the legislation in force, 10% of annual profits must be applied to the legal reserve, until it reaches 20% of the share capital. This reserve shall not be distributed, except in case of liquidation, but shall be used to offset losses, as long as there are no other available reserves for such purpose, or to increase share capital in the portion exceeding 10% of the extended capital. At December 31, 2024 and 2023, the amount of the Group's legal reserve was of 326,152 Euros fully corresponding to the Parent Company.

Capitalisation reserve

By virtue of article 25 of Law 27/2014, of 27 November, on the Corporate Income Tax, and in compliance with applicable legal provisions, it is agreed to allocate an amount of 1,800,000 Euros to the capitalisation reserve.

This reserve shall be unavailable and may not be distributed among shareholders during the period determined by current legislation. Any modification of this reserve and its availability shall be subject to the conditions and legal procedures established in applicable regulations.

As part of the Parent Company's voluntary reserves, 11,943,834 Euros corresponding to the 2020 results of Clínica Baviera, S.A. are recorded, which were not distributed as dividends in accordance with article 5 of Royal Decree-Law 18/2020 of 12 May, as well as its respective extensions.

(Expressed in Euros)

The detail and variation of reserves during the financial years 2024 and 2023 is the following:

	Balance at 31/12/2022	Distribution 2022 results	Other variations	Balance at 31/12/2023	Distribution 2023 results	Other variations	Balance at 31/12/2024
Parent Company							
Legal reserve	326,152	-	-	326,152	-	-	326,152
Voluntary reserves	35,274,796	5,445,501	(42,077)	40,678,220	3,309,779	110,120	44,098,119
Consolidated Companies	3,842,689	2,879,218		6,721,907	7,575,731	(457,927)	13,839,711
TOTAL	**39,443,637**	**8,324,719**	(42,077)	**47,726,279**	10,885,510	(347,807)	**58,263,982**

d) <u>Dividends</u>

	31/12/2024	31/12/2023
Dividends of actions ordinary shares:		
Dividend distributed charged to results	25.085.418	13.042.245
Total dividend	**25.085.418**	**13.042.245**
Number of shares	**16.307.580**	**16.307.580**
Ordinary dividend per share*	1,54	0,80
Total dividend per share	**1,54**	**0,80**

*Excluding the number of treasury shares at the moment of distributing the dividend, the gross amount effectively collected per share n circulation is of 1.57 Euros.

The Directors, in meeting held on March 28, 2025, have proposed distributing a dividend charged to results of the financial year 2024 for an amount of 1.57 Euros per share.

On June 27, 2024, the General Shareholders' Meeting of the Parent Company approved the distribution of a dividend charged to results of the financial year 2023 for an amount of 1.57 Euros per share.

Limitations for the distribution of dividends

The Parent Company's reserves, except for the legal reserve, are freely available, as well as the profit/(loss) for the period, being however subject to the following limitations for their distribution:

- Profits shall not be distributed unless the amount of the Parent Company's available reserves is at least equal to the amount of research and development expenses included on assets of the consolidated balance sheet. At December 31, 2024 and 2023, there are no research and development expenses to be amortised.
- The Parent Company is compelled to apply 10% of profits from the year to constitute the legal reserve, until it reaches at least 20% of the share capital. This reserve, as long as it does not exceed the limit of 20% of the share capital, cannot be distributed to shareholders.
- Once limits foreseen by Law or by the bylaws have been complied with, dividends charged to profits for the year or freely-disposable reserves shall only be distributed when the value of equity it not or, as a consequence of the distribution, does not result below share capital.
- For these purposes, profits directly allocated to equity shall not be distributed, directly or indirectly. If there were losses from previous years as a consequence of which this value of the Parent Company's equity was below the figure of share capital, profits will be applied to offset such losses.

(Expressed in Euros)

e) Treasury shares

The General Ordinary Shareholders' Meeting held on June 27, 2024, agreed to authorise and empower the Parent Company's Board of Directors for the Parent Company, directly or through any of its subsidiaries, to acquire shares on the Parent Company under the following conditions:

1. Acquisition modalities: purchase and sale of shares in the Parent Company deemed convenient by the Parent Company's Board of Directors within limits established in the following sections.
2. Maximum number of shares to be acquired: representative shares, summed to shares already owned, of up to 10% of the share capital.
3. Minimum and maximum acquisition price: the acquisition price will not be below the shares' face value nor above in more than one hundred and twenty per cent (120%) the listing price of the business day for listing purposes prior to the acquisition.
4. Length of the authorisation: five years, from the adoption of the present agreement.

The Ordinary General Shareholders' Meeting held on June 27, 2024 also approved the proposal of the Board of Directors of Clínica Baviera on May 24, 2024, following a favourable report from the Audit Committee, to enter into two purchase agreements to acquire a total of 293,000 shares of the parent company, approximately 1.7972% of its share capital, to be formalised between the Company, as "Buyer", and Aier Eye International Europe, S.L.U., as "Seller".

Likewise, in order to ensure fair treatment of shareholders other than the Sellers, the Parent Company's Board of Directors agreed to approve the establishment of a Share Buyback Programme for a maximum number of 33,065 shares of the Company, representing approximately 0.2028% of the share capital which, added to the 1.7972% to be obtained through the above transaction, will allow the 2% treasury share level to be reached.

The purpose of these operations was for the Parent Company to purchase a number of treasury shares that would enable the Company to meet its obligations to deliver treasury shares arising from certain share incentive plans for executives and a plan for remuneration in kind in shares for all group employees, which the Parent Company's Board of Directors approved on the same date.

The variation of the caption of treasury shares during the financial years 2024 and 2023 has been the following:

	31/12/2024		31/12/2023	
	Number treasury shares	Euros	Number treasury shares	Euros
At beginning of the financial year	5,207	109,914	5,196	93,678
Increases/purchases	358,840	10,115,193	37,732	728,333
Decreases	(49,732)	(1,088,355)	(37,721)	(712,097)
At closing of the financial year	314,315	9,136,752	5,207	109,914

During the financial year 2024, the Parent Company has acquired 358,840 treasury shares (2023: 37,732 actions) valued in 10,115,193 Euros (2023: 728,333 Euros).

Of the 358,840 shares acquired during the year, 293,087 were acquired from the majority shareholders for a price of 29.10 Euros per share (Note 24) and 33,065 were acquired directly in the market, within the abovementioned Share Buyback Programme during the months from May to July, for an average amount of 28.38 Euros per share.

(Expressed in Euros)

The number and valuation of treasury shares held by the Parent Company are the following:

	31/12/2024	31/12/2023
Number of treasury shares	314,315	5,207
Valuation	9,136,752	109,914
% of subscribed capital	1.93%	0.03%

f) Earnings per share

Basic earnings per share are calculated by dividing net profits/(losses) of the year attributable to the Parent Company's ordinary shareholders by the average weighted number of ordinary shares in circulation during the year, excluding the average weighted number of treasury stock held throughout the year.

Diluted earnings per share are calculated by dividing net profits attributable to the Parent Company's ordinary shareholders by the average weighted number of ordinary shares in circulation during the year plus the average weighted number of ordinary shares which would be issued in the conversion of all potentially dilutive instruments.

The following chart reflects earnings and information on the number of shares used to calculate basic and diluted earnings per share:

Calculation of basic earnings

	2024	2023
Earnings attributable to the Parent Company's ordinary shareholders		
For continuing operations	40,205,076	35,970,928
Earnings attributable to the Parent Company's ordinary shareholders for basic and diluted earnings	**40,205,076**	**35,970,928**
Weighted average number of ordinary shares	**16,001,440**	**16,303,008**
Earnings per share	**2.51**	**2.21**

In relation to the calculation of earnings per share, there have not been transactions on ordinary shares or potentially ordinary shares, between the consolidated accounts' closing date and their date elaboration, that have not been considered on such calculations for the financial years 2024 and 2023.

(Expressed in Euros)

15. PROVISIONS

The variation of provisions at December 31, 2024 and at December 31, 2023 is the following:

31/12/2024	Opening balance	Additions	Business combinations	Write-offs / Applications	Closing balance
Non-current provisions					
Provisions for other liabilities	2,886,487	866,700	484,751	(298,589)	3,939,349
Provisions for long-term remunerations (Note 28)	91,973			129	92,102
Provisions for dismantling	948,889	7,035	334,197	(122,450)	1,167,671
	3,927,349	873,735	818,947	(420,910)	5,199,121
Current provisions					
Provisions for other liabilities	343,338			(75,560)	267,778
Total	**4,270,687**	**873,735**	**818,947**	**(496,470)**	**5,466,899**

31/12/2023	Opening balance	Additions	Write-offs / Applications	Closing balance
Non-current provisions				
Provisions for other liabilities	1,528,263	1,643,573	(285,349)	2,886,487
Provisions for long-term remunerations		91,973		91,973
Provisions for dismantling (Note 28)	936,000	40,699	(27,810)	948,889
	2,464,263	1,776,245	(313,159)	3,927,349
Current provisions				
Provisions for other liabilities	1,068,652	163,354	(888,668)	343,338
Total	**3,532,915**	**1,939,599**	**(1,201,827)**	**4,270,687**

During the financial year 2024, 866,700 Euros have been registered (1,806,927 Euros in 2023), covering risks derived from the Group's activity.

In relation to applications, for an amount of 888,668 Euros, on May 12, 2023 the Group received notice of the Resolution of May 11, 2023 of the Deputy Director General of Planning and Appeals of the General Treasury of the Social Security, rejecting the arguments presented by the Group against the settlement statements.

In response to this resolution, the Parent Company filed an appeal, which was dismissed on January 22, 2024. Subsequently, on March 8, 2024, the Parent Company filed an administrative appeal before the Contentious-Administrative Court of the High Court of Justice of Madrid, which was dismissed on December 16, 2024. In response to this dismissal, on January 16, 2025, the Parent Company filed an appeal before the National High Court, which is pending resolution.

However, on May 19, 2023, the Group proceeded to pay court costs that had not been paid for the period between March and June 2020 and the corresponding surcharge for failure to pay within the statutory period, amounting to 741 thousand and 148 thousand Euros, respectively.

At the date of preparation of these consolidated financial statements, the Group is not aware of any additional unrecorded litigation that could have a significant effect on consolidated equity at December 31, 2024.

(Expressed in Euros)

16. LOANS AND BANK CREDITS

Loans and bank credits present the following detail:

31/12/2024		31/12/2023	
Current	Non-current	Current	Non-current
1,913,739	5,288,249	2,015,067	503,022

The detail of variations in 2024 and 2023 is the following:

	31/12/2024	31/12/2023
Opening balance	2,518,089	4,522,411
Entradas of cash flows	7,200,000	-
Salidas of cash flows	(2,516,101)	(2,004,322)
Closing balance	**7,201,988**	**2,518,089**

The detail of loans and bank credits per maturities is the following:

Years	31/12/2024	31/12/2023
2024	-	2,015,067
2025	1,913,739	503,022
2026	1,427,709	-
2027	1,447,579	-
2028	1,468,259	-
2029	944,701	
Total	**7,201,988**	**2,518,089**

When they are relevant, the Group recognises formalisation expenses in long-term debt, mainly derived from existing loans which have been valued at amortised cost at closing date, taking into account an effective interest rate based on each loan's conditions, there not being any registered amount for this concept at December 31, 2024 and 2023.

The Group manages this risk through the analysis of the estimated evolution of market rates and the debt's structure. All loans have been contracted with entities of recognised standing.

At December 31, 2024 and 2023, financial expenses accrued and unpaid amount to 0 Euros. Expenses for interests accrued during the financial year 2024 have amounted to 104,784 Euros (15,514 Euros in the financial year 2023).

The Group is subject to the interest rate risk, mainly due to the variation of financial costs for the debt referred to variable rate, as a consequence of variations in interest rates. The structure of the Group's debt is the following:

	31/12/2024	31/12/2023
Variable interest rate	6,696,866	-
Fixed interest rate	505,122	2,518,089
Total	**7,201,988**	**2,518,089**

The average nominal interest accrued in the financial years 2024 and 2023 has been of 3.6% and 0.47%, respectively, approximately. Such financing contracts do not include covenants or financial obligations to be applied.

(Expressed in Euros)

17. OTHER NON-CURRENT FINANCIAL LIABILITIES

The detail of the balance at December 31, 2024 and 2023 is the following:

	31/12/2024	31/12/2023
Lease liabilities	44,815,814	36,112,735
Debts for acquisitions	4,641,503	-
Other non-current debts	2,034,652	44,380
Total	**51,491,969**	**36,157,115**

Most non-current financial liabilities include debts for leases in application of the IFRS 16 (Note 28).

The amount of debts for acquisitions corresponds to the deferred payment for the acquisition of shares indicated in Note 6 of Eye Hospital Group Limited. This amount has been calculated based on certain financial parameters of the acquired companies for financial years 2027, 2028 and 2029, in accordance with the best estimate of the current value by the Group Management. This amount includes 196 thousand Euros of financial expenses for updating those liabilities at year-end closing.

Other non-current debts include a debt of the Optimax Group with the former sole shareholder, for an amount of 2,018 thousand Euros, due on June 2027, and which accrues interests of 5%. Financial expenses accrued during the financial year have amounted to 51 thousand Euros.

This debt, as well as the abovementioned deferred payment, are listed as collateral for the seller’s representations and possible contingencies.

18. TRADE AND OTHER ACCOUNTS PAYABLE

This caption mainly includes debts derived from the acquisition of goods and services, including those contracted with collaborating doctors (Note 26.d). These debts do no accrue interests and, in general, are due within 33 days (35 days in 2023).

19. OTHER CURRENT FINANCIAL LIABILITIES

The detail of this caption of the consolidated balance sheet is the following:

	31/12/2024	31/12/2023
Debts for leases	9,316,451	8,639,708
Debts for acquisitions	100,000	100,000
Salaries payable	10,357,333	8,688,760
Other current financial liabilities	940,789	532,886
Total	**20,714,572**	**17,961,354**

Most part of current financial liabilities include debts for leases in application of IFRS 16 (Note 28).

At December 31, 2024 and 2023, debts for acquisitions fully correspond to the purchase of San Sebastián.

Salaries payable mostly correspond to the bonus accrued during the financial year 2024 that will be paid in the first months of 2025, as well as to the variable remuneration accrued and not yet paid to doctors.

(Expressed in Euros)

20. TAX POSITION

a) The detail of balances related to the Corporate Income Tax and other balances with Public Entities at 2024 and 2023 closings is the following:

	31/12/2024		31/12/2023	
	Accounts receivable	**Accounts payable**	**Accounts receivable**	**Accounts payable**
Non-current				
Deferred Income Tax	1,877,500	913,982	1,403,624	513,752
Current				
Current Corporate Income Tax	153,263	3,606,657	-	3,484,222
Other balances with Public Administrations				
Social Security	-	1,215,578	-	1,072,936
Personal Income Tax withholdings	-	2,582,352	-	2,446,082
VAT receivable/payable		335,390	-	352,869
Other concepts receivable/payable	341,772		548,348	
	341,772	4,133,320	548,348	3,871,887

b) The Parent Group is taxed since 2005 in the Consolidated Income Tax Filing System, under number 321/18 (until 2017, it was taxed under number 214/05), heading the group together with the Subsidiaries Clínica Baviera Alicante, S.L. and Castellana de Intermediación Sanitaria, S.L., Clínica Baviera Zapateros, the latter since the financial year 2022 and its parent Aier International (Europe) S.L.U. since 2018.

The Group's Spanish Companies hold open to inspection the four last years for all applicable taxes (five years in the case of the Corporate Income Tax), from their filing date. Foreign Companies hold open to inspection all taxes as per their legislation, ten years in the case of Germany, five years in Italy and six in the United Kingdom.

By virtue of the tax legislation in force, returns for the different taxes will not be considered as definitive until their inspection by tax authorities or after the statute-barred period is completed.

On September 2022, the permanent establishment in Austria of the subsidiary Care Vision received a favourable communication on the inspection of the Corporate Income Tax of years 2012 to 2014, resulting in a refund for an amount of 226 thousand Euros as lower charge and 15 thousand Euros as delay interests. These amounts are registered as lower corporate income tax expense and financial income, respectively, in the accompanying consolidated income statement of the financial year 2023.

On May 17, 2024, the subsidiary Care Vision GmBH was notified of the start of an inspection in relation to the following financial years and taxes:

Value Added Tax of years 2019 to 2021, both included
Corporate Income Tax of years 2019 to 2021, both included
Tax on Economic Activities of 2019 to 2021, both included

At the date of elaboration of these consolidated annual accounts, the inspection has been provided with all information related to these years and taxes, and the inspection is analysing it.

In application of article 20 of the Value Added Tax Law, both the Parent Company and Spanish subsidiaries are exempt, since their activity is health assistance.

(Expressed in Euros)

The Parent Company's Board of Directors held on December 17, 2007, unanimously agreed for the Parent Company Clínica Baviera, S.A. To adopt the Spanish System for groups of entities established on Chapter IX Title IX of Law 37/1992, of 28 December, of the Value Added Tax, with effect from January 1, 2008.

c) Income Tax components of years ended at December 31, 2024 and 2023 are the following:

	2024	2023
Separate consolidated Income statement		
Current income tax of the year	14,947,769	13,304,613
Deferred tax related to the origin or reversal of temporary differences	(92,203)	(385,911)
Income Tax expense registered on the separate consolidated income statement	**14,855,566**	**12,918,702**
Statement of variations in equity		
Tax for the valuation at fair value of financial assets, exchange differences and actuarial gains	18,557	246,476
Income Tax expense / (income) registered in equity	**18,557**	**246,476**

d) Calculations of the Income Tax expense of years ended at December 31, 2024 and 2023, as well as of the Income Tax payable are the following:

At 2024 and 2023 closings, no R&D deductions were applied for the purposes of calculating corporate income tax.

Research expenses are allocated to expenses in the year when they are incurred. Expenses of this nature, incurred in previous years, which are expected to be incorporated in the Corporate Income Tax of 2024 as tax deduction for R&D approximately amount to 631 thousand Euros (300 thousand Euros in the financial year 2023) and fully correspond to the Parent Company. The Parent Company has incurred in technological innovation expenses in previous years, subject to being incorporated as tax deduction of 2024 for an amount of 1,839 thousand Euros (1,098 thousand Euros in the Corporate Income Tax return of 2023).

	2024	2023
Consolidated results before tax	55,991,390	49,653,040
Tax rate of Spain (25%)	11,298,442	9,953,678
Tax rate of Germany (32%)	3,708,207	3,123,764
Tax rate of Italy (27%)	123,563	118,822
Tax rate of the UK (25%)	-	-
Deductions	(274,646)	(138,781)
Theoretical Corporate Income Tax expense	14,855,566	12,918,702
Previous years' CIT deductions and returns	384,400	418,634
Interim payments and withholdings	(13,323,754)	(11,642,698)
Variation in deferred taxes	92,203	385,911
Current Corporate Income Tax of the current year	2,008,415	2,080,550
Current Corporate Income Tax from previous years	1,444,979	1,403,672
Current Corporate Income Tax (receivable)	(153,263)	-
Current Corporate Income Tax (payable)	3,606,657	3,484,222

(Expressed in Euros)

The variation of deferred tax assets and liabilities is the following:

	Assets	Liabilities
Opening balance at 01/01/2023	**1,010,558**	**260,121**
Reversals for income statement	(659,114)	(370,512)
Generation for income statement	1,077,523	347,513
Equity variations	(25,343)	276,630
Closing balance at 31/12/2023	**1,403,624**	**513,752**
Opening balance at 01/01/2024	**1,403,624**	**513,752**
Reversals for income statement	(565,641)	(40,245)
Generation for income statement	921,336	23,440
Business combinations		372,535
Equity variations	118,181	44,500
Closing balance at 31/12/2024	**1,877,500**	**913,982**

The difference between the tax burden allocated in years ended at December 31, 2024 and 2023, and to be paid on such years, registered on captions “Deferred taxes assets” and “Deferred taxes liabilities” of assets or liabilities, as applicable, of the consolidated statement of financial position at December 31, 2024 and 2023, is generated on temporary differences generated by the difference between the carrying value of certain assets and liabilities and their tax basis. The most significant differences are the following:

- Temporary difference derived from the limitation to tax deductible amortisations by virtue of Law 16/2014.

- Temporary difference derived from profits from amortisation freedom evidenced by the Group for elements acquired between 1994 and 1996 (by virtue of Royal Decrees-Laws 7/94 and 2/95) and in 2009, 2010, 2011 and 2014 respectively, adopting the amortisation freedom for employment-generating investments by virtue legal provisions of Royal Decree Law 4/04 (added by Law 4/2008), Royal Decree Law 6/2010 and Royal Decree Law 13/2010.

- Temporary differences derived from the tax valuation of certain assets, amortised for tax purposes at a rate other than the accounting rate.

At December 31, 2024 and 2023, in agreement with IAS 12, the Group has presented deferred tax assets and liabilities net for jurisdiction, for the following amounts:

	Deferred tax assets	Deferred tax liabilities
Balance prior to the compensation	16,615,133	14,933,189
Compensation of deferred taxes	(14,737,633)	(14,019,207)
Closing balance at 31/12/2024	**1,877,500**	**913,982**

	Deferred tax assets	Deferred tax liabilities
Balance prior to the compensation	13,903,548	12,375,827
Compensation of deferred taxes	(12,499,924)	(11,862,075)
Closing balance at 31/12/2023	**1,403,624**	**513,752**

CLÍNICA BAVIERA, S.A. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CORRESPONDING TO THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
(Expressed in Euros)

The detail of deferred tax assets and liabilities per geography at 2024 closing is the following:

	Tax credits	Provisions and limits amortisations	Leases	Other	Total deferred tax assets
Spain	25,608	445,741	7,660,166	433,665	8,565,180
Europe		253,623	7,796,329	-	8,049,952
Closing balance at 31/12/2024	**25,608**	**699,364**	**15,456,495**	**433,665**	**16,615,133**

	Freedom of amortisation	Tax effect of the financial investments	Leases	Other	Total deferred tax liabilities
Spain	135,415	230,413	7,107,027	49,560	7,522,414
Europe		126,059	6,912,180	372,535	7,410,775
Closing balance at 31/12/2024	**135,415**	**356,472**	**14,019,207**	**422,095**	**14,933,189**

The detail of deferred tax assets and liabilities per geographies at 2023 closing is the following:

	Provisions and limits amortisations	Leases	Other	Total deferred tax assets
Spain	508,953	7,491,413	157,599	8,157,964
Europe	98,784	5,646,799		5,745,583
Closing balance at 31/12/2023	**607,737**	**13,138,212**	**157,599**	**13,903,548**

	Freedom of amortisation	Tax effect of financial investments	Leases	Other	Total deferred tax liabilities
Spain	152,220	280,825	7,041,190	49,560	7,523,794
Europe		31,148	4,820,885	-	4,852,033
Closing balance at 31/12/2023	**152,220**	**311,973**	**11,862,075**	**49,560**	**12,375,826**

The detail of effect of deferred tax assets and liabilities in equity and in the consolidated income statement is the following:

	Debit (Credit)	
	31/12/2024	**31/12/2023**
Equity	18,557	246,476
Profit and loss	(92,203)	(385,911)
Total	**(73,646)**	**(139,435)**

The group has tax losses carried forward belonging to the subsidiary Clínica Baviera UK in Spain, and to Clínica Baviera Italy and Optimax Clinics Limited in the Rest of Europe, which detail is the following:

Amount in Euros	Spain	Rest Europe
No compensation limit	102,433	13,061,941
Limited to 80%	-	5,332,429
Total	**102,433**	**18,394,370**

Tax losses carried forward in Spain are registered as deferred tax asset, unlike in the Rest of Europe, since it has not been estimated with certainty that the Companies will be able to generate sufficient tax profits in the coming financial years.

(Expressed in Euros)

On April 28, 2023, the Group filed an appeal for reconsideration against the provisional settlement resolution in relation to the limited audit carried out by the State Tax Administration Agency on R&D&I deductions recorded in the corporate income tax returns for the years 2018-2020, and proceeded to pay the total amount required for the three years, i.e., 247 thousand Euros.

On May 17, 2023, the Group received the Resolution on the appeal for reconsideration, issued by the Madrid Special Delegation of the Large Companies Management Unit, rejecting the Group's arguments. On June 15, 2023, the Group, not agreeing with this resolution, filed an economic-administrative claim with allegations, which is currently pending resolution by the Regional Economic-Administrative Court of Madrid.

On May 13, 2024, the Group received a copy of the ruling handed down by the Regional Economic-Administrative Court of Madrid, which agreed to uphold the claim filed. Consequently, the resolution of the appeals for reconsideration of 2018, 2019 and 2020, as well as the corresponding provisional settlements, should be cancelled.

On September 18, 2024, the Group obtained a refund from the Tax Administration for a total of 262 thousand Euros (247 thousand Euros plus 15 thousand Euros in late payment interest).

21. COMMITMENTS AND CONTINGENCIES

The Group holds guarantees granted by financial entities for an amount of 156 thousand Euros at 2024 closing (234 thousand Euros at December 31, 2023).
The Parent Company has granted guarantees and indemnification in favour of the payment service supplier of its subsidiaries in the UK, in the event of default of the latter. At year-end closing, no guarantee has been executed.

The Parent Company's Directors consider that no significant liabilities will arise in addition to those already recorded in the accompanying balance sheet for guarantees granted.

22. TRANSACTIONS WITH EQUITY INSTRUMENTS-BASED PAYMENTS

Personnel costs registered for transactions with equity instruments-based payments are the following:

	2024
Stock option plan of Clínica Baviera, S.A. for directors and medical staff	437,758

Variations registered in the caption of equity instruments 2024 are the following:

Financial year 2024	Opening balance	Additions	Write-offs corresponding to the exercise of the option plan	Write-offs corresponding to non-exercised options	Closing balance
Stock option plan	-	507,577	-	-	507,577

(Expressed in Euros)

22.1 Stock option plan of Clínica Baviera S.A. for directors and medical staff

On May 24, 2024, the Board of Directors approved a stock option plan for certain directors of Clínica Baviera S.A., as well as for certain doctors. These are its main characteristics:

- On May 24, 2024, finally a total of 163,043 options were granted.
- The option exercise price is of 23 Euros.
- The date to exercise the option will be January 1, 2027.

22.2 Variations in the number of options and model of valuation

In the financial year 2024:

Number of stock	Opening balance	Additions	Write-offs corresponding to the exercise of the option plan	Write-offs corresponding to non-exercised options	Closing balance
Plan for directors and the medical staff					
Number	-	163,043	-	-	163,043

The options' fair value is determined at the date of concession, using the options' Black-Scholes valuation model, considering plans' terms and conditions.

Data used in the valuation model are the following:

	Assumptions plan 2024-2026
Expected volatility	30%
Risk-free interest rate	3%
Share's price (Euros)	29
Time to exercise (years)	3
Exercise's price (Euros)	23

Expected volatility reflects assumptions of the fact that the historical volatility in a similar period to the options' life indicates future trends, which could finally not take place. The fair value of the 163,043 options granted options in force in the 2024 plan, having been calculated under the abovementioned assumptions, amounts to 1,645,061 Euros, which is the total value of the equity instrument to be recognised as rights consolidate.

23. INVESTMENTS IN COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

Note 2 details that Aier Global Vision Care Management Co., Limited, where the Parent Company holds a 40% share, is the only company integrated through the equity method.

This Company was incorporated on April 15, 2019, with an investment in share capital by Clínica Baviera of 4,706 Euros. On January 10, 2020, the shareholders of Aier Global Vision Care approved the Company's capital increase, which was subscribed by Clinica Baviera through the capitalisation of the loan granted in 2019, for an amount of 41,475 Euros, and thus keeping its 40% investment.

(Expressed in Euros)

The variation of this caption is the following:

Investments registered applying the equity method	Euros
Opening balance at 01/01/2023	**122,195**
Additions	-
Revaluations	(28,362)
Withdrawals	-
Exchange differences	(1,332)
Closing balance at 31/12/2023	**92,501**
Additions	-
Revaluations	(35,652)
Withdrawals	-
Exchange differences	1,431
Closing balance at 31/12/2024	**58,280**

24. RELATED PARTIES

Operations between the Parent Company and Subsidiaries, which are related parties, are part of the companies' regular traffic with regard to their purpose and conditions, and have been written off in the consolidation process and are not disclosed on this note.

In addition to Note 23 below for other related parties, the detail of transactions performed with the Parent Company's shareholders for years ended at December 31, 2024 and 2023, are the following:

	2024	2023
Income from medical services		
Aier Eye Hospital group Co., Ltd/ Aier Global Vision Care Management Ltd	44,769	35,964

The detail of operations carried out with Parent Company's Directors or their direct relatives is the following; these lease agreements are valued at arm's length:

	2024	2023
Lease expense		
Investments Ballo Holding, B.V.	285,233	284,379
Promotions Baviera 2006, S.L.	35,393	34,654
Lince Management of Assets, S.L.	45,884	44,427
Total	**366,510**	**363,460**

At December 31, 2024, the Parent Company held an account payable with its majority shareholder Aier Eye International (Europe) S.L.U. of 277,734 Euros (119,686 Euros at December 31, 2023), classified as "Trade and other accounts payable" (Note 18).

On May 24, 2024, the Board of Directors of Clínica Baviera, following a favourable report by the Audit Committee, approved the signing of two purchase agreements to acquire a total of 293,087 shares of Clínica Baviera, for approximately 1.7972% of its share capital, to be formalised between the Company, as "Buyer" and Aier Eye International Europe, S.L.U., the Company's controlling shareholder, and Vito Gestión Patrimonial, S.L., as "Sellers".

These shares' acquisition price was established for an amount of 29.10 Euros per share, corresponding to the closing price of May 23, 2024, and which amount does not exceed the share fair value of Clínica Baviera, in agreement with a valuation report elaborated by Renta 4 Corporate, S.A., as independent expert.

The number of acquired shares was of 293,087, for a total amount of 8,528,832 Euros.

(Expressed in Euros)

During the financial years 2024 and 2023, Clínica Baviera Group has made contributions to Responsible Baviera Foundation, for an amount of 546 thousand Euros (386 thousand Euros) and has delivered professional services for an amount of 12 thousand Euros in both years.

25. BOARD OF DIRECTORS AND SENIOR MANAGEMENT. REMUNERATIONS AND OTHER COMMITMENTS

Members of the Board of Directors, as well as representatives of legal entities and other persons assuming the management of the Baviera Group at the highest level, have not participated during 2024 and 2023 in unusual and/or relevant Group's transactions.

On November 6, 2024, Ms Carolina Martínez-Caro was appointed, in substitution of Ms. Isabel Aguilera Navarro, once the statutory term of four years of the latter's mandate has expired.

During the financial year 2023, there were no changes in the Board of Directors.

a) Remunerations and other benefits

During 2024, remunerations for the Parent Company's Directors, for their executive functions, Senior Management personnel, as well as of the representatives of legal entities members of the Board of Directors, perceived for the performance in Parent Company of their functions and other concepts amount to 2,218 thousand Euros (2,554 thousand Euros in 2023).

At December 31, 2024, the Group has satisfied 5 thousand Euros for health insurance and 5 thousand Euros for life insurance for the Directors (5 and 5 in the financial year 2023, respectively), and has not contracted obligations or made payments for pensions for the members of the Parent Company's Board of Directors, or for components of the Group's Senior Management, and has not assumed obligations on their behalf as guarantee.

At December 31, 2024 and 2023, there is an Executive Director contract that does not provide for any type of compensation in the event of termination of the contract.

The Parent Company's Directors have the duty to avoid situations of conflict of interests, as established by the Regulations of the Board of Directors of Clínica Baviera, S.A. and by articles 228 and 229 of the Corporate Enterprises Act. Additionally, such articles establish that situations of conflict of interests incurred by directors will be reported on the annual accounts.

The Directors of Clínica Baviera, S.A. have not communicated any situation of conflict of interests to be reported.

26. INCOME AND EXPENSES

a) The detail of the account of Consumptions and other expenses during years ended December 31, 2024 and 2023 is the following:

	2024	2023
Purchases	34,445,077	29,527,036
Variation of inventories	(809,154)	(311,929)
Consumption of other consumables	**33,635,923**	**29,215,107**

(Expressed in Euros)

b) The detail of the personnel costs during years ended December 31, 2024 and 2023 is the following:

	2024	2023
Wages and salaries	84,464,993	72,947,175
Social Security charged to the company	14,085,505	12,008,845
Other employee benefit expenses	991,986	927,586
Total	**99,542,484**	**85,883,606**

Of the amount above, 43,305,849 Euros in the year ended December 31, 2024 (42,579,467 Euros in the year ended December 31, 2023) correspond to the cost of medical staff.

The caption of wages and salaries includes severances applied during the financial year 2024, for an amount of 955,486 Euros (1,491,929 Euros at December 31, 2023).

c) The average number of employees during years ended December 31, 2024 and 2023, distributed per professional category, is the following:

	2024	2023
Senior Management	7	8
Directors	7	7
Officials	47	26
Technicians	197	152
Managers	74	57
Doctors	242	215
Patient Care Staff	1,131	964
Total average payroll	**1,705**	**1,428**

Additionally, at December 31, 2024 and 2023, the Group has collaborators, natural persons and entities, who deliver services complementing the Group's health activities, as well as to face non-recurrent demand variations.

At December 31, 2024, the Group has 25 employees with disability equal or above 33% (22 at December 31, 2023). Moreover, the Group continues developing a process to hire disabilities in several clinics of Spain.

At December 31, 2024 and 2023, the detail of the Group's payroll per gender was the following:

	31/12/2024		31/12/2023	
	Men	Women	Men	Women
Senior Management	5	2	5	1
Directors	5	3	4	3
Officials	17	31	10	16
Technicians	65	128	50	110
Managers	12	62	10	38
Doctors	140	118	117	105
Patient Care Staff	116	1.055	91	888
Total	**360**	**1.399**	**287**	**1,161**

The Parent Company's Board of Directors at December 31, 2024 and of 2023 is made up of 7 members, of whom 5 are men.

d) The detail of “Other operating expenses” during years ended December 31, 2024 and 2023 is the following (in Euros):

	2024	2023
Miscellaneous purchases	2,474,724	2,451,455
Professional services	23,322,357	15,851,533
Advertising	12,140,356	10,310,772
Leases	1,793,508	1,778,097
Other operating expenses	16,870,648	15,012,544
Total	**56,601,593**	**45,404,401**

e) The caption “Subcontracted work” mainly includes income derived from the expense capitalisation related to the development of the Group’s digitalisation plan (Note 7).

27. LONG-TERM REMUNERATION TO PERSONNEL

The Company has two pensions plans with its employees: a defined benefit plan and a defined contribution plan.

27.1 Defined benefit plan

The Parent Company assumed commitments for early retirement for certain employees who voluntarily terminate their contractual relation.

In order to cover this obligation, the Parent Company contracted a collective retirement insurance, under which it retains the risks of changes in actuarial assumptions, which are passed on by the insurer in the annual premium.

The detail of this plan’s pension commitments and of related assets at December 31 is the following:

	2024	2023
Current value of committed remunerations	231,430	231,430
Fair value of plan-related assets	139,458	139,458
Provision for long-term employee benefit obligations	**(91,972)**	**(91,972)**

The detail of income and expenses recognised in the consolidated income statement is the following:

	2024	2023
Financial expenses - Financial cost for update of provisions	-	-
Financial income - Expected financial performance of plan-related assets	-	(1,638)
Personnel costs – Provisions	-	139,458
Cost of services of the current year (accrued pensions)	-	1,767
	-	**139,587**

Additionally, in the financial year 2023, actuarial losses were directly recorded in equity, for an amount of 68,979 Euros, net of the corresponding tax effect of 22,993 Euros.

(Expressed in Euros)

28. LEASES

a) Amounts recognised in the consolidated balance sheet:

Leases registered by the Group in its property, plant and equipment as rights of use are almost entirely premises for clinics and offices where it develops its activity. The detail of variations in 2024 and 2023 is the following:

31/12/2024	Opening balance	Additions	Transfers	Business combination	Write-offs	Closing balance
Gross values						
Lands and constructions	102,733,494	8,279,796	-	10,357,777	(8,245,475)	113,125,592
Other fixed assets	16,575	-	-		(16,575)	0
	102,750,069	8,279,796	-	10,357,777	(8,262,049)	113,125,593
Amortisation						
Constructions	(59,242,254)	(9,074,782)	-		7,624,165	(60,692,871)
Other fixed assets	(10,915)	(1,934)	-		16,576	3,727
	(59,253,169)	(9,076,716)	-	-	7,640,741	(60,689,144)
Net book value	**43,496,900**					**52,436,449**

31/12/2023	Opening balance	Additions	Write-offs	Closing balance
Gross values				
Lands and constructions	95,391,409	11,224,539	(3,882,454)	102,733,494
Other fixed assets	39,050	-	(22,475)	16,575
	95,430,459	11,224,539	(3,904,929)	102,750,069
Amortisation				
Constructions	(53,380,815)	(8,114,162)	2,252,723	(59,242,254)
Other fixed assets	(26,208)	(7,182)	22,475	(10,915)
	(53,407,023)	(8,121,344)	2,275,198	(59,253,169)
Net book value	**42,023,436**			**43,496,900**

The detail of lease debts recognised in items “other non-current financial liabilities“ and “other current financial liabilities” is the following:

	31/12/2024	31/12/2023
Opening balance	**44,752,443**	**43,247,223**
Additions	8,279,796	11,075,457
Business combinations	10,023,581	
Write-offs	(714,780)	(1,629,732)
Amortisations	(8,958,165)	(8,792,724)
Financial expenses	749,390	852,219
Closing balance	**54,132,265**	**44,752,443**
Non-current part	44,815,814	36,112,735
Current part	9,316,451	8,639,708

The discount rate used by the Group to calculate lease debts is of 0.5%-4%.

(Expressed in Euros)

The Group recognises a provision for those cases where it estimates that, given the contract conditions, it is likely to assume the premises' dismantling expenses. Variations included in the item of non-current provisions are the following:

31/12/2024	Opening balance	Business combinations	Write-offs	Financial expenses	Closing balance
Provision for dismantling (Note 15)	948,889	334,197	(122,450)	19,513	1,180,149

31/12/2023	Opening balance	Additions	Write-offs	Financial expenses	Closing balance
Provision for dismantling (Note 15)	936,000	33,647	(27,810)	7,052	948,889

b) Amounts recognised in the consolidated income statement:

During the financial year 2024, the Group has registered in the consolidated income statement an amount of 1,793 thousand Euros (1,778 thousand Euros in 2023) as operating leases with a length below 12 months or considered to be of low value, and 6,639 thousand Euros and 749 thousand Euros as provisions for amortisation and financial expenses, respectively, for contracts recognised under IFRS 16 (8,121 thousand and 852 thousand Euros in 2023).

c) Amounts recognised in the consolidated statement of cash flows:

In the consolidated statement of cash flows, the Group has recognised an amount of 9,276,616 and 8,514,287 Euros as lease payments in 2024 and 2023, respectively.

d) Detail of maturities of lease liabilities:

	31/12/2024	31/12/2023
Up to one year	9,316,451	8,639,708
From one to five years	29,155,604	26,068,581
More than five years	15,660,210	10,044,154
Total	**54,132,265**	**44,752,443**

29. AUDIT FEES

Fees corresponding to the audit of the consolidated annual accounts of the Baviera Group as well as the of the individual accounts of Group Companies corresponding to 2024 have amounted to 222 thousand Euros (123 thousand Euros in the financial year 2023), fully satisfied to Forvis Mazars network companies, of which 70 thousand Euros correspond to Forvis Mazars Auditores, S.L.P (63 thousand Euros in 2023).

During 2024 and 2023, no fees have been billed for non-audit services.

30. FINANCIAL RISK MANAGEMENT POLICIES

The Group's activities expose it to several financial risks: credit risk, market risk (including interest rate cash flow risk and price risk) and liquidity risk. The Group's global risk management programme focuses on the financial markets' uncertainty and tries to minimise potential adverse effects on the Group's financial profitability.

(Expressed in Euros)

Risk management is controlled by the Group's financial management by virtue of policies approved by the Parent Company's Board of Directors. This Department identifies, values and covers financial risks in close collaboration with the Group's operating units. The Board provides written global risk management policies, as well as for specific areas such as interest rate risk, liquidity risk, employment of derivatives and non-derivatives financial instruments, and investment of the excess of liquidity.

1. Credit risk

The credit risk derives from the possible loss caused by the breach of contractual obligations of the Group's counterparts, that is to say, the possibility not to recover financial assets at the registered amount and within the established period of time.

Maximum exposure to credit risk at December 31, 2024 and of 2023 is the following:

Euros	31/12/2024	31/12/2023
Non-current financial assets	2,334,526	2,982,480
Trade and other accounts receivable	4,216,587	3,013,226
Cash and cash equivalents	10,141,037	8,306,000
Total	**16,692,150**	**14,301,706**

In order to manage the credit risk, the Group distinguishes between financial assets originated from operating activities and from investment activities.

Operating activities

The Group does not have significant concentrations of credit risk, since most businesses are related to services rendered to individuals where collections are mainly received in cash or through credit cards or transfers. With regard to the sale with deferred payment, mainly performed with Medical Companies and Mutual Insurance Entities, risks are managed in agreement with the Group's management guidelines.

Investment activities

The Group performs investment activities in agreement with the following criteria:

- For banks and financial institutions, only classified parties are accepted, in agreement with independent valuations recognising their high solvency, and with minimum credit ratings of A.
- The Group invests in products of a conservative nature.
- Authorisations for the corresponding investments are delimited on the basis of powers granted to the Parent Company's senior managers, and in any case, they are extremely restricted.
- Regularly, the Group makes investments with automatic availability of funds.

2. Market risk

The market risk derives from the possible loss caused by variations in the fair value or in the future cash flows of a financial instrument, due to changes in market prices.

The Group is solely exposed to the price risk of equity securities due to investments held by the Group and classified on the consolidated balance sheet as at fair value through other comprehensive income, as well as to fixed-income securities issued by public entities and private companies with low credit risk. In order to manage this price risk originated from investments in equity instruments, the Group diversifies its portfolio. The portfolio's diversification meets limits established by the Group.

The Group's interest rate risk derives from the financial debt. Loans issued at variable rates expose the Group to the cash flows' interest rate risk, partly offset by cash held at variable rates.

The Group analyses its exposure to the interest rate risk in a dynamic manner. The Group calculates the impact in results for a given change in the interest rate of existing loans.

(Expressed in Euros)

For illustrative purposes, a sensitivity analysis has been performed on the impact in the Group's net financial position from fluctuations in interest rates.

In order to perform such sensitivity analysis, the basis taken is the net financial position at December 31, 2024 and 2023, taking as reference Euribor per month at such date, applying a variation +- 100 basic points.

The sensitivity analysis shows that variations in the interest rate applied to the net financial position would have an impact at December 31 that in any case would not be significant and that would exclusively affect financial results:

	Rate of reference	Financial debt	Annual interests	100 b.p.	Annual interests	-100 b.p.	Annual interests
31/12/2024	3.27%	(7,201,988)	(235,793)	4.27%	(307,813)	2.27%	(163,773)
31/12/2023	3.87%	(2,518,089)	(97,324)	4.87%	(122,505)	2.87%	(206,337)

	Rate of reference	Current financial investments	Annual interests	100 b.p.	Annual interests	-100 b.p.	Annual interests
31/12/2024	3.27%	28,439,502	931,109	4.27%	1,215,504	2.27%	646,714
31/12/2023	3.87%	42,934,000	1,659,399	4.87%	2,088,739	2.87%	1,230,059

	Rate of reference (Euribor month)	Net Financial Position	Annual interests	100 b.p.	Annual interests	-100 b.p.	Annual interests
31/12/2024	3.27%	30,531,660	999,607	4.27%	1,304,923	2.27%	694,290
31/12/2023	3.87%	47,247,176	1,826,103	4.87%	2,298,575	2.87%	1,353,632

With regard to the exchange rate risk, the Group operates within the European Union and thus they do not hold collection rights or commitments with third parties in currencies other than the functional currency (Euro), except for the UK, where the functional currency is the Pound Sterling.

The Group does not believe that a significant change in the Euro/Pound Sterling exchange rate would have an impact on the consolidated financial statements.

3. Liquidity risk

The Group's financial structure presents a low liquidity risk, due to the moderate level of financial leverage and high cash flows derived from the operating cycle.

The liquidity risk would be caused by the possibility for the Group not to count with liquid funds, or with access to such funds, in sufficient amount and at the appropriate cost, in order to face payment obligations at all times. The Group's objective is to maintain necessary liquidity availabilities.

The Group's policies establish reasonable liquidity limits to be held at all times:

- Liquidity excesses shall only be invested in certain types of assets (see section above on credit risks - investment activities) which guarantee their liquidity.
- Additionally, the Group follows prudential policies for external financing, resorting to it only in very specific situations and usually only to finance investment projects or business combinations. In this sense, during 2024, the Parent Company subscribed several loan agreements with different banking entities, for a total amount of 7.2 million Euros, with the purpose of financing the business combination of the UK, increasing investments in fixed assets and the previous years' pay-out ratio.
- Loans subscribed during 2020 were contracted with very competitive financial conditions, guaranteeing the Group's solvency and solidity perception within the financial field.

(Expressed in Euros)

- The Group presents negative working capital of 2,717,309 Euros at December 31, 2024 (positive working capital of 12,475,781 Euros at December 31, 2023).

31. FAIR VALUES OF FINANCIAL INSTRUMENTS

The table below includes an analysis of financial instruments valued in the consolidated balance sheet, classified per valuation method. The different levels have been defined as follows:

- Level 1- listing values (not adjusted) in active markets for identical assets or liabilities.
- Level 2- valuation techniques for which the used lowest level variable, significant for the calculation, is directly or indirectly observable.
- Level 3- valuation techniques for which the used lowest level variable, significant for the calculation, is not observable.

31/12/2024	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income (Note 10)	27,590,861	-	-	**27,590,861**
31/12/2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through other comprehensive income (Note 10)	41,458,783	-	-	**41,458,783**

Financial instruments at Level 1

The fair value of financial instruments traded in active markets is based on listing prices at consolidated balance sheet date. A market is considered to be active when it is possible to readily and regularly count with listing prices through an exchange, from financial intermediaries, from a sectoral institution, from a pricing service or from a regulating body, and when these prices reflect current market transactions that regularly take place between parties acting in mutual independence conditions. The listing price used for financial assets held by the Group is the current purchasing price. These instruments are included on Level 1.

For non-current financial liabilities referred to variable interest rate, the Group has estimated that their carrying value does not significantly differ from their fair value, since the Group and counterparties' credit risks initial conditions have not been significantly modified. For non-current financial assets and liabilities, there are no significant differences between their face value and fair value.

32. COMPONENTS OF OTHER COMPREHENSIVE INCOME

The detail of "Components of other comprehensive income" at December 31, 2024 and 2023 is the following:

	Euros	
	2024	2023
Financial assets at fair value through other comprehensive income	50,954	810,087
Exchange differences	(351,668)	(1,000)
Actuarial profit and loss	-	(68,977)
Profit / (loss) of the year, net of tax	**(300,713)**	**740,110**

(Expressed in Euros)

33. ENVIRONMENTAL INFORMATION

The Group has not incurred in environmental expenses or acquired environmental assets during years ended at December 31, 2024 and 2023, is not aware of the existence of significant environmental contingencies in relation to equity, the Group's financial situation and consolidated results at December 31, 2024 and 2023.

34. INFORMATION ON PAYMENT DEFERRALS TO SUPPLIERS

Information on the average period of payment to suppliers. Third additional provision. «Duty of information» of Law 15/2010, of 5 July (according to the new wording given by the second final provision of Law 31/2014 of reform of the Corporate Enterprises Act). In accordance with the provisions of the aforementioned law, as well as the ICAC resolution of January 29, 2016, article 9 of Law 18/2022, of 28 September, the following information is broken down in reference to the average payment period to suppliers by the Group's Spanish Companies:

	2024	2023
	Days	**Days**
Average payment period to suppliers	33	35
Ratio of paid operations	35	36
Ratio of operations payable	23	28
	Euros	**Euros**
Total settled payments	74,649,070	55,617,265
Total outstanding payments	10,011,028	8,731,352
Monetary volume below the legal term	62,727,442	47,403,893
% of total payments	84%	85%
Total invoices	30,961	27,221
Number of invoices below the legal term	22,310	19,324
% of total invoices	72%	71%

This information is exclusively included with regard to companies based in Spain, consolidated through global integration method.

35. CONTINGENT ASSETS

On January 19, the Constitutional Court handed down a ruling declaring RDL 3/2016 of 2 December, which contained various restrictive measures in the field of taxation, to be unconstitutional. This ruling has a direct and positive impact on the Group's consolidated corporate income tax returns in Spain for the 2016 period, as it is being challenged.

Insofar as the unconstitutionality was declared on formal grounds, the legislator has already adopted measures to counteract the revenue effects of that unconstitutionality declaration, so that the tax impairments that were subject to automatic reversal must be included in the tax base for the first period beginning on January 1, 2024. Given that the Group has not yet received any favourable ruling on the unconstitutionality of RDL 3/2016, it has not recorded the reversal of the aforementioned impairment for accounting or tax purposes, and therefore has not included it in the tax base for the financial year 2024.

36. SUBSEQUENT EVENTS

From the 2024 year-end closing to the date of elaboration by the Parent Company's Board of Directors of these consolidated annual accounts, no significant events worthy of mention have occurred or come to our attention.

CLÍNICA BAVIERA, S.A. AND SUBSIDIARIES

PREPARATION OF THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2024

These consolidated financial statements of Baviera Group for the financial year ended December 31, 2024, contained in the Consolidated Balance Sheet, Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and Notes, consecutively numbered from 1 to 36, both included, to the Consolidated Financial Statements, have been prepared in meeting of the Board of Directors of Clínica Baviera, S.A., held on March 28, 2025, with the attendance of all directors via teleconference.

Chair of the Board of Directors Mr. Bang Chen	Managing Director Mr. Eduardo Baviera Sabater
Director Mr. Li Li	Director Mr. Shijun Wu
Director Ms. Yongmei Zhang	Director Mr. Emilio Moraleda Martínez
Director Ms. Carolina Martínez Caro	Non-Executive Secretary Mr. Antonio Peral Ortiz de la Torre

CLÍNICA BAVIERA, S.A. AND SUBSIDIARIES

CONSOLIDATED MANAGEMENT REPORT FOR THE FINANCIAL YEAR 2024
(Expressed in Euros)

1. Group developments

Grupo Baviera is the leading group in Spain in the field of refractive laser surgery and other ophthalmological treatments. With more than 30 years of experience in ophthalmological medicine, it offers the most advanced techniques for the treatment of most eye pathologies, including laser refractive surgery for myopia, hyperopia and astigmatism, intraocular lens implants for cataracts, glaucoma and presbyopia treatments, etc. We offer treatments for eye problems and diseases thanks to the work of a large medical team made up of different specialised units: Refractive Surgery Unit, Presbyopia Unit, Cataract Unit, Retina Unit, Paediatric Ophthalmology and Strabismus Unit, Ocular Plastic Surgery Unit, Glaucoma Unit, Cornea Unit and Neurophthalmology Unit.

Services are offered through a wide network of clinics in the main cities and provincial capitals of Spain, as well as in the main Central European cities.

Through the Group's strength, the soundness of the business model, the high quality of care offered to our patients, together with the good work of the management team, the medical team and the other professionals of the Baviera Group, the company remains the leading ophthalmology clinic in the Spanish market, with a wide range of products and market diversification as catalysts for growth in the medium term.

The Bavaria Group currently has a total of 137 ophthalmology centres, geographically distributed as follows: 81 in Spain, 30 in Germany, 1 in Austria, 8 in Italy and 18 in the UK, following the recent acquisition of the Eye Hospital Group (Optimax).

The Group is also supported by its majority shareholder, Aier Eye Hospital, whose presence in Asia and North America makes the Group the largest network of ophthalmology clinics in the world.

2024 has once again been an extraordinary year, in which we have continued to improve all the economic and operational indicators of previous years and which has been marked by the acquisition of Eye Hospital Group (Optimax) in the UK. This operation allows us to position ourselves quickly in a very interesting market and with a very low investment (less than 16 million Euros); we have to face the adaptation to our business model and return to a positive profitability (we estimate less than 2 years).

We face the future with the determination to significantly increase our number of clinics in the countries where we operate, and to be as close as possible to our patients so that we can continue to improve our quality of medical care and take advantage of the good trend and acceptance of refractive surgery techniques to eliminate dependence on glasses and contact lenses.

We will continue to look to the future of the Baviera Group, maintaining lines of action established in recent years: investment and technological leadership, progress in digitalisation, national and international implementation, excellence in quality, etc., in the ophthalmology area, with the immediate objectives of growing in the cities in which it is present and strengthening the brand image in each of its Business Units.

2. Significant subsequent events

From the 2024 year-end closing to the date of elaboration by the Parent Company's Board of Directors of these consolidated annual accounts, no significant events worthy of mention have occurred or come to the Company's attention.

(Expressed in Euros)

3. Indicators

This significant growth in activity has enabled the economic results to show a very positive evolution.

We achieved record revenues of 262 million Euros (+17% vs. 2023), 255 million on a like-for-like basis (+14% vs. 2023), representing double-digit growth in the countries where the Group operates.

Net profit amounted to 41.1 million Euros, representing a 12% increase compared to 2023 (36.7 million Euros). Excluding the UK impact on the consolidated financial statements, net profit amounted to 44.3 million Euros, +21% with regard to 2023.

EBITDA reached 76 million Euros (+14% over 2023), 80.2 million Euros excluding the UK and acquisition-related costs (+20% over 2023).

The Group's net financial position closed at +30.5 million Euros, i.e. 16.7 million less than at 2023 closing (47.2 million Euros), due to the acquisition of the British group, the increase in dividend payments by 12 million (25 million in 2024 compared to 13 million in 2023), as well as the increase in capex by 4 million compared to 2023.

Earnings per share in 2024 are 2.47 Euros/share, compared to 2.21 Euros/share in 2023, an increase of 12%.

During this financial year, the Group has increased its workforce by 311 people (186 excluding the UK workforce) in all the markets in which it operates. The detail of the workforce at December 31, 2024 and 2023 is as follows:

	31/12/2024		31/12/2023	
	Men	Women	Men	Women
Senior Management	5	2	5	1
Executives	5	3	4	3
Officials	17	31	10	16
Technicians	65	128	50	110
Managers	12	62	10	38
Doctors	140	118	117	105
Patient Care Staff	116	1,055	91	888
Total	**360**	**1,399**	**287**	**1,161**

4. Dividends

The Board of Directors will propose to the General Shareholders' Meeting of the Parent Company the distribution of an ordinary dividend for the financial year 2024, amounting to 1.57 Euros per share.

5. R&D activities

The R&D department remains faithful to its important mission in the research, development and technological innovation of new scientific projects, with the aim of offering new surgical possibilities to our patients, improving existing processes and expanding the number of services offered, all with the overall objective of deepening our knowledge of the human eye. One of the fundamental tasks of the R&D department is the continuous training of doctors and medical staff, with the aim of continuing to provide the highest levels of quality to our patients.

6. Acquisition of treasury stock

The Ordinary General Shareholders' Meeting held on June 27, 2024 approved the proposal of the Board of Directors of Clínica Baviera on May 24, 2024, following a favourable report from the Audit Committee, to enter into two purchase agreements to acquire a total of 293,000 shares of the parent company, approximately

(Expressed in Euros)

1.7972% of its share capital, to be formalised between the Company, as “Buyer”, and Aier Eye International Europe, S.L.U., as “Seller”.

Likewise, in order to ensure fair treatment of shareholders other than the Sellers, the Board of Directors agreed to approve the establishment of a Share Buyback Programme for a maximum number of 33,065 shares of the Company, representing approximately 0.2028% of the share capital which, added to the 1.7972% to be obtained through the above transaction, will allow the 2% treasury share level to be reached.

Likewise, in order to ensure equitable treatment of shareholders other than the Sellers, the Board of Directors resolved to approve the establishment of a Share Buyback Programme for a maximum number of 33,065 shares of the Company, approximately representing 0.2028% of the share capital which, added to the 1.7972% that will be obtained through the above operation, will enable the Company to reach the level of 2% of treasury stock.

The purpose of these operations was for the Parent Company to purchase a number of treasury shares that would enable the Company to meet its obligations to deliver treasury shares arising from certain share incentive plans for executives and a plan for remuneration in kind in shares for all group employees, which the Parent Company’s Board of Directors approved on the same date.

The variation of treasury stock, during 2024 and 2023, has been as follows:

	31/12/2024		31/12/2023	
	Number of treasury shares	Euros	Number of treasury shares	Euros
At beginning of the financial year	5,207	109,914	5,196	93,678
Increases/purchases	358,840	10,115,193	37,732	728,333
Decreases	(49,732)	(1,088,355)	(37,721)	(712,097)
At closing of the financial year	314,315	9,136,752	5,207	109,914

During the financial year 2024, the Company has acquired 358,840 treasury shares (2023: 37,732 shares) valued in 10,115,193 Euros (2023: 728,333 Euros).

Of the 358,840 shares acquired during the year, 293,087 were acquired from the majority shareholders for a price of 29.10 Euros per share (Note 23) and 33,065 were acquired directly in the market, within the abovementioned Share Buyback Programme during the months from May to July, for an average amount of 28.38 Euros per share.

The number and valuation of treasury shares held by the Parent Company are the following:

	31/12/2024	31/12/2023
Number of treasury shares	314,315	5,207
Valuation	9,136,752	109,914
% of subscribed capital	1.93%	0.03%

7. Use of derivative financial instruments

There has been no use of derivative financial instruments by the Group that is material to the measurement of the Group’s assets, liabilities, financial position and results.

(Expressed in Euros)

8. Risk management policy

8.1 Financial risk factors

The Group's activities expose it to several financial risks: credit risk, market risk (including interest rate cash flow risk and price risk) and liquidity risk. The Group's global risk management programme focuses on the financial markets' uncertainty and tries to minimise potential adverse effects on the Group's financial profitability.

Risk management is controlled by the Group's financial management by virtue of policies approved by the Board of Directors. This Department identifies, values and covers financial risks in close collaboration with the Group's operating units. The Board provides written global risk management policies, as well as for specific areas such as interest rate risk, liquidity risk, employment of derivatives and non-derivatives financial instruments, and investment of the excess of liquidity.

1. Credit risk

The credit risk derives from the possible loss caused by the breach of contractual obligations of the Group's counterparts, that is to say, the possibility not to recover financial assets at the registered amount and within the established period of time.

Maximum exposure to credit risk at December 31, 2024 and of 2023 is the following:

Euros	31/12/2024	31/12/2023
Non-current financial assets	2,334,526	2,982,480
Trade and other accounts receivable	4,216,587	3,013,226
Cash and cash equivalents	10,141,037	8,306,000
Total	**16,692,150**	**14,301,706**

In order to manage the credit risk, the Group distinguishes between financial assets originating from operating activities and from investment activities.

Operating activities

The Group does not have significant concentrations of credit risk, since most businesses are related to services rendered to individuals where collections are mainly received in cash or through credit cards or transfers. With regard to the sale with deferred payment, mainly performed with Medical Companies and Mutual Insurance Entities, risks are managed in agreement with the Group's management guidelines.

Investment activities

The Group performs investment activities in agreement with the following criteria:

- For banks and financial institutions, only classified parties are accepted, in agreement with independent valuations recognising their high solvency, and with minimum credit ratings of A.
- The Group invests in products of a conservative nature.
- Authorisations for the corresponding investments are delimited on the basis of powers granted to the Parent Company's senior managers, and in any case, they are extremely restricted.
- Regularly, the Group makes investments with automatic availability of funds.

2. Market risk

The market risk derives from the possible loss caused by variations in the fair value or in the future cash flows of a financial instrument, due to changes in market prices.

The Group is solely exposed to the price risk of equity securities due to investments held by the Group and classified on the consolidated balance sheet as at fair value through other comprehensive income, as well as to fixed-income securities issued by public entities and private companies with low credit risk. In order to manage this price risk originating from investments in equity instruments, the Group diversifies its portfolio. The portfolio's diversification meets limits established by the Group.

(Expressed in Euros)

The Group's interest rate risk derives from the financial debt. Loans issued at variable rates expose the Group to the cash flows' interest rate risk, partly offset by cash held at variable rates.

The Group analyses its exposure to the interest rate risk in a dynamic manner. The Group calculates the impact in results for a given change in the interest rate of existing loans.

For illustrative purposes, a sensitivity analysis has been performed on the impact in the Group's net financial position from fluctuations in interest rates.

In order to perform such sensitivity analysis, the basis taken is the net financial position at December 31, 2024 and 2023, taking as reference Euribor per month at such date, applying a variation +- 100 basic points.

The sensitivity analysis shows that variations in the interest rate applied to the net financial position would have an impact at December 31 that in any case would not be significant and that would exclusively affect financial results:

	Rate of reference	Financial debt	Annual interests	100 b.p.	Annual interests	-100 b.p.	Annual interests
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31/12/2023	3.87%	(2,518,089)	(97,324)	4.87%	(122,505)	2.87%	(206,337)

	Rate of reference	Current financial investments	Annual interests	100 b.p.	Annual interests	-100 b.p.	Annual interests
31/12/2024	3.27%	28,439,502	931,109	4.27%	1,215,504	2.27%	646,714
31/12/2023	3.87%	42,934,000	1,659,399	4.87%	2,088,739	2.87%	1,230,059

	Rate of reference (Euribor month)	Net Financial Position	Annual interests	100 b.p.	Annual interests	-100 b.p.	Annual interests
31/12/2024	3.27%	30,531,660	999,607	4.27%	1,304,923	2.27%	694,290
31/12/2023	3.87%	47,247,176	1,826,103	4.87%	2,298,575	2.87%	1,353,632

With regard to the exchange rate risk, the Group operates within the European Union and thus they do not hold collection rights or commitments with third parties in currencies other than the functional currency (Euro), except for the UK, where the functional currency is the Pound Sterling.

The Group does not believe that a significant change in the Euro/Pound Sterling exchange rate would have an impact on the consolidated financial statements.

3. Liquidity risk

The Group's financial structure presents a low liquidity risk, due to the moderate level of financial leverage and high cash flows derived from the operating cycle.

The liquidity risk would be caused by the possibility for the Group not to count with liquid funds, or with access to such funds, in sufficient amount and at the appropriate cost, in order to face payment obligations at all times. The Group's objective is to maintain necessary liquidity availabilities.
The Group's policies establish reasonable liquidity limits to be held at all times:

- Liquidity excesses shall only be invested in certain types of assets (see section above on credit risks - investment activities) which guarantee their liquidity.

(Expressed in Euros)

- Additionally, the Group follows prudential policies for external financing, resorting to it only in very specific situations and usually only to finance investment projects or business combinations. In this sense, during 2024, the Parent Company subscribed several loan agreements with different banking entities, for a total amount of 7.2 million Euros, with the purpose of financing the business combination of the UK, increasing investments in fixed assets and the previous years' pay-out ratio.
- Loans subscribed during 2020 were contracted with very competitive financial conditions, guaranteeing the Group's solvency and solidity perception within the financial field.
- The Group presents negative working capital of 2,717,309 Euros at December 31, 2024 (positive working capital of 12,475,781 Euros at December 31, 2023).

8.2 Operational risks

The Bavaria Group's business is conditioned both by factors unique to the Group and by others that are common to any company in its sector. The most significant risks and uncertainties faced by the Group that could affect its business, financial condition, reputation, corporate image and brand, and results, should be considered in conjunction with the information contained in the financial statements and are as follows:

The Group's business is subject to health licensing regulations, which are particularly complex in Germany and Austria.

9. Average payment period

During 2024 and 2023, the average period of payment to suppliers has been of 34 and 35 days, respectively.

10. Statement of non-financial information under Law 11/2018 of 28 December

The Bavaria Group's statement of non-financial information and sustainability information is attached as annex and forms an integral part of the Bavaria Group's consolidated management report for the financial year 2024.

11. Alternative Performance Measures (APMs)

- EBITDA:

	2024	2023
Operating result	55,674,941	50,014,023
Depreciation allowances	20,880,350	16,980,535
Impairment and gains/losses on disposal of fixed assets	(27,149)	26,668
EBITDA	**76,528,142**	**67,021,226**

It is defined as operating income plus depreciation, amortisation and impairment of fixed assets. Its importance lies in the fact that, as it does not take into account financial and tax magnitudes or expenses that do not involve cash outflows, it is a good instrument to measure over time the cash inflow from operating activities.

- Net financial position:

	31/12/2024	31/12/2023
Non-current bank loans and credits	(5,288,249)	(503,022)
Current bank loans and credits	(1,913,739)	(2,015,067)
Cash and cash equivalents	10,141,037	8,306,482
Other current financial assets	27,592,611	41,458,783
Net financial position	**30,531,660**	**47,247,176**

It is the difference between the balance of explicit interest-bearing debt and cash and cash equivalents and other financial assets. It is an important indicator to analyse the level of liquidity and/or indebtedness of a company over time. This indicator can also be associated with other indicators (e.g. net financial debt/EBITDA ratio) to compare different companies' ability to meet financial obligations.

12. Annual Corporate Governance Report

The Annual Corporate Governance Report is published on CNMV website (www.cnmv.es) and on Clínica Baviera website (www.Grupobaviera.es) and forms an integral part of the Baviera Group's consolidated management report for the financial year 2024.

13. Annual Directors' Remuneration Report

The Annual Directors' Remuneration Report is published on CNMV website (www.cnmv.es) and on Clínica Baviera website (www.Grupobaviera.es) and forms an integral part of the Baviera Group's consolidated management report for the financial year 2024.

CLÍNICA BAVIERA, S.A. AND SUBSIDIARIES

PREPARATION OF THE CONSOLIDATED MANAGEMENT REPORT AND CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT AND SUSTAINABILITY INFORMATION FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The following documents have been prepared in meeting of the Board of Directors of Clínica Baviera, S.A., held on March 28, 2025, with the attendance of all Directors via teleconference.

1. Baviera Group's consolidated management report for the financial year ended December 31, 2024.
2. Baviera Group's consolidated Non-Financial Information Statement and Sustainability Information for the financial year ended December 31, 2024.

Presidente del Consejo de Administración
Mr. Bang Chen

Managing Director
Mr. Eduardo Baviera Sabater

Director
Mr. Li Li

Director
Mr. Shijun Wu

Director
Ms. Yongmei Zhang

Director
Mr. Emilio Moraleda Martínez

Director
Ms. Carolina Martínez Caro

CLÍNICA BAVIERA, S.A.
AND DEPENDENT COMPANIES

Independent Verification Report on the Consolidated Statement of Non-Financial Information 2024

Member of

Alliance of independent firms

INDEPENDENT VERIFICATION REPORT ON THE CONSOLIDATED STATEMENT OF NON-FINANCIAL INFORMATION

To the shareholders of Clínica Baviera, S.A.

According to article 49 of the Commercial Code we have carried out the verification, with the limited scope of certainty, of the attached Statement of Non-Financial Information and Sustainability Information (NFISIS) corresponding to the financial year ending 31 December 2024, for Clínica Baviera, S.A. (the Company) and dependent companies (Clínica Baviera Group), which forms part of the consolidated Management Report of the Group.

Responsibility of the directors

The drawing up of the NFISIS included in the consolidated Management Report of the Clínica Baviera Group, as well as the content of the same, is the responsibility of the directors of the Company. The NFISIS has been prepared according to the content set out in the current commercial regulations and following the selected criteria of European Sustainability Reporting Standards (ESRS), according to what is stated for each area in table "Cross-reference table – NFIS - ESRS criteria" included in Annex to said Statement.

This responsibility also includes the design, implementation and maintenance of internal monitoring necessary to ensure that the NFISIS is free of material misstatement, due either to fraud or error.

The directors of the Company are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for preparing the NFISIS is obtained.

Our independence and quality control

We have complied with the requirements of independence and other ethics requirements set out in the Code of Ethics for Accounting Professionals issued by the International Ethics Standards Board for Accountants (IESBA) which is based on the fundamental principles of professional integrity, objectivity, competence and diligence, confidentiality and professional conduct.

Our firm applies International Standard on Quality Management (ISQM) 1 and, as a result maintains an overall quality control system that includes policies and procedures on compliance with the requirements of ethics, professional rules and applicable legal and regulatory provisions.

The working team was formed of professionals who are experts in Non-Financial Information and, specifically, in information on economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent verification report of limited certainty based on the work carried out. We have performed our work in accordance with the requirements established in the current Revised International Standard on Assurance Engagements 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and with the Guidelines on verification engagements for Non-Financial Information Statements issued by the Spanish Chartered Accounting Institute.

In a limited certainty engagement, the procedures carried out vary in terms of their nature and the time they are executed, and have a more limited scope, that those carried out in a reasonable certainty engagement and, as such, the certainty obtained is substantially less.

Our work has consisted of the submission of questions to Management, as well as to the different units of the Group that participated in the preparation of the NFISIS, of the review of the processes for gathering and validating the information presented in the NFISIS and in the application of certain analytical procedures and sample review tests described below:

- Meeting with the personnel of the Group to ascertain the business model, the management policies and approaches applied, the main risks related to these issues and obtain the information necessary for the external review.

- Analysis of the scope, relevance and integrity of the content included in the NFISIS for the 2024 financial year in line with the materiality analysis carried out by the Group and described in chapter "Materiality Analisys", considering the content required by the commercial regulations in force.

- Analysis of the processes for gathering and validating the data presented in the NFISIS for the 2024 financial year.

- Review of the information on risks, and management policies and approaches applied in relation to the material aspects presented in the NFISIS for the 2024 financial year.

- Confirmation, by means of tests, based on the selection of a sample, of the information on the content included in the NFISIS for the 2024 financial year and the proper gathering of the same using the data supplied by the information sources.

- Obtaining a letter of representations from the Directors and from Management.

Conclusion

Based on the procedures carried out in our verification and the evidence obtained, we have not found any aspects that lead us to believe that the NFISIS for the Group for the financial year ending 31 December 2024 has not been prepared, in all significant respects, in line with the content included in the commercial regulations in force and following the selected criteria of the of European Sustainability Reporting Standards (ESRS), in accordance with what is stated for each area in table "Cross-reference table – NFIS - ESRS criteria" included in Annex to said Statement.

Emphasis of matter

Based on Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, as well as on the basis of the Delegated Acts enacted in accordance with the provisions of said Regulation, for the first time in the 2024 fiscal year, there is an obligation to disclose information on how and to what extent the company's activities are associated with aligned economic activities in relation to the environmental objectives of sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems (the other environmental objectives), and related to certain activities included in the climate change mitigation and adaptation objectives, additionally to the eligibility information required in the 2023 fiscal year for the previously mentioned activities. Meanwhile, insofar as all of the economic activities of Clínica Baviera, S.A. are considered ineligible and therefore not aligned, no breakdown of economic activities aligned with the environmental objectives indicated above or with the new activities included in the objectives of climate change mitigation and climate change adaptation is provided. In addition, it should be noted that Clínica Baviera's directors have included information on the criteria that, in their opinion, allow better compliance with this obligation and that are defined in epigraph "European Taxonomy" included in chapter "Environmental issues" and in "Annex" of the attached NFISIS. Our conclusion has not changed in relation to this issue.

Use and distribution

This report has been prepared in response to the requirement established in the current commercial regulations in Spain, meaning that it may not be appropriate for other purposes and jurisdictions.

AUREN AUDITORES SP, S.L.P.

Original signed in Spanish by
Patricia Blázquez Sevillano

7th April 2025

Member of Antea Alliance of independent firms

Non-Financial Information Statement and Sustainability Information of Clínica Baviera

FINANCIAL YEAR

2024

CONTENTS

About this report:

Clínica Baviera S.A, in its commitment to transparency, has prepared this Non-Financial Information Statement and Sustainability Information (hereinafter, “NFIS” or “the Report”) that incorporates information on Environmental, Social and Governance issues (ESG) of Clínica Baviera Group (hereinafter, “Clínica Baviera”, “the Group”, “Clínica Baviera Group”, “the Company”) in order to disclose a fair, relevant, understandable, comparable, and verifiable representation of how the Group addresses sustainability issues.

This report has been elaborated in compliance with Law 11/2018 on Non-Financial Information Statements (NFIS). Also, in an exercise of transparency and as a reflection of the Company’s commitment to integrating sustainability in its business model, additional information is included in accordance with the European Sustainability Reporting Standards (ESRS), developed by the European Financial Reporting Advisory Group (EFRAG) and contemplated by the Corporate Sustainability Reporting Directive (CSRD). The sustainability information provided in this report also includes indicators established by the Sustainable Finance Taxonomy.

Consolidation of the information:

The information included in this document refers to the Group’s consolidation perimeter, in agreement with the field used in its Consolidated Annual Accounts. This approach allows a comprehensive view of the Company’s sustainability performance, promoting a cohesive strategy that is aligned with its general corporate objectives and reinforces the ESG initiatives.

All subsidiaries included in this consolidation are exempt from presenting individual or consolidated sustainability information. The Parent Company, Clínica Baviera, S.A., is parent of a Group of Companies made up by the following Subsidiaries at December 31, 2024 (see point 2- Consolidation Perimeter of the Consolidated Annual Accounts at December 31, 2024 of Clínica Baviera S.A. and subsidiaries):

Denomination	Shareholding%	
	Direct	Indirect
Clínica Baviera Italia S.r.L.	100	-
Care Vision Germany GmbH	100	-
Clínica Baviera Zapateros, S.L.	90	-
Clínica Baviera Mallorca, S.L.	74	-
Clínica Baviera Alicante, S.L.	90	-
Clínica Baviera San Sebastián, S.L.	80	-
Clínica Baviera Córdoba, S.L.	77	-
Clínica Torre Eva S.r.L.	-	80
Clínica Baviera UK, S.L.	100	-
Eye Hospital Group Limited	-	100
Eye Hospitals Limited	-	100
Optimax Clinics Limited	-	100
Ultralase Eye Clinics Limited	-	100
Flowerbell Limited	-	100
Care Vision Trier GmbH	-	63

As well as of the following Company, where the parent Company exercises a significant influence in its management, without gaining its control:

Denomination	Shareholding %	
	Direct	Indirect
Aier Global Vision Care Management Co., Limited	40	-

Omission and exemptions of information:

In compliance with the disclosure of classified and sensitive information, as well as of details related to intellectual property, technical know-how and innovation results, Clínica Baviera has not excluded any specific information item in these categories. This decision underlines the Group’s commitment to transparency and integrity all of its communications and operations, guaranteeing that all stakeholders have access to relevant information on Clínica Baviera and its progress.

Data on non-financial information and sustainability of the 2023 reporting period have been restated in order to unify year-on-year criteria and guarantee the coherence and comparability of information reported in all group companies. Moreover, the improvement in the data collection capacity has allowed extending the scope coverage, offering a more accurate and complete view of the sustainability performance. This update responds to Clínica Baviera's commitment to transparency and reliability of information, aligning with best reporting practices and facilitating better decision-making both at internal level and for its stakeholders.

Coverage of the Value Chain:

One of the key objectives of ESG regulations is to make sure that users of the Sustainability Reports have transparent reliable information on positive and negative impacts generated by the Company on society, as well as on the risks to be mitigated and the opportunities to be seized.

In this context, throughout the Report, Clínica Baviera details how the materiality assessment of impacts, risks and opportunities deepens in the value chain, covering its upstream and downstream phases. Through this comprehensive perspective, the report reflects the extent to which its policies, actions, objectives and parameters cover the totality of the value chain, including, as far as possible, information on the upstream and the downstream for a complete overview of the relevant sustainability matters for the Group.

Strategy, business model and value chain of Clínica Baviera.

Clínica Baviera began its trajectory in the 1990s in Valencia, founded by Eduardo Baviera, together with doctors Julio Baviera and Fernando Llovet. Since its beginnings, the company has evolved to become a European benchmark in advanced ophthalmological services, standing out in refractive surgery to treat myopia, hyperopia, astigmatism and presbyopia, as well as cataract surgery. The group is currently the only European ophthalmology company listed on the stock exchange, with its head office in Madrid and a robust business model backed by more than 30 years of experience.

Clínica Baviera's business model focuses on providing high quality ophthalmological services through a specialised approach. The Company combines technological innovation with continuous training of its staff, guaranteeing optimal care for its patients. The highly specialised refractive and cataract surgery units are the cornerstones of its services offering.

From its incorporation to date, the Group has experienced strong growth in terms of number of clinics, potential target population and number of treatments performed, and has undergone a progressive diversification both by product and geography. During 2024, 10 new clinics were opened in Spain, two in Germany and one in Italy. In addition, 18 clinics were added to the Group with a presence in the main cities of the United Kingdom, due to the acquisition of the Eye Hospital Group (Optimax).

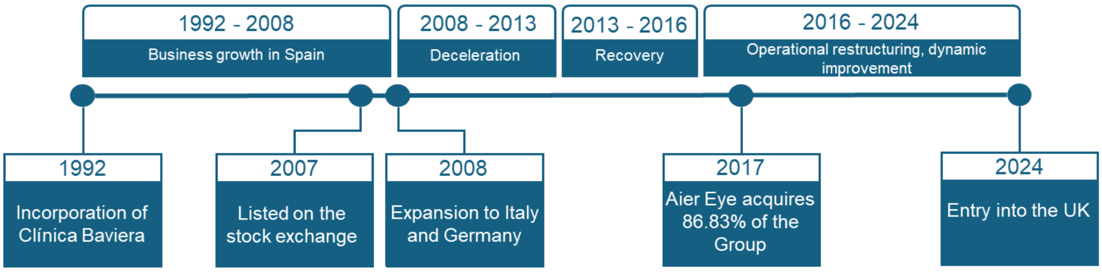
Since 1997, Clínica Baviera has pursued a strategy of national and international expansion. In Spain, the group opened an average of three clinics per year, until consolidating its presence throughout the country. In 2008, it began its international expansion with the opening of two clinics in Milan and the acquisition of Care Vision in Germany, which added 8 centres in that country and 1 in Austria.

In 2017, Aier Eye International Europe S.L.U., part of Aier Eye Hospital Group Co., ltd. acquired 86.83% of Clínica Baviera, integrating it into the world's largest ophthalmology network, with presence in Asia, Europe and America. This alliance strengthened Clínica Baviera's competitive position, improving its investment capacity and consolidating its leadership in the sector.

In 2018, 7% of Clínica Baviera's share capital was sold through a private placement (ABB) of shares belonging to Aier Eye, which reduced its investment to 79.83%. Subsequently, in 2020, Aier Eye and the founders of Clínica Baviera, through Vito Gestión Patrimonial, rescinded call and put options entered into in 2017 to remain a long-term shareholder.

On May 24, 2024, the Group launched a share buy-back programme with the aim of giving its staff the opportunity to benefit from the Company's success through a share-based compensation in kind plan as well as an incentive plan for key Group staff. As a result, its majority shareholder now holds 78.23% of Clínica Baviera's share capital.

On June 26, 2024, Clínica Baviera, in line with its expansion strategy, completed the acquisition of 100% of the share capital of the British Eye Hospital Group (Optimax) through its subsidiary Clínica Baviera UK, S.L. This transaction strengthens its presence in the European market, expands its network of clinics and contributes to geographical diversification, allowing it to capture new business opportunities and consolidate its leadership in the ophthalmology sector.



In order to continue this expansion process, it is essential to understand the context of the Group's operations, based on three essential pillars: highly qualified professionals, expansion and growth of the business and increased competition in the sector.

Highly qualified professionals

Clínica Baviera is committed to offering high quality services through a highly trained healthcare team, supported by a solid Training Plan. This includes face-to-face and theoretical online programmes for new employees, with a focus on knowledge transfer between experienced professionals and new recruits. In addition, ongoing training in new technologies and advanced treatments is guaranteed, promoting a collaborative learning environment. Specialisation and constant training are pillars that reinforce the excellence of services and ensure the Company's leadership in the ophthalmology sector.

Business expansion and growth

The Group's growth is influenced by key strategic drivers, such as demographic trends and the impact of screen use on eye health. Longer life expectancy and the proliferation of electronic devices are increasing the need for ophthalmological treatment. This favourable context drives Clínica Baviera's expansion and business growth.

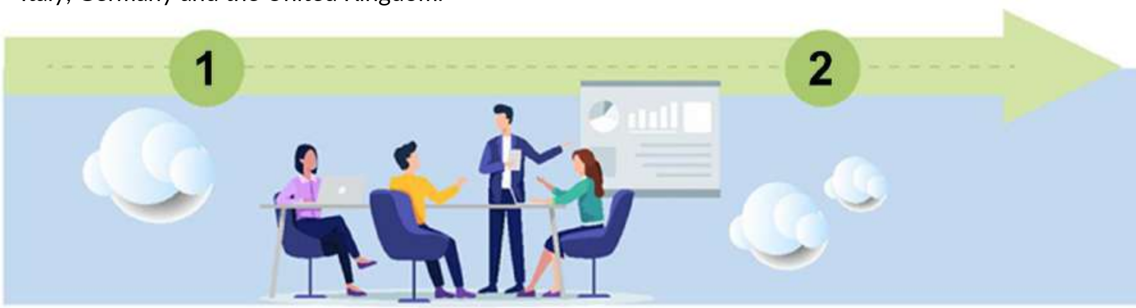
Increased competition in the sector

Clínica Baviera faces significant competition in the ophthalmology market, both nationally and internationally. To strengthen the Company's position in a sector in which technology and prices are differentiating factors, the Group is committed to innovative practices, such as surgical simulators for training doctors, digitalisation of processes and comprehensive patient interaction strategies.

The Group's strategy currently focuses on consolidating its activity and maintaining its leading position as a leading private ophthalmology centre. The main strategic lines guiding the Group's operations are the following:

Consolidation of the business in countries considered strategic for the firm: Spain, Italy, Germany and the United Kingdom.

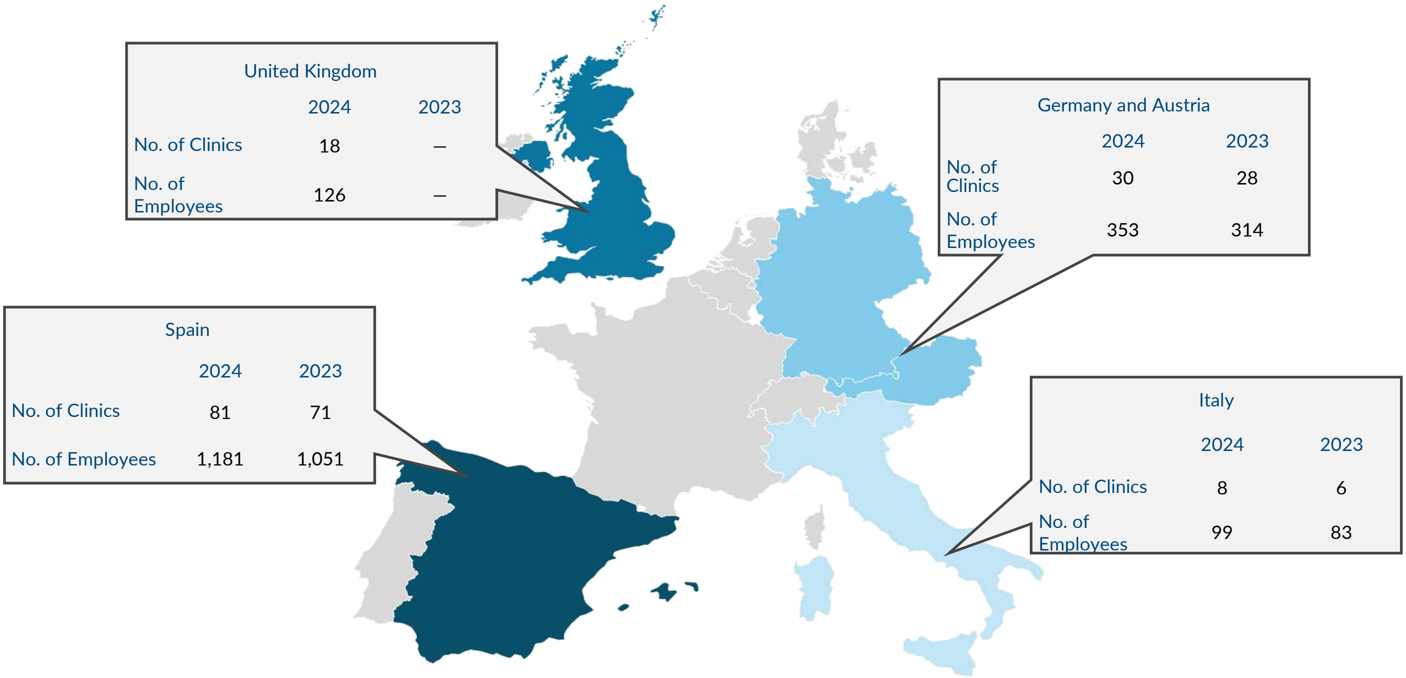
Operational improvements at the service level to improve customer satisfaction.



In this sense, Clínica Baviera has carried out a SWOT analysis with the aim of identifying internal and external factors that could have a negative impact on the organisation (Weaknesses/Threats), as well as those that could represent an advantage (Strengths/Opportunities). The strategic analysis below contributes to a deeper understanding of the business environment and facilitates informed decision making to address challenges and seize opportunities.


WEAKNESSES
• Cyclical business with limited geographical diversification
• Dependence on availability of medical professionals
• The group's size may slow down the implementation of changes at country level
• Patients who are largely non-recurrent
THREATS
• Economic crisis
• Technological innovations
• Negative publicity
• Regulatory changes
• New competitors
• Enforcement risk
• Temporary slowdown in earnings momentum
SWOT
STRENGTHS
• Highly profitable business with barriers to entry
• Leadership with high brand recognition
• Extensive business experience
• Committed management team
• Strong market position
• Synergies between countries and ophthalmologists
• Attractive margins / high leverage
• High cash conversion with low Capex requirements
• Sound financial structure
• Synergies with Aier Eye Hospital Group.
OPPORTUNITIES
• Secular growth trends
• Recovery opportunity in the UK
• Demographic trends (ageing of the population) and increasing use of electronic devices
• Ability to adapt to technological change
• Increased penetration of refractive surgery
• Market share increase
• Expansion in Italy and Germany

During 2024, Clínica Baviera Group operated in five countries (Spain, Germany, Italy, Austria and the United Kingdom) with a total of 137 clinics at year-end 2024. During this period, revenues amounted to 263 million Euros, consolidating its leadership in the European market.

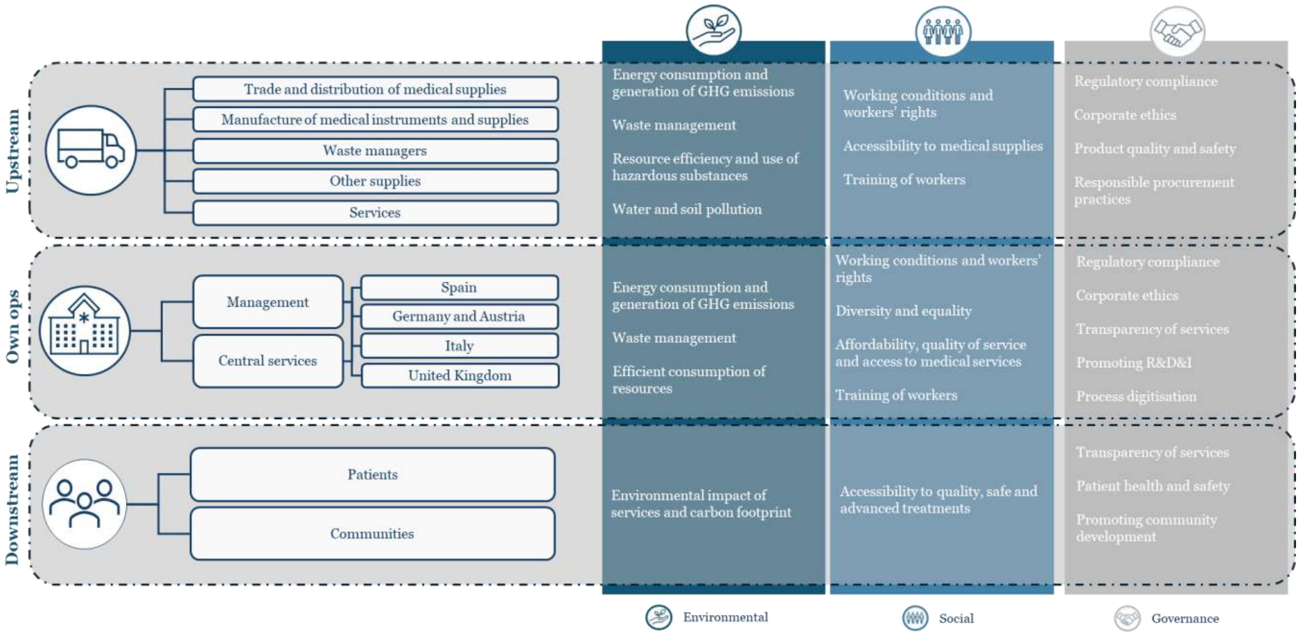


Clínica Baviera's core mission is to guarantee safe and high quality services through the continuous training of its staff. This commitment extends to the value chain, where the group aligns its strategic objectives with the improvement of the patient experience..

Value chain of Clínica Baviera:

The Group's value chain is designed to ensure consistency in all its operations, from the acquisition of technological equipment to the training of new professionals and maximum patient satisfaction. Understanding and detailing this chain is fundamental to managing the business strategically and efficiently, as it allows us to identify critical points, optimise operational processes, reduce costs and guarantee the quality and consistency of services. It also provides a solid basis for making informed decisions and adapting to market changes, thereby strengthening the Group's competitiveness in the long term. Furthermore, the integration of ESG (environmental, social and governance) criteria along the entire value chain is essential to comply with regulations, respond to stakeholder expectations and mitigate risks that may affect the sustainability of operations. This approach fosters opportunities to innovate practices that reinforce commitment to corporate responsibility and generate value for all stakeholders.

The Group's value chain is broken down into three main phases: Upstream, focused on the responsible supplier selection and the environmental impact of inputs; Own operations, where internal processes are optimised, minimising environmental impact and ensuring the quality of life of its team and patients; and Downstream, which encompasses interaction with patients and communities, promoting quality services, safety and transparency. This detailed approach enables the Group to identify areas for improvement in sustainability and strengthen its performance.



The value chain breakdown is a key input to identify impacts, risks and opportunities arising from Clínica Baviera's own operations, as well as from upstream and downstream activities. This detailed analysis enables the effective management of material ESG issues (environmental, social and governance), ensuring that the Company's operations are sustainable, responsible and aligned with stakeholder expectations and reinforcing the commitment to long-term value creation.

Stakeholder relations

In order to guide the group's strategic direction, Clínica Baviera takes a proactive approach to collaboration with its stakeholders.

This section in the report describes the processes and mechanisms through which the Company integrates stakeholder engagement into its business model and strategy. In this sense, the Group seeks to convey trust and credibility among its stakeholders through a commitment to transparency and ensuring that the responsibility acquired by Clínica Baviera in its mission, vision and values is extended and accepted by all its stakeholders, promoting active dialogue and strengthening relations with them. In this way, harmony is achieved between the corporate identity and our stakeholders' expectations, adapting the Group's policies and strategies to their interests, concerns and needs as far as possible.

Collaboration with stakeholders:

Aware of the role that engagement with stakeholders plays in creating a resilient and sustainable business model, Clínica Baviera strives to maintain a permanent and constructive dialogue with them, as part of its strategy. To this end, various communication channels are used to strengthen relations with stakeholders and identify the issues that are most relevant to them, understanding the positive and negative impacts that the Company could cause them.

The following is a description of Clínica Baviera's main stakeholders and how the Group addresses their expectations and concerns.

Financial institutions, shareholders and investors:

Clínica Baviera's financial institutions, shareholders and investors provide financial capital and seek to maximise the return on their investment. Their main interest is financial stability, long-term growth and transparency in management.

The framework governing relations with this stakeholder group is set out in the Policy on Communication of Economic-Financial, Non-Financial and Corporate Information and Communication with Shareholders and Institutional Investors. This document establishes the obligation to correctly inform, communicate and attend to shareholders and investors, with transparency, truthfulness, immediacy, equality and symmetry in the dissemination of information. Thus, the Group maintains several direct communication channels with this stakeholder group:

Group Corporate Website (www.grupobaviera.es):

Through this website, the Group makes available all information that may be of interest, thus contributing to transparency as a priority value that shapes the Group's relations with the markets and the general public.

General Shareholders' Meeting:

The Board of Directors promotes the informed and responsible involvement of shareholders in the General Shareholders' Meeting, making available to shareholders all information that is legally required or which, without being required, should reasonably be provided in the interests of the company and the shareholders. Clínica Baviera responds to requests for information from shareholders in the periods prior to Shareholders' Meetings. The Board of Directors considers the questions that, being pertinent and relating to the subject matter of the agenda, are asked by the shareholders on the occasion of the Shareholders' Meeting.

Likewise, in order to facilitate communication between the Company's shareholders, during the period between the call and the holding of each General Shareholders' Meeting, Clínica Baviera sets up an Electronic Shareholders' Forum on the corporate website.

Business Development Department:

The Business Development Department plays a crucial role in building and maintaining strong relationships with the Group's investors and analysts through direct communication by email or telephone. In addition, to report in detail on developments, strategy, results and to answer possible questions from analysts and investors, conferences, video calls, roadshows, presentations and meetings are organised to complement the information published on the website and to facilitate communication and long-term value creation with the Group's shareholders.

Workforce

The Company's workforce is a strategic asset for Clínica Baviera, as they are the driving force behind the achievement of the Group's objectives. Their main interests are job security, fair working conditions, professional development, adequate compensation and a healthy working environment. The workforce is diverse and consists of people of different backgrounds, ages, genders and abilities, which enriches the organisational culture. Clínica Baviera's team includes vulnerable groups, which is why we work actively to guarantee an inclusive and safe environment, where each person can fully develop, encouraging policies that promote equal opportunities.

One of the fundamental principles of interrelation between the group and its team, as described in the CSR Policy, is to maintain an ongoing and fluid dialogue, supported by sufficient communication channels that facilitate active listening and the exchange of ideas. Open and accessible communication strengthens trust, fosters a sense of belonging and allows the concerns, needs and suggestions of each person in the organisation to be addressed quickly. With this approach, we seek to build a collaborative and transparent working environment, where everyone in the Group can express their opinions and contribute to the growth of the team and the Company through the following channels:

Human Resources Department:

The Human Resources department plays a key role in workforce relations, acting as a direct link between employees and the organisation. The HR department is responsible for actively listening to the team, promoting an environment of trust and respect. To facilitate communication, HR provides employees with a specific e-mail address through which employees can express their concerns, share their worries, report relevant facts or send any other communication they consider important. This channel ensures that all voices are heard and that the necessary actions are taken to maintain a safe, inclusive and collaborative work environment.

The HR department also maintains a constant flow of communication with clinic management staff to understand the specific needs of their teams, facilitating informed decision-making and the implementation of solutions tailored to the specifics of each clinic. In this way, staff concerns and operational needs are managed efficiently and aligned with organisational objectives.

Medical Management, Optometric and Nursing Committees:

The Medical Management Committee is responsible for directly collecting suggestions and complaints from medical staff and discussing each case in order to find appropriate solutions and process improvements.

Similarly, the Optometrists' and Nurses' Committees carry out similar work focused on nursing and optometry staff, backed by the decisions established by the Medical Committee. In addition, these committees are responsible for collecting all the necessary information, such as protocols and guidelines, to ensure that the entire Clínica Baviera can perform their duties in line with the standards required by the Company. This information is made available to employees through a shared space, facilitating access and continuous updating of key resources.

All communication between committees and specialised staff is done via email, and there are specific email groups for each committee, where all relevant people are located to streamline and organise the flow of communication.

Management:

Managers play a similar role to the HR Department at local level, acting as the first point of contact for staff concerns, worries and complaints. In carrying out the day-to-day the clinics' management, clinic management staff have first-hand knowledge of the needs of the team. If any issues arise that exceed their functions or capabilities, they are escalated to the HR Department or the relevant committee for appropriate handling. Direct communication and active listening to staff is a priority for Clínica Baviera; therefore, regular conversations are held between clinic management staff and their teams to ensure that the working environment is safe, inclusive and collaborative. This approach aims to make all employees feel heard and supported, promoting a working environment where the workforce's opinions are appreciated and respected.

Onboarding programme:

The onboarding process is designed to facilitate the integration of new talent by providing an initial orientation on organisational culture, policies and procedures. During the first few weeks, employees receive role-specific training and personalised support and have a person to guide them through their adaptation, with the aim of ensuring their integration and an efficient start in the company.

Going Up:

The *Going Up* programme is a mentoring programme designed to support the professional development of newly recruited medical staff, with senior doctors acting as mentors.

Through a platform, junior doctors have the opportunity to raise doubts, concerns and suggestions, which are addressed by senior doctors, who share their knowledge and experience to guide the new professionals. This mutual support system ensures that medical staff in training receive the necessary support to perfect their skills, which contributes to maintaining and improving the quality of the Group's services. The programme reinforces Clínica Baviera's commitment to the continuous development of the medical team, ensuring a high level of excellence in the care provided to patients.

Performance appraisals:

Performance appraisals aim to ensure the professional and personal development of employees, as well as to improve and optimise the management of the clinics. This process consists of two specific milestones:

On the one hand, on a quarterly basis, the employees of the clinics meet in person to analyse the team's joint performance, identifying areas for improvement and establishing action plans to maximise performance and improve the functions they carry out as a team.

On the other hand, on an annual basis, employees participate in a performance appraisal which consists of two parts: self-evaluation, in which each person reflects on their own performance, and the evaluation carried out by their superiors, who assess their performance according to the objectives set and the results obtained. Once the appraisals have been received by the persons responsible, individual tutorials are scheduled to review the results with each employee, provide feedback on their performance throughout the year and establish the objectives for the next cycle, thus fostering continuous professional development aligned with the Company's goals.

Exit interviews:

When a person ends their employment relationship with Clínica Baviera, the Company conducts an exit interview in order to obtain feedback on their experience in the company. During the interview, aspects such as the work environment, development opportunities and the relationship with colleagues and superiors are addressed. This process is essential to identify areas for improvement in management and organisational culture, as well as to detect possible trends that impact talent retention, allowing changes to be implemented to optimise the working environment.

Corporate communications:

Corporate communications are essential to keep staff informed of developments, events and relevant aspects of the company, facilitating the management of administrative tasks. The Group manages these communications through different channels:

Relevant events and urgent communications, which require immediate attention, are communicated by e-mail. In addition, a monthly telematic meeting is held at which the management team, the persons in charge and the clinic management staff from all the Company's countries meet to present and analyse sales results, review forecasts and discuss other issues of interest, thus fostering fluid and aligned communication between the teams at international level.

The *Baviera News newsletter*, distributed on a monthly basis, is intended to inform about company developments, organised events and provide an overview of ongoing projects and performance.

There is also a corporate application that facilitates the management of administrative tasks, providing staff with a flexible and centralised tool for managing their work information.

Responsible Baviera Foundation:

In addition, in order to meet the needs of employees in vulnerable situations, one of the objectives of the Responsible Baviera Foundation is to support employees in special circumstances. These cases are communicated via e-mail, where employees can submit their applications confidentially. The Responsible Baviera Commission then reviews each case on an individual basis, assesses the specific needs and takes appropriate action to provide adequate support, which may include financial assistance, counselling or additional resources.

Patients:

Patients are at the heart of the business, and the Company is aware that their primary interest is to receive quality care, efficient treatment and access to clear and accurate information to enable them to make informed decisions. The aim is to ensure that these aspects are fully addressed in every interaction, providing them with a service committed to excellence. Clínica Baviera's patients include particularly vulnerable people, such as children, the elderly and the disabled, who are guaranteed treatment adapted to their particular needs.

The Code of Conduct and CSR Policy establish the principles for building lasting relationships with the Group's patients, ensuring that relations with them are always transparent, ethical and focused on their wellbeing. To guarantee alignment with their expectations, Clínica Baviera has various channels through which they can share their opinion, allowing us to adapt processes to the needs of this stakeholder group and ensure optimal and personalised care.

Website (clinicabaviera.com) and contact centre:

The website provides useful information that patients may need, facilitating access to details about services, treatments and procedures. In addition, the platform allows them to request their first appointment in a simple and efficient manner, without the need to travel. There is also a form where patients can submit suggestions, allowing them to address their concerns and continuously improve the Group's services. Clínica Baviera's website aims to optimise the patient's experience from the first contact with the company.

Further, the contact centre provides assistance to patients to resolve possible doubts or queries. It also offers the possibility of managing the scheduling of appointments, facilitating patients' access to services in an efficient manner.

Interaction with clinic staff:

The main interaction between patients and the Company takes place through the clinic staff, so it is crucial that communication is clear, effective and efficient. In order to ensure this quality of care, the Group has specific protocols in place that establish guidelines to be followed by all clinic staff involved in direct patient care. Ophthalmology specialists assess each patient to determine the suitability of each treatment, which allows for individualised care, and provide accurate and understandable information about their treatment. In addition, patients have the possibility of contacting the clinics at any time via telephone lines, thus resolving any doubts or concerns that may arise.

Moreover, patients are given a set of documents by hand, ensuring that they are fully informed about their rights, the protection of their personal data and the treatment diagnosed. In addition, this information is also provided to them electronically via the patient portal for their full availability. This documentation enables patients to make informed decisions and follow instructions correctly, ensuring a safe and transparent experience throughout the entire process.

In addition, our clinics in Germany and the UK offer a video consultation service, giving patients the possibility to access medical care remotely, which facilitates access to services and improves efficiency of care.

Patient portal:

The portal provides direct access to relevant documentation, as well as to patients' personal data and administrative procedures. Through this digital platform, patients can consult all the necessary information and documentation, manage their appointments, and carry out any procedure related to their follow-up. This portal facilitates fluent communication and easy access to resources, contributing to a more efficient and personalised experience.

Satisfaction surveys:

Patient satisfaction surveys collect patient experience data for each clinic. These surveys assess key aspects of the service and the NPS (Net Promoter Score). Patient satisfaction is measured mainly in terms of loyalty and the degree of recommendation of the Group's services, which allows us to learn their impressions, identify possible areas for improvement and receive suggestions for optimising care. This process contributes significantly to the continuous improvement of care standards, ensuring that we are always working towards providing the highest quality care.

Patient satisfaction surveys are analysed by the Operations Department to obtain a comprehensive view of the patient experience at all clinics. Data collected is carefully reviewed and assessed to identify patterns, strengths and areas for service improvement. From this analysis, strategic decisions are made that guide actions at the organisational level to continuously improve the quality of care and patient experience. This approach allows policies and procedures to be adjusted proactively, ensuring that operations are aligned with patient expectations and the highest quality standards.

Complaints and claims channels:

In compliance with current regulations, all clinics have complaint and claim forms available to patients. When a complaint or claim is filed, the organisation conducts an internal investigation to analyse the issue raised, notifying the relevant clinic manager of the identified situation. Based on this notification, a specific protocol is implemented for the resolution of the complaint, ensuring that the necessary measures are taken to address the issue efficiently and in a timely manner, guaranteeing patient satisfaction and well-being.

In the event that the complaint or claim is referred to the Medical Committee, a detailed and thorough review of the case is carried out. All aspects of the complaint are analysed and decisions are made based on the severity and details of the incident. The committee is responsible for determining the necessary corrective actions, establishing a resolution plan that is implemented to efficiently address the issue. This process ensures that each situation is handled with due care and that measures are taken to prevent future issues, while maintaining a commitment to continuous improvement and patient satisfaction.

Suppliers:

Clínica Baviera is dependent on its suppliers for the smooth running of its business. The main focus of this stakeholder group is on stable, long-term business relationships, timely payments, fair contractual conditions and joint growth opportunities.

Supplier relationships are governed by the principles established in the Group's Code of Conduct, in the CSR Policy and in the Protocol of the Purchasing Department, with the aim of establishing commercial ties based on mutual benefit that generate strategic alliances in the future and aimed at promoting adherence to the Group's sustainability commitments.

The Purchasing Department is responsible for managing relations with the Group's suppliers of goods and services. This communication is carried out directly through meetings, calls and e-mails with suppliers and contractors, where Clínica Baviera guarantees protection, information and transparency with this stakeholder group at all times, as well as compliance with current legislation on contracting and personal data protection.

In addition, on a biannual basis, the Purchasing department conducts a survey of suppliers in order to ascertain their ESG performance through questions related to the Group's Sustainability commitments, as set out in the CSR Policy.

Communities:

At Clínica Baviera, it is essential to contribute to the development and social wellbeing of the communities in which it operates. Interests of the groups of people and organisations located in the geographical areas where the Group operates lie in the Company's economic, social and environmental impact. These communities seek economic development, the creation of local employment and the promotion of responsible business practices that benefit all members of society. In this sense, Clínica Baviera is actively committed to generating a positive impact, promoting initiatives that favour progress and improve the quality of life of these communities.

Responsible Baviera Foundation:

The relationship with the communities is managed mainly through the Clínica Baviera Foundation, whose focus is on supporting groups of people in difficult and vulnerable situations, paying special attention to those facing visual diseases and their effects. The foundation acts as a direct channel of help, establishing initiatives that positively impact the lives of these people and their families. All communications and requests for help are channelled via e-mail or through partner NGOs and entities, which facilitate the implementation of support programmes both in populations where the Group operates and in the society in general. This collaboration model enables us to optimise resources and broaden the scope of social actions, reinforcing our commitment to the well-being and development of communities.

Environment

Although the environment is not a stakeholder, in the traditional sense, it is considered as such because of the impact the Group's activities may have on it. The main interest is considered to be sustainable business practices. Wherever possible, Clínica Baviera implements sustainability-oriented programmes and projects that reflect its commitment to environmental responsibility.

Stakeholders' interests and opinions

Clínica Baviera has worked throughout 2024 to gain an in-depth understanding of the interests and opinions of its main stakeholders. To achieve this, in addition to the information obtained through the various communication channels available, a continuous and proactive dialogue has been established through a panel of experts appointed by Clínica Baviera as part of its dual materiality analysis process. This panel is responsible for identifying and assessing the various impacts affecting its stakeholders.

The group of experts, in addition to holding recurring conversations with stakeholders, brings technical expertise and comprehensive knowledge of the company. This combination allows us to accurately capture stakeholder perspectives and understand how their interests relate to the Group's strategy and business model.

Department involved	Stakeholder
Operations Department	Patients
Business Development Department	Shareholders and investors
Human Resources Department	Employees
Procurement Department	Suppliers
Responsible Bavaria Foundation	Communities
Sustainability Department	Environment

Consideration of the stakeholder perspective

The Group is aware of the importance of integrating the interests, concerns and suggestions of its stakeholders and, therefore, the development of its sustainability strategy will be based on the impacts, risks and opportunities identified through the dual materiality analysis. This approach aims to generate positive impacts on the environment of the Group's operations and take advantage of opportunities, while reducing or mitigating negative impacts that may affect stakeholders, and managing risks.

The stakeholders' views and insights will be incorporated into the design of the initiatives defined in the sustainability plan in order to proactively address their priorities and concerns, seeking to align the ESG strategy with their expectations and needs.

Reporting process to administrative, management and supervisory bodies

In order to ensure a holistic view of sustainability, the Company has actively involved various responsible areas in decision-making related to dual materiality analysis. This has included the impact validation and assessment and the validation of results.

Communication with departmental managers has taken place through regular working meetings, where the main concerns of stakeholders on sustainability issues have been conveyed. The results of the study have been shared with the various Group managements, ensuring that they are aware of the findings.

To ensure transparency and fluid communication with the management and supervisory bodies, the final results of the dual materiality process were shared with Senior Management and presented to the Group's Board of Directors. These results will enable these bodies to make informed decisions, adequately manage sustainability-related impacts, adopt mitigation measures for the risks identified and take advantage of the opportunities detected, integrating them into the future ESG Master Plan.

In this way, Clínica Baviera seeks to ensure that the administrative, management and supervisory bodies are informed about the opinions and interests of stakeholders affected by the impacts generated by the Group, facilitating their involvement in the measures necessary to address these concerns.

Materiality analysis:

In the context of Clínica Baviera's sustainability management, a dual materiality analysis has been carried out in order to identify and comprehensively assess both the impact of operations on society and the environment, as well as the influences that these factors may have on the organisation.

This approach goes beyond assessing the impact of the company's activities on its environment by also incorporating a comprehensive analysis of how external factors and those related to environmental, social and governance (ESG) issues can directly influence the organisation's financial performance and long-term sustainability.

Adopting this two-way approach allows us to assess both the impact of Clínica Baviera's operations on its environment and the influence that changes in ESG factors have on the company. This analysis leads to the identification of a series of priority sustainability issues for efficient and responsible management.

The preparation of the dual materiality analysis responds both to growing regulatory requirements and to the expectations of transparency and corporate responsibility on the part of Clínica Baviera's stakeholders. This process not only reinforces the company's commitment to sustainable development, but has also made it possible to identify priority and significant ESG aspects, facilitating more efficient management of these critical issues and aligning them with the most relevant concerns and expectations of the Group's stakeholders.

For the purpose of establishing the material sustainability matters, Clínica Baviera has carried out a process to determine, evaluate and prioritise ESG impacts, risks and opportunities through a multifaceted approach that considers the Company's operational context, its value chain and integrates the interests and opinions of stakeholders. This procedure ensures that the Group's decisions are based on rigorous analysis, aligned with the principles of dual materiality, reflecting a commitment to transparency and the creation of long-term value for its stakeholders.

In order to determine the Impacts, Risks and Opportunities (IROs) and thus its material ESG issues, Clínica Baviera has followed a structured process that is aligned with the normative provisions set out in the ESRS, based on the dual materiality perspective. This process consists of three phases: understanding and identifying potentially material matters, identifying and assessing the IROs, and prioritising and consolidating the IROs. The objective of this approach is to clearly and accurately contextualise the relevant issues for the Group, ensuring a comprehensive assessment of impacts, risks and opportunities across the Group's operations.

a) Understanding and identifying potentially material matters:

Value chain analysis

- ✓ Identifying and **mapping** links in the company's **value chain**
- ✓ Analysing the different **locations in which** Clínica Baviera **operates**
- ✓ Analysing the **most relevant ESG aspects** of each value chain component

Analysis of the operational context

- ✓ **External analysis:** analysing the competitive environment, emerging regulations and market movements, among others.
- ✓ **Internal analysis:** analysing the company's internal factors, including its organisational structure, operations and corporate culture.

Potentially material issues

- ✓ List of **potentially** material **ESG topics** from Clínica Baviera
- ✓ **Cross-reference** with the topics, sub-topics and sub-sub-topics included in the **ESRS AR16.**[1]
- ✓ Identification of **Company Specific (CS)** themes[2]

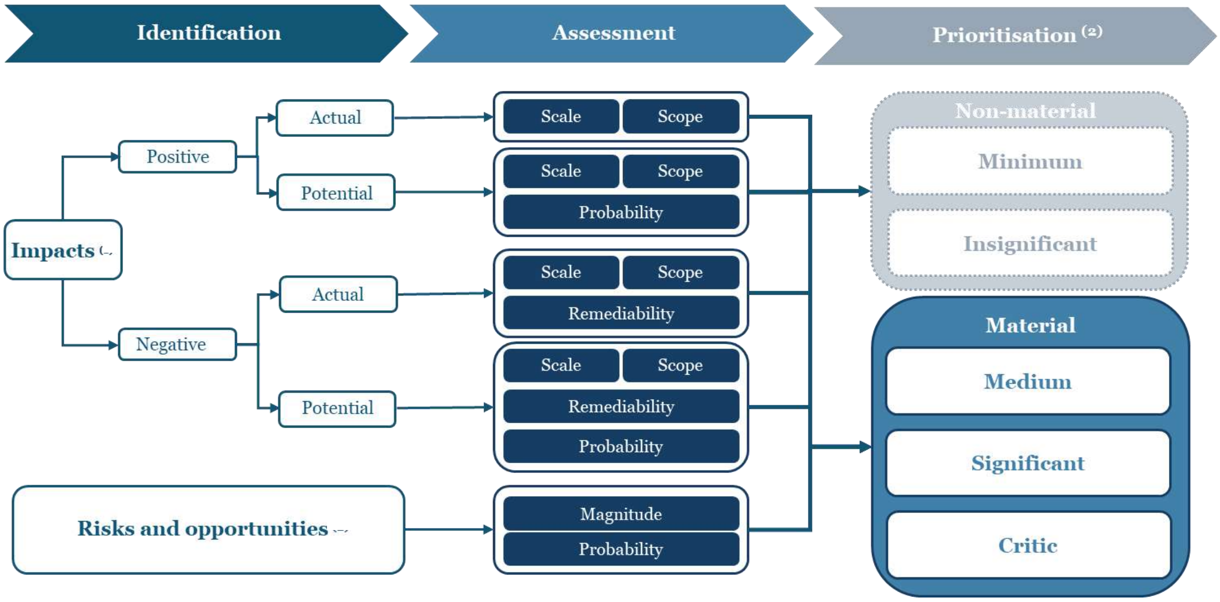
Clínica Baviera's potentially material matters are identified using an approach that integrates analysis of the value chain and the Group's operating context. Key factors such as the Company's strategy, organisational structure and corporate policies are examined (see section "Strategy, business model and value chain"), while the opinions and concerns of stakeholders are integrated (see section "Stakeholder engagement - Stakeholder interests and opinions") through surveys and workshops. In parallel, the value chain is analysed (see section "Strategy, business model and value chain"), identifying the most relevant ESG aspects in each link, from suppliers to interactions with patients.

Once the potential issues that represent critical areas of focus for the company's ESG management have been identified, a full traceability is established with the issues, sub-issues and sub-sub-issues proposed in AR16 of ESRS 1, discarding those that do not have a significant impact, are irrelevant to stakeholders or are not applicable to the company's operational context. In addition, for those aspects identified that are not covered by the ESRS, Company-specific topics (CS) are assigned.

As a result of the phase of identifying potentially material matters for Clínica Baviera, ESRS S3- Affected groups is identified as non-material, given that the Group's activities do not have any implications for indigenous peoples in the development of its activities or along its value chain. Likewise, ESRS E4 is also ruled out as non-material, as the Group's clinics are located in urban environments. Therefore, 8 of the 10 thematic ESRS in the CSRD are considered potentially material matters.

b) Identifying, assessing and prioritising impacts, risks and opportunities (IROs) related to potentially material sustainability matters:

Based on the list of potentially material matters, the Company identifies the associated impacts, risks and opportunities (IROs) in order to assess the materiality of each of them, so that priorities can be established to address their management.

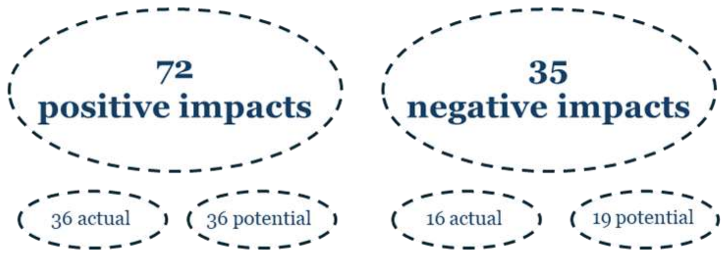


In order to identify the Group's IROs, the conclusions obtained from the analysis of the value chain and the Company's operational context are used as input:

- Derived from the value chain analysis, the ESG implications of the different links in the Group's value chain are identified.
- Based on the external analysis, the regulatory environment, peer benchmarking, market trends and ESG reporting are assessed.
- The internal analysis provides information on the management of the Group's ESG issues through internal and public company documentation and,
- Stakeholder consultation integrates the opinions and concerns of Clínica Baviera's different stakeholders.

b.1) Identifying and assessing impacts (inside-out approach).

Impacts are considered as the actual or potential effects arising from the company's own operations and upstream and downstream of the value chain. In this way, actual or potential, positive or negative impacts on people and/or the environment at the short, medium or long term are identified. Clínica Baviera has identified a total of 107 impacts along the Group's value chain, 35 negative and 72 positive.



Impacts are assessed by the various representatives of Clínica Baviera's stakeholders through a panel of experts. Through consultations and participatory workshops, the designated representatives analyse impacts in terms of severity (made up of scale, scope and remediability) and likelihood. In cases where an impact affects several stakeholders, variables are weighted to calculate the average result of the assessment. For this assessment, the following has to be taken into account:

- The actual positive impacts are measured through scale and scope.
- Current negative impacts are measured through severity (scale, scope and remediability).
- In addition, the variable probability is included in the assessment of potential impacts.

Gravity			Probability
Positive and negative impacts		Negative impact	Potential impact
Scale of impact	Scope of impact	Remediability of the impact	Possibility of occurrence
Limited impact on the environment and/or society	Local impact on the environment and/or society	High remediability on environment and/or society	Highly unlikely impact
Moderate impact on the environment and/or society	Regional impact on the environment and/or society	Moderate remediability on the environment and/or society	Unlikely (rare) impact
Medium impact on the environment and/or society	National impact on the environment and/or society	Conditional remediability on the environment and/or society	Possible
Significant impact on the environment and/or society	Continental impact on the environment and/or society	Low remediability on the environment and/or society	Likely
Significant impact on the environment and/or society	Overall impact on the environment and/or society	Irremediable impact	Very likely

b.2) Identifying and assessing risks and opportunities (outside-in approach).

In the identification of risks and opportunities, the potential effects derived from the company's environment are considered, i.e. the possibility of an event or circumstance occurring that could have negative or positive effects on the achievement of the organisation's objectives at the short, medium and long term. Clínica Baviera has identified a total of 77 risks and 61 opportunities in relation to potentially material matters. All risks and opportunities identified are assessed by the Management Control Department according to their magnitude (financial impact) and their probability of occurrence.

61 opportunities **77 risks**

Financial impact		Probability
Risk	Opportunity	Risks and Opportunities
Negligible financial impact; hardly noticeable and no significant effect on operations or financial performance.	Minimal financial benefit; limited potential and unlikely to affect overall performance.	Highly unlikely impact
Minor financial impact; could cause minor disruption, but does not jeopardise the stability of the company.	Modest financial increase; an advantage, but will not significantly change the trajectory of the company.	Unlikely (rare) impact
Significant financial impact; could affect performance, but manageable with strategic adjustments.	Significant financial benefit; may improve performance, but does not radically transform the current situation.	Possible
Significant financial impact; could seriously affect operations and require a major strategic response.	Substantial financial benefit; potential to significantly improve competitive position or financial performance.	Likely
Critical financial impact; direct threat to the viability of the company, requires immediate and drastic measures.	Exceptional financial benefit; could transform the company and radically change its market position.	Very likely

b.3) Prioritising impacts, risks and opportunities.

In order to calculate the materiality of the ESG impacts identified, Clínica Baviera has established a systematic approach that combines the variables of severity, for actual impacts, and probability, for potential impacts. In the case of risks and opportunities, materiality is calculated on the basis of the magnitude and likelihood of the event.

Once the materiality values of the identified IROs have been calculated, they are classified according to the criteria contained in the following table. Clínica Baviera considers all IROs above the "medium relevance" threshold to be material.

Criterion	Description
Minimum	IROS or matters with almost no or imperceptible implications on the company's environment and are therefore considered non-material.
Insignificant	IROs or minor matters that, while they may have a certain presence, do not significantly alter the company's environment and are therefore considered non-material.
Medium	IROs or matters are considered material as they may be visible and relevant, but do not represent a drastic change in the company's relationship with its environment.
Significant	IROs and matters with considerable influence and require significant mitigation or management actions. These IROS are significant enough to significantly affect the company's environment and are therefore considered material.
Critical	IROs and matters with the highest level of severity and likelihood. These are the most urgent and potentially damaging to the environment; they require immediate attention and are considered material.

As a result of the IRO assessment and prioritisation process, a total of 56 impacts and 70 risks and opportunities have been considered as material, making a total of 126 material IROs for the Group.

c) Consolidation and results of the dual materiality analysis

Based on the company's universe of IROs, potentially material matters are prioritised through the materiality of their IROs, in order to obtain a list of Clínica Baviera's sustainability matters. The prioritisation results of the IROs are consolidated by assigning the maximum materiality value, either impact or financial, for each potentially material matter. This ensures that matters with the greatest potential to affect operations or the environment are prioritised.

As with the prioritisation of IROs, issues with minimal or negligible materiality are discarded as non-material. In this sense, the thematic standards ESRS E2 Pollution and ESRS E3 Water and marine resources have turned out to be non-material given that all the impacts, risks and opportunities linked to these issues have not exceeded the established materiality threshold. The list of material matters for Clínica Baviera is as follows:

Dimension	Material matter	Impact materiality	Financial materiality
Environmental	Climate change: emissions and energy efficiency	X	X
	Circular economy: materials and waste management	X	X
Social	Access to medical services	X	X
	Support to local communities and social engagement	X	X
	Talent attraction, retention and career development	X	X
	Diversity and equal opportunities	X	X
	Promoting transparency in services	X	X
	Patient health and safety	X	X
	Health and safety of workers	X	X
Governance	Responsible supply chain management	X	X
	Corporate governance and regulatory compliance	X	X
	Integrity, ethics and anti-corruption	X	X
	Research and development (R&D&I)	X	
	Data security and privacy	X	X
	Digital transformation	X	X

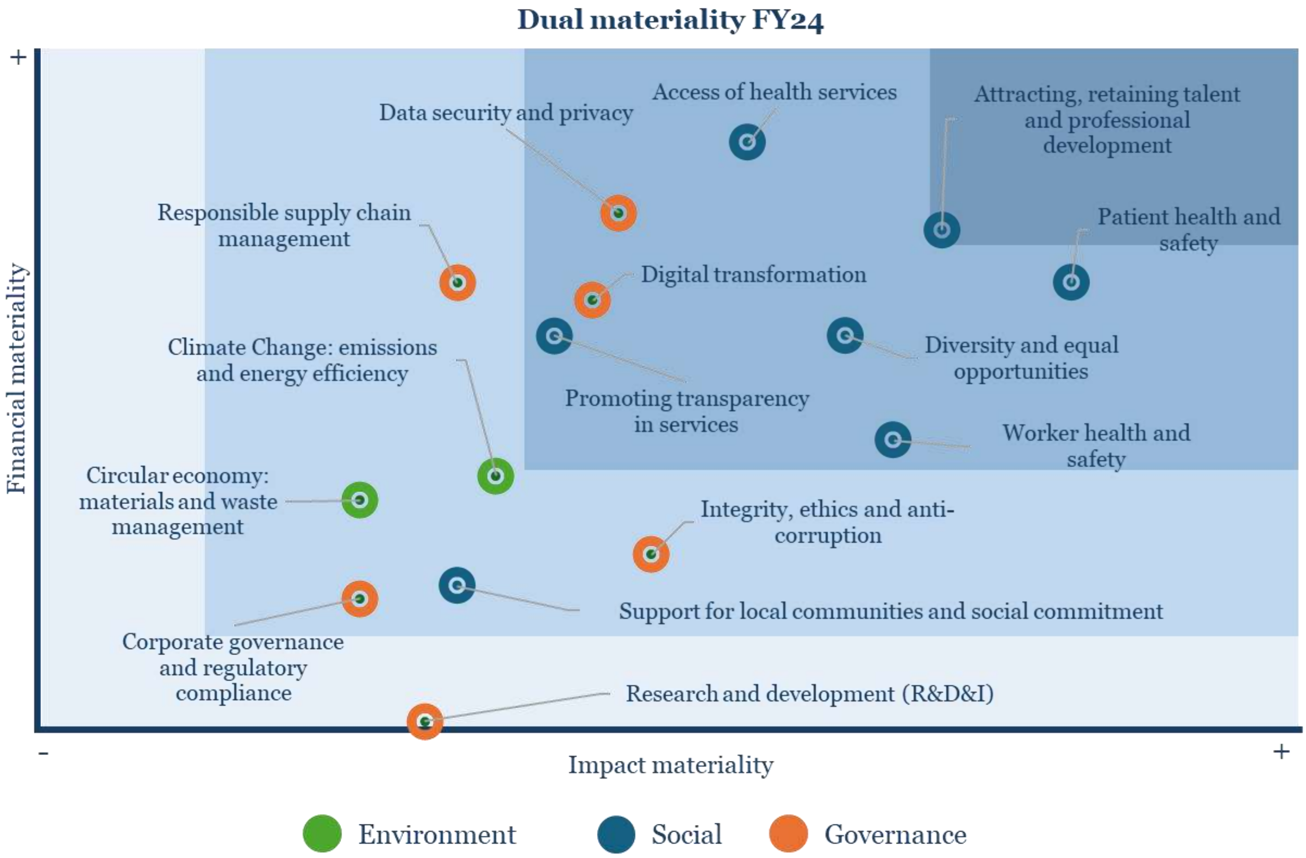
Dual materiality matrix

Material sustainability matters for Clínica Baviera have been represented on a two-dimensional matrix that allows visualising sustainability issues in key quadrants. The abscissa axis corresponds to impact materiality, while the ordinate axis represents financial materiality.

The social pillar (S) is the most relevant for the Company, given its strong commitment to providing quality services focused on the well-being of patients and staff. Key aspects such as talent attraction and retention, patient health and safety, equitable access to medical services, diversity and equal opportunities, as well as employee health and safety, emerge as strategic priorities. This social focus is complemented by a strong commitment to transparency and active support for communities, reflecting that people are at the heart of all the organisation's actions.

In order to achieve this purpose, it is necessary to have a robust and transversal governance model (G) that ensures the transmission of Clínica Baviera's values throughout its entire value chain. Data security and privacy, digital transformation, ethical business practices and the fight against corruption are essential for the development of activities that maximise positive impacts on society.

Likewise, waste management, energy efficiency and the reduction of GHG emissions are aspects that, although not a priority due to the nature of the business, must be addressed with awareness when presenting the main environmental challenges (E) of the sector, integrating care for the environment as a relevant aspect in the Company's management.



In its commitment to transparency and corporate responsibility, the key aspects of Clínica Baviera's ESG management are described throughout this report, ensuring comprehensive and detailed coverage of social, governance and environmental priorities. Furthermore, as a result of the Group's efforts to integrate the European Sustainability Reporting Standards (ESRS) into the reporting process, Clínica Baviera's material topics are linked to the associated standards in the Cross-Reference Table.

Corporate governance:

In order to understand how ESG aspects are integrated into Clínica Baviera's strategy, it is essential to understand its governance system. This chapter aims to address key aspects of the Group's governance structure, regulatory framework, corporate culture and corporate management, providing a comprehensive overview of how these elements influence the incorporation of ESG criteria into the management of the Company.

Governance-related impacts, risks and opportunities

Dimension	Material matter	Materiality of the matter: Impact	Materiality of the matter: Financial	Positive impacts	Negative impacts	Opportunities	Risks
Governance	Corporate governance and regulatory compliance	Medium	Medium	Existing governance bodies to ensure the company's ESG management.	Business misconduct	Incorporating sustainability aspects into the value chain	Lack of ESG governance structure
				Promoting ethical and responsible values		Mainstreaming sustainability in all business areas and improving ESG performance	Non-compliance with diversity and equal opportunities regulation
				Strengthening the sense of justice and security among working people			Possible stigmatisation of whistleblowers if protection measures are not implemented adequately
							Risk of litigation or legal disputes if complaints are not handled properly, which could result in prosecution or regulatory sanctions.
	Integrity, ethics and anti-corruption	Significant	Medium	Respectful and safe working environment for workers	Human rights violations	Improving public and customer confidence in the company by demonstrating a clear commitment to integrity and transparency.	Significant damage to the company's reputation if there are serious corruption cases or they are mishandled, which could erode public confidence.
				Detecting and eliminating corrupt practices.		Enhancing public confidence by reaffirming the company's commitment to ethics and transparency by actively addressing corruption through the review and improvement of internal controls and governance policies.	Non-compliance with human and labour rights recognised in national and international law.
				Culture of integrity against corrupt practices			Fines and reputational damage for poor accounting and auditing practices or if the company has been a victim of corruption, even if measures are being taken to prevent it.
				Promoting an ethical environment and ensuring ethical practices			

Structures and mechanisms established for decision-making at Clínica Baviera, aligned with current regulations and legal standards, guarantee transparent and responsible operation, fostering an honest organisational culture focused on avoiding corrupt practices and promoting respect for human and labour rights. The implementation of a responsible governance structure improves the Company's ESG performance, contributes to environmental protection and social well-being, and extends to internal processes as well as to the value chain and stakeholders.

The responsible governance structure adopted by the group aims to reduce risks arising from non-compliance with legislation, lack of transparency or malpractice, through transparency and ethical practices. The progressive integration of ESG principles into Clínica Baviera's strategy is in line with the company's commitment to develop a responsible activity that improves operational efficiency, strengthens the group's competitiveness and ensures a more transparent and fairer environment. In this way, it aims to reduce the impact on natural resources, promote respect for communities and enhance the benefits to workers and society in general, aligning the company's practices with market expectations and regulatory trends.

The adoption of sustainable practices throughout the value chain ensures compliance with environmental, social and governance regulations, improving the company's ESG performance and strengthening its resilience against a demanding and evolving regulatory environment. The principles set out in the Group's Code of Conduct provide a management framework that guides responsible practices in all of the Company's relationships.

Compared to previous reporting periods, significant progress has been made in the implementation and development of an ESG governance structure. The company has improved its ability to manage sustainability-related risks and has made significant progress in this area. This position reinforces stakeholder confidence, enabling Clínica Baviera to maximise positive impacts in the near future.

Administrative, management and supervisory bodies:

The Board of Directors, the Chief Executive Officer (CEO) and the Audit and Appointments and Remuneration Committees make up Clínica Baviera's administrative, management and supervisory bodies, playing key roles in ensuring efficient governance and promoting ethical business conduct and sustainable growth based on high ethical standards. These bodies, by setting policies and making strategic decisions, ensure compliance with regulations that guarantee the integrity of operations and respect for the company's ethical principles. They also have expertise and capabilities that enable them to incorporate corporate responsibility into strategy and operations, reinforcing the commitment to ethical and forward-looking management.

Board committees, as well as the Director and Senior Management, have a clear and fluid reporting structure towards the Board of Directors, ensuring a continuous and structured flow of relevant information. This dynamic ensures that all decisions related to strategy, business management, and key aspects such as sustainability, ethics and compliance are reviewed and monitored in a comprehensive manner and in line with the Company's strategic objectives and corporate values.

These bodies' functions and values are set out in the Corporate Governance Policy, the Regulations of the Board of Directors and the Internal Regulations for Conduct in the Securities Markets. These documents establish the guiding principles and guidelines for their ethical and professional behaviour, ensuring transparency, integrity and sustainability in all the Group's operations.

The General Shareholders' Meeting:

The **General Shareholders' Meeting (GSM)** is Clínica Baviera's highest decision-making body, responsible for resolving on matters attributed to it by law and the bylaws. Its powers include approval of the financial statements, corporate management, appointment and removal of the Board of Directors' members, as well as approval of capital increases, mergers and other structural and statutory modifications. This body also establishes the directors' remuneration policy and authorises key operations. It is the body in charge of supervising the management of the Board of Directors to ensure that the interests of the shareholders are met. All documentation on the meetings of the GSM held during 2024 and up to the date of preparation of this report are made available to the public via the corporate website.

The Board of Directors

Clínica Baviera's Board of Directors is the body responsible for the Company's strategic management and supervision, playing a central role in defining and overseeing business conduct. Its main function is to propose key decisions to the Board and oversee the executive management of the Company, ensuring that decisions are consistent with shareholders' interests and that business strategies are properly executed. In addition, it formulates strategic policies that integrate ethical, sustainability and social responsibility principles, maximising economic value in a sustainable manner and in line with the social interest and ethical values that govern its activity.

The Board oversees compliance with legal regulations, industry best practices and voluntary principles assumed by the Group, following the principles set out in the Internal Code of Conduct and the Corporate Governance Policy. It also approves the Code of Ethics and Conduct, as well as key policies related to risk control, corporate governance and social responsibility.

Its composition is structured to ensure the promotion of diversity and a balance between different types of directors, with a majority of external directors, who may be proprietary or independent, and a minimum number of executive directors, necessary for the proper functioning of the company. Proprietary directors represent significant shareholders, while independent directors ensure objectivity and independence in decision-making, with no links to the company or its management. The Board of Clínica Baviera is made up of 7 directors, with no employee representatives on the Board.

The Board members have extensive experience in strategic planning and policy formulation, backed by a strong track record in business conduct management. In this regard, the experience of Clínica Baviera's Board of Directors is closely linked to the medical sector, particularly in the field of ophthalmology. Their background enables them to deal skilfully with the complexities of socially responsible business management. In addition, their ability to implement best business practices is enhanced by their participation in training and development programmes, including additional sustainability training, to ensure that they can efficiently address the challenges associated with social responsibility and risk management in a dynamic business environment. The curricula vitae of its members, with detailed information on their experience in sectors, services and geographical locations relevant to the group, are available in the Corporate Governance Report 2024 of Clínica Baviera, S.A. (section C. Structure of the Company's management), published on the same date as this report, as well as on Clínica Baviera's corporate website.

	Men		Women	
	No.	%	No.	%
Proprietary directors	3	75 %	1	25 %
Independent directors	1	50 %	1	50 %
Executive directors	1	100 %	-	- %
Total	**5**	**71 %**	**2**	**29 %**

The Managing Director and Senior Management:

The **Managing Director** is the key figure leading Clínica Baviera's strategic and operational management. As the chief executive, he/she designs and implements strategies, makes relevant decisions, oversees day-to-day operations and represents the Company before shareholders and other stakeholders. His work is essential to align the organisation's goals with its execution.

Clínica Baviera's Managing Director is also an executive director, combining his/her operational role with a seat on the Board of Directors. This allows him/her to participate directly in strategic decisions, ensuring a fluid connection between management and the board, fostering greater agility and coherence in decision-making.

In order to maintain balance and avoid excessive concentration of power, the Group's governance structure includes a proprietary director who chairs the board, acts as an independent figure to the Managing Director and ensures efficient oversight, and two independent directors who guarantee objectivity and act as a counterbalance in decision-making. This configuration maximises the usefulness of the managing director and executive director, ensuring that Clínica Baviera's strategic direction is sound, balanced and transparent.

The managing director holds regular meetings with **Senior Management**[1], made up of the heads of the main operational and strategic support areas, in order to coordinate international operations, oversee medical management and align central services. These interactions ensure coherent execution of corporate strategies and a holistic view of the company. Senior management directly supports the managing director by providing key information for decision-making and executing operational strategies under his/her coordination.

The managing director leads the integration of ethical and sustainability principles in all operational areas, promoting a corporate culture that values regulatory compliance, transparency and social responsibility. During the last financial year, in order to promote and foster sustainability within Clínica Baviera's corporate culture, internal training programmes have been developed and the necessary considerations have been defined to establish performance indicators in ethical and ESG matters, with the aim of reinforcing alignment with the company's standards of business conduct and strategic objectives. In this regard, the director works to ensure that sustainability risks and opportunities are managed efficiently. This work is monitored and reported regularly to the Board of Directors.

The Managing Director has key competencies in operational excellence, risk management and fostering transparent stakeholder relations. In addition, as a member of the Board of Directors, he/she has received specific ESG training, which strengthens his/her ability to align business strategy with sustainability principles. Thanks to the information provided by senior management, who are able to identify, manage and mitigate risks, as well as to seize sustainability-related opportunities, the managing director ensures informed decision-making that meets strategic objectives and stakeholder expectations.

	Men		Women	
	No.	%	No.	%
Senior management (excluding the executive director)	5	71 %	2	29 %

Delegated Committees of the Board of Directors:

Clínica Baviera's Board of Directors has two key committees: the Audit Committee and the Appointments and Remuneration Committee, whose composition, competencies and functioning are regulated in the Regulations of the Board of Directors. Both committees consist of a chairman and a secretary, and their members are professionals with experience in assessing and auditing business conduct, with in-depth knowledge of legal regulations and ethical and conduct standards, which enables them to efficiently supervise compliance with corporate policies. These committees play a crucial role in ensuring the transparency and integrity of the actions of the directors and administrative bodies.

[1] Senior Management: Members of senior management who report directly to the Board of Directors, its Chairman or the Chief Executive Officer, as well as any other member of staff recognised as such by the Board of Directors, are considered to be members of senior management.

The Audit Committee is made up of three non-executive directors, two of whom are independent directors. This committee is responsible for supervising internal control, audits and financial and non-financial risk management systems, as well as proposing the selection and replacement of the external auditor. It also oversees the effectiveness of internal control systems, internal audit and risk, ensuring independence and transparency in the preparation of financial and non-financial information. It also oversees compliance with corporate governance and sustainability regulations, including environmental and social policies. The Audit Committee is currently actively working on integrating oversight of material sustainability-related risks, including environmental, social and governance implications, to ensure their appropriate inclusion in the Company's risk management.

The Appointments and Remuneration Committee, which also comprises three non-executive directors, two of whom are independent directors, is responsible for assessing the skills and experience required on the Board of Directors, proposing appointments of independent directors and senior executives, and determining the remuneration policy for directors and senior executives. This committee guarantees the correct representation on the board, ensuring transparency in the appointment and re-election processes of directors and senior management, as well as in the remuneration policy. It also ensures that there are no conflicts of interest that could affect independence in decision-making, and oversees an orderly succession in key positions in the company. Once the Group's ESG strategy has been developed, it will ensure that decisions related to appointments and remuneration are consistent with sustainability principles, aligning managers with strategic objectives in terms of impacts, risks and opportunities.

Although Clínica Baviera does not have a committee specifically dedicated to ethics or sustainability, both committees play complementary roles in monitoring these issues. The Audit Committee oversees environmental, social and governance policies, while the Appointments and Remuneration Committee monitors that managers act in accordance with ethical and responsible standards of business conduct in all their decisions and policies. Both committees are key to ensuring the independence, transparency and effectiveness of the company's management and corporate governance.

	Men		Women	
	No.	%	No.	%
Audit Committee	2	67 %	1	33 %
Appointment and remuneration committee	1	33 %	2	67 %

Regulatory framework and corporate culture:

Clínica Baviera's corporate culture is based on a solid regulatory framework designed to guarantee transparency, integrity and commitment to best practices at all levels of the organisation. Administrative, management and supervisory bodies play a key role in monitoring and implementing this framework, ensuring that their decisions and actions are aligned with corporate values and principles. This framework is made up of a set of key policies and guidelines that reflect the Group's values and principles. These include the Code of Ethics, the Internal Code of Conduct on the Securities Market, the Corporate Governance Policy, the Compliance Policy, the Anti-Corruption and Fraud Policy, the Tax Policy, the Corporate Social Responsibility (CSR) Policy, and the Workplace Harassment Prevention Policy. These policies govern internal and external behaviour and reinforce the Group's commitment to an ethical, equitable and sustainable environment.

Code of Ethics and Internal Code of Conduct of the Securities Market:

Clínica Baviera's **Code of Ethics** formalises the Group's vision and values, serving as a guide for the actions of all professionals. It is based on principles of business ethics, transparency and legal compliance, establishing clear guidelines to guarantee ethical and responsible behaviour. This Code also incorporates recognised good governance recommendations and principles of social responsibility, taking into account the opinions of stakeholders and promoting respect and dignity for people, the privacy of shareholders and patients, a safe working environment free of discrimination, and a balance between the personal and professional lives of the Clínica Baviera team. The Code of Ethics is aligned with international human and labour rights standards, as part of the commitment to the principles of the United Nations Global Compact, explicitly rejecting child labour, forced or compulsory labour, and illegal employment.

These regulations apply to all professionals of the Group, regardless of their hierarchical level, geographic location or function, including directors, executives, employees, collaborators, representatives and managers of the companies that make up the Group, as well as any person whose activity is specifically subject to the Code of Conduct. In this regard, the Group makes this document available to all stakeholders through the corporate website, facilitating its accessibility and ensuring its dissemination to those who must contribute to its implementation.

Responsibility for implementing and monitoring the Code of Conduct rests with the Compliance Unit, comprising the heads of the human resources, finance and legal departments. This committee is responsible for promoting awareness of and compliance with the Code, interpreting and applying disciplinary measures, resolving queries, handling complaints and approving specific rules in line with corporate values. In addition, any doubts or queries can be addressed to the immediate superior or, if necessary, to the Compliance Unit through the relevant Internal Whistleblowing Channel.

The **Internal Code of Conduct** in turn regulates the rules to be followed by the persons subject to its scope of application in their actions related to the Securities Markets. Its main objective is to ensure that such actions comply with the relevant legal and ethical provisions, promoting responsible practices in accordance with the applicable regulatory standards. The Regulation has been drafted taking as a reference the revised text of the Securities Market Law (Royal Legislative Decree 4/2015), the Market Abuse Regulation (EU Regulation 596/2014) and its complementary regulations. These legal frameworks establish the basis for preventing and sanctioning inappropriate practices, guaranteeing transparency and integrity in transactions related to the securities markets.

This Regulation applies to three categories of persons: Affected Persons, who are subject to all rules; Related Persons, obliged to comply with the provisions relating to Market Abuse and personal transactions; and Insiders, mainly linked to the management of Inside Information. All these persons are registered in a specific register maintained by the Company, which is available to the competent authorities. In addition, these persons are informed of their inclusion in the register and of their responsibilities, in accordance with data protection regulations.

The implementation and supervision of the Regulations is the responsibility of the Compliance Unit, appointed by the Board of Directors. Its functions include informing the persons concerned of their obligations, resolving doubts related to the interpretation of Regulations, keeping and updating records such as the Insiders List, and ensuring general compliance with the established regulations. Furthermore, this unit acts under the supervision of the Board of Directors and the Audit Committee, which retain their powers in accordance with current regulations and the Bylaws. In this respect, the Compliance Unit is responsible for sending a copy of the Regulations to all affected persons, who must sign a document certifying receipt and acceptance of its terms. In addition, the Regulations are available on the corporate website, which ensures their accessibility to all interested parties.

Governance and compliance policies:

The **Corporate Governance Policy** establishes the Group's strategy and general commitments in the area of corporate governance, based on the highest ethical standards and best practices of good governance. Its purpose is to define the criteria and principles for the organisation, operation and management of the Company's governing bodies, in line with corporate values, current regulations and recommendations adapted to Clínica Baviera's business reality. This Policy integrates both mandatory rules, such as those set out in the Capital Companies Act, and voluntary recommendations of the Good Governance Code for Listed Companies drawn up by the CNMV.

The **Compliance Policy** establishes Clínica Baviera's commitment to permanent vigilance, the punishment of irregular or illegal acts and the promotion of an organisational culture based on ethics and honesty. Its purpose is to convey a clear message of rejection of any illegal activity. In addition, this policy incorporates the guidelines of the Crime Prevention and Detection Model, which details the standards of behaviour and provides a framework for preventing and managing criminal risks within the Group. This Policy is framed within the provisions of the Criminal Code, particularly the reforms introduced by Organic Law 1/2015 and Circular 1/2016 of the State Attorney General's Office, which promote the implementation of criminal risk prevention models. In this regard, the Group has a Crime Prevention and Detection Model that reinforces the culture of compliance, establishes control mechanisms and mitigates the possibility of criminal offences.

The **Anti-Corruption and Fraud Policy** reinforces Clínica Baviera's commitment to the fight against these practices in all their forms, establishing the principle of "zero tolerance" towards any illicit conduct. It is aimed at managers, professionals and third parties linked to the Group, making clear the rejection of any type of corruption or fraud. Together with the Compliance Policy, this regulation establishes mechanisms for monitoring, sanctioning and efficient communication, promoting an organisational culture based on ethics and honesty. This Policy is framed within the legal provisions in force, the Company's Bylaws and Code of Ethics, which reflect Clínica Baviera's values and purposes. Its development responds to an institutional commitment to business ethics and regulatory compliance.

The aim of the Group's **Tax Policy** is to establish a strategy that promotes the values of Clínica Baviera and ensures regulatory compliance with its tax obligations. The policy seeks to minimise the tax risks arising from strategic decisions and operations, with a proactive, responsible and transparent approach. It focuses on balanced and appropriate taxation for each Group company. In addition, it sets out principles and best practices that will guide tax decisions at all levels of the organisation, with the Board of Directors being responsible for ensuring their dissemination and compliance. The policy also reflects the Group's commitment to compliance with the tax regulations in force in the territories where it operates, guiding the behaviour of employees, executives and other stakeholders in their professional relations. This Tax Policy complies with the provisions of Law 31/2014, of 3 December, which amends the Capital Companies Act to improve Corporate Governance. Article 529.ter of this law establishes that the definition of the tax strategy is a non-delegable power of the Board of Directors. In compliance with these regulations, the Board of Directors of Clínica Baviera S.A. has drawn up this tax policy for the company and its subsidiaries.

The **CSR Policy** integrates social, environmental, ethical, human rights and stakeholder concerns into the Group's daily operations. The aim of this Policy is to define and promote responsible behaviour that generates value for all stakeholders. It focuses on ensuring that Clínica Baviera's activity is responsible, with special attention to patient satisfaction, safety and integrity, and technological innovation in the ophthalmology sector. In addition, it ensures that it complies with current regulations on human rights, the environment and working conditions. The CSR Policy is aligned with the principles and commitments of the United Nations Global Compact, the OECD principles, and the Universal Declaration of Human Rights. It is also in line with Clínica Baviera's Code of Ethics and Internal Regulations for Conduct in the Securities Market, ensuring that the Group's actions are aligned with corporate values.

Governance and compliance policies apply to all Clínica Baviera Group entities, including those in which the Company has a majority shareholding or exercises effective management, as well as to all the Group's activities and to all its staff, directors and members of the Management Body. This approach ensures that all Group activities are aligned with the principles and commitments set out in these policies, regardless of their shareholding structure or location, providing comprehensive coverage in the implementation of the Group's corporate governance strategies. Likewise, the Anti-Corruption and Anti-Bribery Policy extends, under the principle of proportionality, to third parties acting on behalf of the Group, providing services on its behalf or maintaining any relationship with it. In addition, and in relation to the Compliance Policy, the Compliance Unit periodically evaluates the effectiveness of the crime prevention programme, with annual reviews and adjustments in the event of organisational changes or relevant breaches. The Audit Committee and the Board of Directors receive a half-yearly report on complaints and their progress until they are resolved.

All these policies are accessible to stakeholders, ensuring that both those responsible for their implementation and stakeholders can consult them in an agile and efficient manner.

The Policies take into account the interests of relevant stakeholders, ensuring that the principles of corporate governance, compliance and social responsibility respond both to the expectations of shareholders and employees and to regulatory and social requirements. Their design promotes transparency, accountability and sustainability in corporate decision-making.

Internal labour code and protocol for the prevention of harassment:

The Group's **Internal Code and Harassment Prevention Protocol** establishes a framework to prevent and resolve psychosocial risks in the workplace, focusing especially on workplace violence and harassment. In line with Law 31/95 on Occupational Risk Prevention, which requires improving working conditions and protecting workers against physical and psychological risks, Clínica Baviera has procedures in place to prevent, detect and eradicate harassment at work, ensuring a healthy working environment in which the dignity and rights of workers are respected.

This policy applies to the entire Company, including the companies in which Clínica Baviera S.A. has a majority shareholding and those in which it is responsible for efficient management, complying with the requirements of Organic Law 3/2007 on effective equality between women and men, RD 901/2020 on equality plans, and Law 31/1995 on the prevention of occupational risks.

The Workplace Harassment Committee, made up of the heads of the human resources, finance and legal departments, is responsible for managing workplace harassment processes. Members of the Committee who have a conflict of interest (personal or hierarchical relationship) are excluded from the process. In addition, they receive specialised training in psychosocial risks and workplace harassment.

The policy is designed taking into account the expectations of shareholders, employees and other stakeholders. It prioritises transparency and accountability, ensuring that the Group's operations are aligned with ethical and regulatory standards, strengthening trust and fostering sustainable relationships with all stakeholders, and is available to all staff.

This policy framework lays the foundations for ethical and responsible business conduct, and is deeply embedded in the corporate culture, promoting responsible behaviour at all levels of the organisation. In order to ensure the adoption of these practices, Clínica Baviera has included training modules on Corporate Compliance in its onboarding process and has implemented different activities and specific training, with the aim of fostering corporate culture at all stages of the working relationship with its staff. In this regard, the Group has also established an evaluation system based on key competencies aligned with the values, enabling it to drive continuous improvement. In addition, these policies are reviewed periodically, through feedback from the teams and best practices in the sector, ensuring the incorporation and development of the labour, environmental and governance standards required by the Company's stakeholders.

Procedures for detecting, reporting and investigating illegal behaviour or behaviour contrary to the code of conduct, including corruption and bribery.

Clínica Baviera is firmly committed to eradicating any illegal behaviour or behaviour that contradicts its ethical and regulatory principles. To ensure this objective, robust mechanisms and efficient procedures are in place to identify, analyse, manage and monitor illegal behaviour, including corruption and bribery, as well as any actions contrary to the Code of Conduct.

Clínica Baviera's Crime Prevention and Detection Model (CPDM) is the basis for the identification, prevention and management of criminal risks within the organisation. This model is designed to mitigate as far as possible the risks of unlawful conduct, including corruption and bribery, in all Group activities. Based on the *Compliance* Policy, the CPDM is aligned with the Spanish Criminal Code and the international regulations applicable in the jurisdictions where the Group operates. Its main objective is to guarantee the legality of actions carried out by employees and managers in the exercise of their functions.

The CPDM is structured through regular audits, the continuous updating of a Criminal Risk Map and clear protocols for action. The Criminal Risk Map identifies activities susceptible to generate possible infractions, allowing the implementation of specific procedures and controls to reduce or eliminate these risks. These controls are an integral part of a Risk Control System, which is supported by the COSO framework, to identify areas and profiles with the greatest potential for corrupt or fraudulent practices, such as directors, clinic managers, treasury employees and those responsible for purchasing and administration.

The design of the CPDM ensures the independence of the bodies in charge of supervising and monitoring compliance. The Compliance Unit, made up of heads of key departments (Finance, Human Resources and Legal), acts autonomously, ensuring that investigations and decisions are impartial and not influenced by the management chain involved. The Audit Committee, in turn, receives regular reports on the state of management of the model, areas of criminal risk and complaints received, and reports its findings to the Board of Directors at least twice a year. In cases of relevant breaches, the directors and supervisory bodies are informed immediately in order to assess and approve the necessary corrective measures.

Complementary to the Crime Prevention and Detection Model, Clínica Baviera has an Internal Whistleblowing Channel, designed to allow employees, suppliers, shareholders and other stakeholders to confidentially and securely report any irregularities, including cases of corruption and bribery. This system ensures full confidentiality for whistleblowers, enables anonymous reporting and guarantees that reports are dealt with urgently, thoroughly and without retaliation. Whistleblowers are protected by a set of measures that comply with Directive (EU) 2019/1937, which guarantees their indemnity against retaliation, as described in the section “Respect for Human Rights and Due Diligence“.

Fight against corruption and bribery.

Anti-corruption and anti-bribery training:

The Group is firmly committed to the fight against corruption and bribery, taking responsibility for promoting an ethical and responsible culture in all its activities. As part of this commitment, training programmes have been established covering various aspects, including the identification of corruption and bribery, reporting mechanisms and preventive measures. This training is mandatory for all staff and is provided during the onboarding process, specifically in the Corporate Compliance section, ensuring that all employees understand the risks and expectations related to their role in preventing corrupt or fraudulent acts. In addition, all members of the administrative and management bodies receive regular training to keep them up to date with the latest developments and best practices in the prevention of corruption and bribery.

Confirmed incidents of corruption and bribery:

Clínica Baviera strictly complies with policies and laws aimed at preventing corruption and bribery in its activities. In this regard, during the reporting period, 0 cases of violations of anti-corruption and anti-bribery laws have been recorded.

The Group has taken the following measures to continue to act with integrity, and to prevent any instances of corruption, bribery or fraud by the entity or its employees:

- Strengthening internal controls and monitoring systems to detect and prevent future incidents
- Periodic review of the Code of Conduct and corporate policies.
- Continuous improvement of the mandatory training programme for all employees to foster a culture of integrity and compliance.

Respect for Human Rights and Due Diligence:

Clínica Baviera operates under the highest ethical standards, guided by its Code of Conduct and Corporate Social Responsibility (CSR) Policy. Both documents reflect fundamental principles such as responsibility, integrity, honesty and professionalism, and apply to all employees. These guidelines prohibit child labour, forced labour and modern slavery, upholding freedom of association, collective bargaining and respect for human, labour and ethnic minority rights.

The Group is aligned with the core conventions of the International Labour Organisation (ILO) and the Ten Universal Principles of the United Nations Global Compact, which cover human rights, labour standards, environment and anti-corruption. To ensure compliance, Clínica Baviera provides adequate working conditions and incorporates these principles into its strategy and operations.

In order to reinforce their commitment, all employees are aware of the Code of Conduct. In addition, in 2024, the Internal Whistleblowing System, previously exclusive to employees, was extended to include third parties such as customers and suppliers, in compliance with Law 2/2023 on whistleblower protection. This channel is key to addressing and resolving complaints, contributing to the prevention of unlawful acts. During FY2024, the Group has registered 2 complaints regarding discrimination and/or harassment through the available channels during the reporting period. These complaints were satisfactorily resolved during the year, as described in the section “Social and personnel-related matters”, with no further reports of human rights violations received through the Internal Whistleblowing Channel.

Clínica Baviera’s Internal Whistleblowing Channel allows for the confidential and secure reporting of any conduct that may contravene the Group’s ethical, legal or social responsibility principles. This system is made available to all stakeholders and the general public through the corporate website and ensures total confidentiality for whistleblowers, enabling anonymous reports and guaranteeing that reports are dealt with urgently, exhaustively and without reprisals. The use of such channels strengthens the company’s due diligence processes, ensuring that appropriate measures are taken to prevent and correct any irregularities.

The Internal Whistleblowing System Policy and Manual set out the principles that apply to the handling of incoming communications, in line with the Group’s Code of Conduct. Furthermore, whistleblowers are protected by a set of measures that comply with Directive (EU) 2019/1937, ensuring their indemnity against retaliation.

Communications received are processed by the System Manager, who classifies and registers each complaint. If the report is accepted, the investigation phase begins, in which the relevant teams, resources and people are involved to reach a conclusion. The result is communicated to the complainant and, if an infringement is detected, corrective measures are proposed.

The System Manager, appointed by the Board of Directors, with functions delegated by the Compliance Unit, leads the investigations related to the complaints received, acting in accordance with the Internal Whistleblowing System Manual. This person has the autonomy and independence to receive, evaluate and manage complaints without external interference. Investigations must be completed within a maximum period of three months, extendable in complex cases. At the end, a detailed report is issued with the conclusions, recommended measures and resolution, ensuring transparency and objectivity throughout the process.

The Internal Whistleblowing System also includes rigorous controls, such as restricted access to the whistleblower logbook and the implementation of personal data processing protocols in accordance with data protection legislation, guaranteeing the anonymity and security of whistleblowers. To promote knowledge and proper use of the system, information on the Whistleblowing Channel and the rights of employees during the onboarding process is provided through the Legal and Corporate Compliance Training Module.

The Group also conducts regular reviews to ensure the efficient implementation of its ethics policies. These reviews assess key aspects such as communication to employees, updating of policies and the creation of support structures. These actions, together with periodic reviews of the Code of Conduct, ensure compliance with ethical standards.

With a view to 2025, Clínica Baviera is assessing the incorporation of clauses in supplier contracts to guarantee knowledge of and compliance with the Code of Conduct, strengthening ethics in its supply chain. In addition, the contracting process and assessments of criminal controls reinforce the cooperation of collaborators in the prevention of illicit behaviour.

In terms of due diligence, Clínica Baviera does not have a systematised process, but adheres to the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. These practices are applied in significant areas identified through dual materiality: environmental protection, well-being of own employees and the supply chain, customer service, community support and business ethics.

Sustainability issues addressed by the entity’s administrative, management and supervisory bodies:

In 2024, Clínica Baviera has made progress in integrating sustainability into its operations. A crucial aspect of this process has been the involvement of the administrative, management and supervisory bodies in the management of sustainability issues.

A structured approach has been implemented to ensure that the administrative, management and supervisory bodies are informed about sustainability issues. To centralise this management, a dedicated sustainability position has been created within the Finance Department, which is responsible for coordinating the collection, analysis and dissemination of key information on sustainability-related impacts, risks and opportunities. This information is periodically communicated to the Finance Department and Corporate Management, enabling it to be subsequently passed on to the CEO. A specific item on sustainability has also been included in the meetings of the Audit Committee, which is responsible for reporting to the Board of Directors. This process is carried out on a regular basis and involves a variety of means, including detailed reports and regular meetings. These initiatives ensure that issues such as material impacts, risks, opportunities, progress in implementing due diligence and the effectiveness of policies, actions, metrics and targets adopted to manage them are addressed. This comprehensive approach reinforces the Company’s commitment to keeping all levels of the organisation aligned and committed to sustainability.

In this sense, Clínica Baviera’s governing bodies have been actively involved in integrating knowledge about impacts, risks and opportunities into the organisational strategy. The heads of department have been involved in the dual materiality analysis process, the results of which have been presented to the Audit Committee and reported to the Board of Directors. Currently, the Group is actively working on strengthening the risk management process, with the objective of considering possible changes associated to the impacts, risks and opportunities identified during the materiality analysis, fostering a balanced approach to strategic decision making. In this regard, the involvement of governance bodies is expected to progressively increase as the ESG strategy is developed and new initiatives are rolled out.

During the reporting period, the governance bodies addressed a wide range of material impacts, risks and opportunities, including significant progress in key areas of sustainability, such as the implementation of the roll-out of the Equality Plan, and the development of the Information Security Plan as part of the digitalisation and data protection strategies. Progress in the company’s digital transformation has been a key milestone in helping to improve the patient experience and optimise operational efficiency. In addition, ESG risks included in the risk matrix have been considered, ensuring compliance with regulatory standards and mitigating potential impacts. A specific analysis of the risks associated with climate change has also been carried out, with the aim of integrating them into the corporate risk map in future reviews.

Integrating sustainability-related performance into the incentive schemes:

Clínica Baviera’s incentive system is designed to encourage excellent performance aligned with strategic objectives and corporate values. This system is regulated through the Directors’ Remuneration Policy and the Senior Management Remuneration Policy, ensuring that compensation is transparent, equitable and linked to the achievement of results, promoting the creation of value for all stakeholders.

The Directors’ Remuneration Policy is aimed at aligning the interests of the directors with those of the Company, promoting the generation of sustainable long-term value. It establishes remuneration appropriate to the Group’s size, with variable remuneration criteria linked to the strategic plan and clear performance metrics. The policy seeks to attract and retain qualified directors, ensuring that their remuneration does not compromise their independence. Independent directors receive a fixed annual remuneration for their dedication and participation in the Board, without compromising their independence. This remuneration does not include financial incentives or participation in pension schemes.

The independent directors' remuneration ensures their dedication to supervisory and decision-making tasks without affecting their impartiality. Proprietary directors do not receive any remuneration for their position on the Board or for their membership of committees. The external directors' remuneration does not include participation in company-funded pension schemes and is designed so as not to compromise their independence of judgement. In addition, directors are entitled to D&O insurance to cover liabilities arising from their position, but do not receive variable remuneration or other components, except in cases of reimbursement of expenses related to their activity, such as travel to board meetings and general meetings.

The remuneration of the **Managing Director** is made up of a fixed and a variable part, the variable part being oriented to align the interests of the directors with those of the Company. The fixed annual remuneration of the Managing Director is established according to the executive duties of the position, level of responsibility and experience. Variable remuneration has specific and measurable targets. In the Directors' Remuneration Policy approved for the period 2022-2025, targets include both financial indicators, such as net profit and profitability, and non-financial indicators, such as the quality of medical service, and the turnover ratio of key personnel, reinforcing the Group's commitment to the well-being of its employees and patients. The Directors' Remuneration Policy does not explicitly include sustainability as a key criterion in the remuneration of Board members, although the non-financial components are part of the comprehensive approach towards the Company's sustainable growth and profitability.

In turn, the incentive system for **Senior Management** is designed to attract, retain and motivate the most qualified professionals, aligning their interests with the Company's and Group's strategic objectives. The Senior Management Remuneration Policy establishes competitive remuneration based on objective criteria related to individual performance and the achievement of business goals. The main component of this policy is variable remuneration, which may be annual or multi-year, and is linked to the achievement of specific, predetermined and quantifiable objectives. Although this document envisages the possibility of including objectives related to sustainability, they have not been explicitly defined to date. However, it is ensured that the interests of senior management are aligned with the long-term well-being of the Company, beyond the financial aspects. This policy applies to senior management throughout the Group, promoting cohesion in remuneration management and is annually reviewed by the Remuneration and Appointment Committee, which approves remuneration prior to implementation.

Clínica Baviera's Board of Directors is committed to guaranteeing transparency in all remuneration items. To this end, the Annual Directors' Remuneration Report, published on the same date as this report and accessible to the public on the corporate website, provides further details on the incentive systems of the management bodies.

Risk control and management

Risk management is a fundamental component for the Clínica Baviera Group, enabling it to identify and address risks that could adversely affect the Company. Through the implementation of a structured risk management system, the Group can better understand its operating environment and make informed decisions to mitigate potential threats, ensuring the protection of strategic and operational objectives. The Risk Management and Control Policy sets out the regulatory basis for the Group's risk management system.

Scope and Characteristics of the Risk Management System

The risk management system covers all the Group's entities, both at corporate level and in the various business units, regardless of their geographical location. The Risk Control and Management Policy establishes the key risk categories that the Group identifies and manages: strategic, operational, cyber and/or technological risks, regulatory compliance risks and risks associated with environmental, social and governance (ESG) factors. This system is based on a systematic methodology that enables the identification, analysis, assessment and control of risks in a consistent and uniform manner.

Risk Assessment Strategy

The risk management process is integrated into the Group's organisational structure, with a specific approach to each type of identified risk. The Board of Directors, through the Audit Committee, supervises and approves risk management strategies and policies. In addition, the Internal Audit Unit plays a crucial role in assessing internal controls, monitoring risks and regularly updating the Risk Map.

Risk assessment at the Baviera Group follows an approach based on two key parameters: probability and impact. Likelihood is assessed by looking at the history of previous risk materialisation, the existence of preventive controls and the degree of centralisation of activities. Impact is measured in terms of economic damage, liability, operational damage and reputational damage. Based on these two factors, risks are classified as high, medium or low, allowing the organisation to prioritise resources and mitigation efforts according to the magnitude of the identified risks.

For sustainability-related risks, the same approach is applied. ESG risks are assessed in terms of their likelihood of occurrence and the potential impact they could have on the Group's reputation, regulatory compliance and long-term objectives. In this way, the risk assessment approach ensures that all risks are duly considered in mitigation strategies and business management.

Main Risks Identified and Mitigation Strategies

Clínica Baviera Group has identified a number of key risks, both operational and strategic, which require constant attention. The most prominent risks include:

I. Strategic risks associated with the complexity of the macroeconomic, political and social environment in which the company operates, which could change the habits and consumption patterns of patients, affecting interventions that are also non-recurrent.

II. Cyber-risks and/or technological risks, caused by the growing digitalisation of the company's business and the increase in cyber-attacks, which could lead to the materialisation of risks contemplated in the contingency plans and security breaches.

III. Operational risks, mainly associated with the recruitment, retention, replacement of key staff for the daily operations of the clinics and new budgeted openings, the timing of issuing health licences and the maintenance of contingency plans.

IV. Regulatory compliance risks, mainly focused on the area of patient data protection, potential changes in the tax regime for healthcare operations and healthcare regulation itself, the competence of which is devolved to the regional level in the countries in which Clínica Baviera operates.

V. Environmental, social and governance (ESG) risks, mainly focused on the reputational aspect of patient care in all phases of clinical intervention.

Mitigation strategies for these risks include specific actions such as the implementation and reinforcement of preventive and detective controls, the progressive automation of manual controls, the procurement of risk-sharing insurance and elimination of activities that represent unacceptable risks. In particular, sustainability-related risks are mitigated through strict compliance with environmental regulations and the adoption of responsible practices. The ESG risks identified are detailed in the relevant sections of this report, together with the implemented management approach.

Information on sustainability risks is communicated to stakeholders through this report in order to maintain consistency and ensure that communication on ESG risks is clear, accurate and reliable.

Integration of risk assessment findings into reporting

Findings derived from the risk assessment are an integral part of the sustainability reporting process within the Group. Sustainability-related information, covering environmental, social and governance aspects, is prepared and presented on the basis of the annual risk assessments. These findings are integrated into the decision-making process, influencing the annual sustainability reports, which are prepared in collaboration between the teams responsible for risk management and the areas involved in compiling the relevant information.

The Audit Committee monitors the reliability and accuracy of sustainability reporting, ensuring that relevant risks are correctly communicated and mitigation measures are adequately reflected in the reports. This approach ensures that sustainability risks are integrated into the Group's communication strategy.

Environmental issues

Environmental issues:

Environment-related impacts, risks and opportunities

Clínica Baviera recognises the importance of responsibly managing natural resources and respecting the environment in order to contribute to social and environmental well-being, despite the fact that its activities do not have a significant impact on the environment. For this reason, during 2024, the Company has created a specialised sustainability position which, in addition to centralising the coordination, collection, analysis and dissemination of ESG information, coordinates the Group's environmental management. The adoption of a continuous improvement approach in this area, ensuring legal compliance with environmental regulations in the countries where the Group operates, will enable the adoption of environmental assessment procedures that are aligned with environmental certification standards.

In this regard, the Company strives to reduce its environmental footprint through two key areas: the reduction and optimisation of energy consumption and, therefore, the reduction of greenhouse gas (GHG) emissions, and the continuous improvement in waste management. These issues have been prioritised as a result of the dual materiality analysis, in which the following impacts, risks and opportunities have been identified as material related to these issues and which interact with the Company's strategy.

		Materiality of the case					
Dimension	Material matter	Impact	Financial	Positive impacts	Negative impacts	Opportunities	Risks
Environmental	Climate change: energy and emissions	Medium	Medium	Scope 1 and 2 emission reductions from increased renewable energy consumption	Energy consumption from fossil sources	Digitisation of consultations that reduce travel, lowering emissions 3	Dependence on energy purchases
				Decreased energy consumption, which reduces GHG emissions	Generation of Scope 3 emissions by providers and patients	Cost efficiency through reduced energy consumption	Extreme weather events, such as storms or floods, can affect the physical infrastructure of clinics, disrupting operations and increasing the costs of investing in adapted infrastructure.
				Reduced Scope 3 emissions by promoting sustainable practices in the supply chain and reduced customer displacement	Generation of CO2 emissions from fuel and electricity consumption (scope 1 and 2)		Impact on the price of raw materials due to higher energy costs for suppliers
	Circular economy: materials and waste management	Medium	Medium	Decreased environmental impact through increased use of reused or recycled materials.	Generation of hazardous and non-hazardous waste	Improvement of the company's ESG positioning in the sector (reduction of waste and substitution of raw materials by sustainable materials).	Increased cost of replacing raw materials with recycled and/or reused material
				Reduction in waste generation through alliances with suppliers that promote the circular economy.		Synergies and cost reductions through strategic alliances with suppliers promoting the circular economy	Fines for non-compliance with current waste management legislation
				Reduction in waste generation through staff awareness raising			Impact on the price of materials due to raw material substitution at suppliers

In order to address the fight against climate change, Clínica Baviera has adopted a cross-cutting approach to the impacts of energy consumption and risks associated with extreme weather events along its value chain. By optimising energy consumption, promoting the use of renewable energy sources and adopting digitalisation strategies, the Group aims to reduce its carbon footprint. These actions contribute directly or indirectly to the reduction of Scope 1 and 2 Greenhouse Gas (GHG) emissions; however, the quantification and reduction of Scope 3 GHG emissions remains a challenge for the Company. In this regard, in addition to continuing with actions to reduce Scope 1 and 2 GHG emissions in the short to medium term, the Group's sustainability strategy will include initiatives to identify the most relevant Scope 3 emissions. The aim is to establish a calculation method to create a plan to reduce Scope 3 emissions in the medium term, involving all stakeholders in the value chain.

Extreme weather events resulting from climate change represent one of the most significant environmental risks for the Company. Such events could affect the infrastructure of the clinics, especially in vulnerable areas such as the Mediterranean coast. During the reporting period, the impacts of these risks have generated an increase in operating expenses due to the need to repair and adapt infrastructures, as occurred at the Algemesí clinic, affected by the cut-off low of October 2024. To minimise the impact of this type of risk, Clínica Baviera has multi-risk insurance policies in all its clinics. In addition, the Company has carried out a first climate risk assessment, marking the first steps towards integrating climate change into its strategy, decision-making and business model.

Furthermore, in defining its sustainability strategy, Clínica Baviera is exploring the ability to integrate the principles of the circular economy into its business model with the aim of reducing the use of new raw materials and the amount of waste generated. This represents a major challenge for the Group, as its business is conditioned by the need to ensure rigorous sanitary measures that comply with legal regulations and the highest quality standards. In addition, strict waste control and management regulations and the need to ensure safety and the prevention of public health risks require a more restrictive approach to materials management. This prevents the reuse, recycling and circulation of certain products within a closed cycle, as proposed by the circular economy. Despite these difficulties, Clínica Baviera is committed to the proper management of this waste, continually seeking ways to improve efficiency in this area. In this sense, the Company's intention is to move forward in exploring and developing concrete initiatives that integrate the circular economy into its operations as its approach to sustainability is consolidated.

By aligning with industry trends in waste reduction and the integration of recycled materials into its operations, Clínica Baviera could improve its environmental performance. By encouraging its suppliers to optimise the use of natural resources and minimise waste generation in order to extend these practices throughout its value chain, Clínica Baviera aims to reinforce the benefits of optimising the use of resources and reducing waste, offsetting the possible cost increases resulting from the substitution of materials for more sustainable options.

The rest of the environmental aspects identified as non-material for Clínica Baviera are managed in accordance with the regulations in force in each country in which it operates. In some cases, noise measurements and discharge licences are required to obtain municipal opening licences. In addition, in order to reduce its environmental footprint, Clínica Baviera implements awareness-raising strategies among its employees that address aspects such as pollution, water consumption or the protection of biodiversity. As none of Clínica Baviera's operations or activities are considered to have a significant impact on the environment, and it is not subject to the provisions of Law 26/2007, of 23 October, on Environmental Responsibility, there are no financial guarantees or specific policies related to the environment. During 2024, the company has not recorded any infringements or received any sanctions in this area.

Efficient environmental management can attract investors interested in sustainability and generate new financing opportunities, reinforcing the sustainability of operations and offering a competitive advantage in the market. In this sense, the Company's sustainability strategy for the coming years will include environmental principles to develop more environmentally friendly initiatives. These efforts will contribute to reducing the Group's environmental impact, improving the resilience of its business model and ensuring greater alignment with the environmental expectations of the sector. This strategy will be guided by the principles defined in the Corporate Social Responsibility (CSR) policy, which guides Clínica Baviera's actions towards proactive environmental management.

Pollution:

Air quality and greenhouse gas emissions

Clínica Baviera's activity does not generate significant emissions that affect air quality, as it does not use sources such as industrial boilers or engines. However, with regard to Greenhouse Gas (GHG) emissions, various emission sources have been identified, such as boilers, air conditioning and electricity. These have been considered in the calculation of Clínica Baviera's carbon footprint in all countries where it operates.

So far, only GHG emissions under scopes 1 and 2, which refer to activities controllable by the organisation, have been quantified. Specific actions have been implemented to reduce them, such as the purchase of electricity from renewable energy sources. Both the carbon footprint and the actions aimed at its reduction are described in the "Climate Change" section of this report.

Light and noise pollution

Noise pollution is understood as all noise or vibrations that may cause annoyance, risk or harm to people, or that may cause significant effects on the environment. Due to the location of the Group's various offices and clinics in urban areas, no significant effects on the environment have been identified. With regard to human impact, the noise levels emitted by the Group's activities are within the normal parameters for the type of activity, and therefore noise pollution cannot be considered significant.

Light pollution refers to the excess of artificial light that is emitted into the environment, causing uncontrolled dispersion and an unwanted increase in illumination. This situation interferes with natural patterns of light and darkness, and can have negative impacts on human health, fauna and flora. As for Clínica Baviera, it is important to point out that it carries out all its operations within the established regulations, ensuring compliance with the relevant regulations related to light emission.

Circular economy and waste prevention and management:

Through its Corporate Social Responsibility Policy, Clínica Baviera has integrated key sustainability principles that prioritise the optimisation of environmental management and the minimisation of environmental impact. Despite these advances, the adoption of more ambitious policies in terms of circular economy is limited by various factors, particularly the strict health regulations governing the management of medical waste.

The generation of medical waste, both hazardous and non-hazardous, requires rigorous management due to the need to comply with sterilisation protocols and the handling of materials such as syringes, gauze and gloves, which are essential in ophthalmic practice. These regulations prevent the reuse and recycling of these products, making it difficult to implement the principles of the circular economy. Waste generated in clinics must be managed under specific regulations that ensure safety and prevention of risks associated with public health, which makes it impossible to reincorporate these materials in a closed cycle.

Despite restrictions imposed by the high safety standards of the healthcare sector, the Company continues to seek ways to improve efficiency in waste management within the established limits. In this regard, various actions have been taken to optimise the use of resources. These include internal awareness campaigns among employees, promoting waste reduction and more efficient use of resources, as well as the evaluation of improvements in waste management protocols to minimise their environmental impact. In the long term, the Company is committed to integrating circular economy principles into its operations, recognising that the transition will be gradual due to the particularities of the sector. The Group continues to evaluate emerging and alternative technologies that could open up new opportunities for recycling and reuse of certain materials, while maintaining a balance with safety and regulatory compliance.

The Company manages its hazardous waste through an authorised manager who is responsible for its collection and treatment, in compliance with current regulations. This type of initiative ensures responsible handling of this waste and facilitates the generation of opportunities for recycling and reuse of materials. In addition, environmental awareness has been promoted among its employees through the dissemination of the Guide to Best Environmental Practices, available in different languages, in order to encourage the responsible use of resources and promote continuous improvement in ESG matters.

Recycling has been extended to various areas within the company, with the aim of reducing environmental impact and promoting the circular economy. In the operating theatres, plastics, cardboard and glass are recycled, while in common areas for employees, such as canteens and kitchens, a waste separation system has been implemented, complemented by posters of good practices. These initiatives aim to maximise the reuse of materials, minimise waste and promote environmental responsibility among staff.

In parallel, the company has made progress in reducing the consumption of raw materials, particularly in reducing the use of paper thanks to digitalisation. Programmes that eliminate the printing of invoices and authorisations, and allow digital consultation of documents, have considerably reduced dependence on paper. In addition, we have started to use certified sustainable stationery and, from 2022, we have implemented toner recycling in our clinics and offices in Spain.

However, a high percentage of the materials used by Clínica Baviera are operating theatre disposables. Reducing the consumption of this type of material presents a major challenge for the ophthalmological sector, as it can conflict with the safety and quality of medical care. For this reason, Clínica Baviera has prioritised the efficient use of medical gases to avoid waste and has promoted the use of sustainable clothing, such as operating theatre clogs and caps made of ecological fabric. Likewise, the redistribution of stock between clinics avoids wasting resources and optimises the use of available materials. These actions, in line with the principles of the circular economy, contribute to reducing the environmental impact of its operations, reinforcing the company's commitment to sustainability without compromising safety and quality in the provision of medical services.

Currently, the impact of these actions is measured by tracking waste generated and optimising resource use. These indicators allow the progress of the initiatives undertaken to be assessed, although more detailed analysis of the material impacts, risks and opportunities related to the circular economy will become more robust as the sustainability strategy is formalised and concrete targets are deployed.

While these are recent efforts, the integration of circular economy principles into the company's operations is expected to be reflected in improved results as sustainability initiatives are consolidated. In addition, joint work with suppliers aims to optimise the use of recycled materials and reduce waste throughout the supply chain, which will help reduce reliance on new raw materials. Although formal targets have not yet been set, Clínica Baviera has adopted a gradual and realistic approach to continuous improvement, with the intention of making progress in reducing waste and optimising resources in its operations. The most relevant current indicators are the amount of waste generated, the reduction in the use of materials such as paper and the efficiency of resource consumption, which will serve as a basis for measuring progress once concrete targets are defined.

The impact of actions taken during 2024 is not yet fully evident. It is anticipated that, as the sustainability strategy is rolled out and specific targets are formalised, the benefits of these practices will become more noticeable, contributing to greater efficiency and improving the Company's environmental footprint.

At its facilities in Spain, Clínica Baviera has a waste segregation system, whereby each waste generated by the activity is collected, isolated and treated separately in accordance with current regulations by a certified manager. The Company generates bio-sanitary waste in 65 of the Group's 81 clinics in Spain. The remaining 16 clinics are diagnostic centres, where this type of waste is not generated.

At Clínica Baviera Italy, health care waste is also collected by an external waste management company in accordance with the country's current regulations. In the specific case of Germany, waste collection is carried out in accordance with the regulations in force, which do not require the control of waste generation data, so it has not been possible to collect information on the amount of waste generated in this country. In the case of the United Kingdom, the amount of waste has been estimated on the basis of the volume of waste generated and the density of waste of each type.

During 2024, the group generated a total of 27,201 kg, 28% more than in the previous reporting period. The increase in waste is due to the acquisition of the Eye Hospital Group (Optimax) in the UK. On a like-for-like basis, the Group reduced consumption by 7%. Non-hazardous waste accounts for 83% of the Group's waste, while 17% is hazardous waste.

Specifically in Spain, where 42% of the group's waste is generated and from where initiatives related to the environment and, in general, to sustainability are beginning to be deployed, waste generation has decreased by 17%. In this regard, although the production of hazardous waste has increased by 41% due to the increase in turnover, the generation of non-hazardous waste has decreased by 24%. This result reflects the positive results derived from the measures implemented by the company, together with the awareness-raising actions aimed at staff, enabling better waste management.

	Waste generated						
	2024			2023			Variation
(Kg)	Hazardous	Non-hazardous	Total	Hazardous	Non-hazardous	Total	
Spain	2,027	9,319	11,346	1,436	12,269	13,705	-17 %
Italy	1,494	6,868	8,362	782	6,682	7,464	12 %
Germany	-	-	-	-	-	-	- %
United Kingdom	1,138	6,355	7,493	-	-	-	- %
Total waste generated	**4,659**	**22,542**	**27,201**	**2,218**	**18,951**	**21,169**	**28 %**

Sustainable use of resources:

Clínica Baviera seeks to make efficient and improved use of resources, in line with its Corporate Social Responsibility (CSR) Policy. The promotion of responsible consumption of resources helps to reduce the Group's environmental impact, ensuring that internal practices are in line with the principles of sustainability and social responsibility that guide corporate action.

Continuous monitoring of water and energy consumption, as well as the use of key supplies such as medical gases, gloves, syringes and gauze, is an essential tool for assessing the most relevant aspects of resource management in the Group. This monitoring makes it possible to identify opportunities for improving process efficiency and reducing environmental impact. Furthermore, the dissemination of the Guide to Best Environmental Practices aims to raise awareness among all employees of the importance of the responsible use of resources, fostering a culture of waste reduction and the minimisation of waste generated in all areas of the company. In this way, the Group's commitment to sustainability and environmental protection is reinforced, aligning daily practices with the Company's values.

Water consumption:

Water used in the clinics is entirely sourced from the local water supply networks and is mainly used for sanitary purposes within the facilities, and is therefore not a critical factor for the Group. However, in its commitment to transparency and sustainability, the Group presents details of its water consumption in the table below:

Water consumption			
(m3)	2024	2023	% Change
Spain	9,020	8,652	4 %
Italy	-	-	N/A
Germany	2,589	2,528	2 %
United Kingdom	1,234	-	N/A
Total	**12, 844**	**11,180**	**15 %**

Despite the Company's efforts to compile all water consumption, Clínica Baviera's facilities in Italy are rented and there is no disaggregated information on this consumption, so it has not been possible to include the corresponding data in the table above. Neither is the water consumption of the rented clinics in Spain included in the scope of this data. In this respect, there are limitations in the availability of information on water consumption of 15% of the Group's clinics.

With the aim of reducing water consumption, Clínica Baviera promotes awareness among employees and users of its centres and offices, complemented with consumption monitoring. This monitoring makes it possible to identify the points where water use is highest and to develop specific solutions for its optimisation. In this regard, the 15% increase in the volume of water consumed is mainly due to the incorporation of the British group (11%), as well as the new clinics and the expansion of the group's business (4%).

Consumption of raw materials:

During the reporting period, the Company has collected information on material resource inputs used in the provision of ophthalmic services. These procedures require the use of different consumables that are essential for the safety and efficiency of interventions, but represent a challenge in terms of resource management and waste minimisation. These materials, which include sterile drapes, gauze, gloves or ophthalmic solutions, must be properly managed to minimise their environmental impact.

These supplies are essential to ensure the safety and efficacy of procedures, but their single-use nature poses a challenge in terms of resource management and waste minimisation. Within the consumption of disposable materials, 70% corresponds to operating theatre materials common to all surgeries, while the remaining 30% is associated with specific supplies for each type of intervention. Clínica Baviera seeks alternatives to reduce the use of disposables without compromising the safety and health of patients. Among the initiatives implemented, encourages the use of operating theatre clogs and cloth caps instead of disposable options, thus contributing to the optimisation of resources and the reduction of environmental impact.

Disposables consumed in ophthalmic operations	
Specific materials for each intervention	30 %
Gauze	48 %
Gloves	9 %
Syringes	4 %
Gowns	2 %
Masks	1 %
Caps	2 %
Shoe tights	4 %
Total	**100 %**

Products and materials used during the reporting period have been determined by monitoring the Company's procurement. This data reflects the consumption of disposable materials used, which is essential to understand the environmental impact of operations and make informed decisions on optimising resources. Monitoring these indicators is fundamental to the implementation of strategies to promote the transition to more sustainable practices.

Energy consumption:

Energy consumption is a crucial metric for assessing the Company's energy use. This indicator provides an overview of the amount of energy used in all activities, allowing us to identify areas for improvement in terms of energy efficiency. Monitoring this consumption is fundamental to move towards a more efficient energy transition that is less dependent on polluting sources.

Every four years, the Company carries out energy audits at its clinics to identify areas for improvement, design specific action plans and implement the necessary measures to improve its energy performance, reduce consumption and, therefore, reduce GHG emissions. During the reporting period, Clínica Baviera carried out an energy audit in which the following measures, among others, were proposed in order to continue making progress towards improving energy efficiency:

- Replacement of conventional lamps with LEDs
- Installation of presence detectors and daylight sensors
- Installation of over-plugs (Plugwise)
- Replacement of heat pumps with higher efficiency heat pumps

The progressive incorporation of more efficient means of energy consumption, in line with the actions proposed in the energy audits, has enabled the optimisation of energy use in the clinics. Among the most noteworthy actions are the use of LED lighting in all the Group's clinics, the contracting of renewable energy supplies, and the incorporation of motion sensors in bathrooms, kitchens and storerooms, which guarantees efficient use of lighting in common areas. These measures favour a responsible energy use and contribute to the reduction of the carbon footprint of Scope 2.

Clínica Baviera's energy consumption is divided into natural gas for the air conditioning of its facilities and the use of electricity for the use and operation of ophthalmological equipment, for office work, the heating of running water and air conditioning (air conditioners and heat pumps).

Fossil energy consumption, mostly from natural gas, reflects the Company's dependence on fossil energy sources, the use of which directly impacts the Company's greenhouse gas emissions. Monitoring this consumption allows us to design strategies that facilitate the transition to cleaner and more sustainable energy sources.

Natural Gas Consumption			
(KWh)	2024	2023	% Change
Spain	49,177	60,019	-18 %
Italy	39,529	32,864	20 %
Germany	332,651	300,943	11 %
United Kingdom	293,516	-	N/A
Total	**714,874**	**393,826**	**82 %**

Clínica Baviera's electricity consumption, purchased from renewable sources in 69% of the clinics, reflects the organisation's commitment to purchasing clean energy and reducing emissions.

	Electricity consumed						
	2024			2023			Variation
(KWh)	Renewable	Non-renewable	Total	Renewable	Non-renewable	Total	
Spain	2,387,358	688,781	3,076,138	2,146,303	307,576	2,453,879	25 %
Italy	609,919	140,855	750,774	481,119	198,764	679,883	10 %
Germany	629,790	142,907	772,697	541,305	153,129	694,434	11 %
United Kingdom	8,430	233,154	241,584	-	-	-	N/A
Total	**3,635,497**	**1,205,697**	**4,841,194**	**3,168,727**	**659,469**	**3,828,196**	**26 %**

Clínica Baviera has consumed 26% more electricity than in 2023. This is due to the increase in energy demand due to the opening of 12 new clinics, as well as the addition of 18 clinics in the UK during the reporting period. Despite the increase in both renewable and non-renewable electricity consumption, the Group is committed to the use of clean energy sources, with 75% of the Group's electricity consumption coming from renewable sources.

Climate change:

Clínica Baviera is committed to the fight against Climate Change. In this regard, Clínica Baviera's Greenhouse Gas (GHG) Emissions Reduction Policy aims to reduce GHG emissions from its activities and offset those that cannot be avoided. To this end, it promotes energy efficiency, the progressive use of renewable energies and the integration of climate change into strategic decisions. In addition, this policy underlines the importance of collaboration with stakeholders and compliance with current legislation to reduce emissions throughout the value chain. This policy is aligned with international standards and applicable environmental regulatory frameworks and adheres to best practices in energy efficiency and GHG emissions management.

The cross-cutting nature of this policy ensures that it is implemented globally throughout the organisation. Oversight of implementation falls to the Audit Committee, which is responsible for ensuring compliance, while managers are responsible for ensuring its execution. Clínica Baviera also encourages collaboration with other actors in the value chain to reduce GHG emissions and ensure that actions are consistent with their expectations.

As the company moves forward in its efforts to reduce emissions, it has begun to address GHG emissions corresponding to Scope 3, which correspond to third party activities and over which Clínica Baviera has the capacity to influence. This type of emissions include those generated by the employees' trips and transport associated with the company's activity. To manage this area, a stakeholder engagement plan is being developed to promote actions to reduce emissions, starting with the promotion of sustainable mobility. In this regard, selection criteria have also been included for new locations so that they are easily accessible by public transport, thus minimising the need for the use of private vehicles. In these projects, priority has been given to materials manufactured locally or close to the locations, thus reducing the emissions derived from the transport of goods. In addition, local personnel have been hired for construction and maintenance work, which contributes to reducing the environmental impact generated by the daily transport of personnel.

Both this policy and the actions carried out by Clínica Baviera aim to progressively reduce its carbon footprint. Since 2022, Clínica Baviera has been annually monitoring its energy consumption from fossil and renewable sources, as well as its Scope 1 and 2 emissions, with the aim of knowing its performance in reducing GHG emissions. In addition, the Group is actively working to understand and quantify its full carbon footprint, in order to set detailed targets to achieve significant emission reductions. Due to the complexity and linkage of Scope 3 emissions to the activities carried out by Clínica Baviera's stakeholders, the company will work on developing an engagement plan with them to implement actions to encourage emission reductions along the value chain. This approach reflects the company's commitment to move towards integrating sustainability into its operational processes.

In calculating and measuring greenhouse gas (GHG) emissions in Scopes 1 and 2, the guidelines established by the GHG Protocol, the internationally recognised standard for GHG emissions accounting and reporting, have been followed. This methodological framework ensures accuracy, consistency and transparency of data, allowing comparability with other organisations and alignment with global best practices.

The main assumptions used include the consideration of all direct emissions sources under the operational control of Clínica Baviera for Scope 1, and the inclusion of emissions associated with purchased electricity and heat consumption for Scope 2. For the latter, emissions have been calculated using the location-based approach, using the average emission factors of the energy mix of each country in which Clínica Baviera has a presence.

These methodologies and assumptions allow the results obtained to be representative of Clínica Baviera's performance and serve as a basis for strategic decisions aimed at decarbonisation and sustainability.

	Emissions generated								
	Scope 1[2]			Scope 2[3]			Total		
($TnCO_2eq$)	2024	2023	% Change	2024	2023	% Change	2024	2023	% Change
Spain	9	11	-18 %	85	50	69 %	94	61	53 %
Italy	7	6	17 %	36	61	-41 %	43	67	-35 %
Germany	61	55	11 %	46	54	-14 %	107	109	-2 %
UK	53	-	N/A	48	-	N/A	102	-	N/A
Total	**130**	**72**	**81 %**	**216**	**165**	**31 %**	**346**	**237**	**46 %**

Clínica Baviera has increased its carbon footprint by 46%, mainly due to the acquisition of Eye Hospital Group (Optimax), which represents 29% of the emissions generated by the Group during the reporting year, having been incorporated in the third quarter of 2024.

Moreover, the growth of the network of clinics in Spain has also led to an increase in energy consumption. In 2024, 10 new clinics have been incorporated, while another 6 started their operations progressively throughout 2023, reaching normal activity during the reporting year, which has generated a 69% increase in Scope 2 emissions.

However, in its commitment to reduce the generation of Scope 1 and 2 emissions, Clínica Baviera has carried out various actions such as the purchase of renewable electricity in 69% of the Group's clinics and the improvement of energy efficiency in its facilities and the changeover to R32 refrigerant gas in some of its clinics. Thanks to these actions, it has managed to reduce its Scope 1 emissions by 19% in Spain and the Scope 2 emissions of the German and Italian clinics by 14% and 41% respectively. In addition, throughout 2024, Clínica Baviera has actively worked to prevent refrigerant gas leaks through proper maintenance of the systems, achieving that no leaks were detected in its air conditioning equipment during the year.

During the reporting period, 75% of the electricity consumed in the Group's operations was of renewable origin. Guarantees of origin certify that the electricity purchased comes from renewable sources, contributing to the reduction of Clínica Baviera's Scope 2 emissions in Italy (41%) and Germany (14%).

In addition, during the 2024 financial year, Clínica Baviera has carried out a first assessment of the climate-related risks that may impact both its operations and its value chain. This analysis is the first step towards integrating climate change into the Group's strategy and business model, laying the foundations for the development of more sustainable management strategies.

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[2] In order to calculate Scope 1 emissions derived from Natural Gas, the emission factors (E.F.) for 2023 published in Version 29 of the Spanish Ministry for Ecological Transition and Demographic Challenge (MITECO) Emission Factors (0.182 kg CO2e/kWh) have been used.
[3] When calculating Scope 2 emissions derived from electricity consumption, the average emission factors of the energy mix of each country in which Clínica Baviera is present have been used. For Spain, the E.F. of Red Eléctrica Española (0.123 tCO2 eq./MWh) has been used. For Italy, the E.F. (256.6 gCO e/kWh) included in the publication of the Italian Institute for Environmental Research (ISPRA) - "Efficiency and decarbonisation indicators in Italy and in the largest European countries 2024" has been used. For Germany, the F.E (324 gCO e/kWh) of the German energy mix has been used and, for the UK, the F.E (0.207 kg CO2e/kWh) published by the UK Department for Environment, Food and Rural Affairs (DEFRA) has been used.

As governments implement stricter policies to reduce greenhouse gas emissions, Clínica Baviera's operational processes will need to adapt to meet reporting requirements. In addition, natural resource scarcity and sustainability policies may limit access to carbon-intensive raw materials. In parallel, the increased frequency and intensity of extreme weather events pose a significant physical risk to the Company. In particular, flooding from heavy rainfall, such as the cut-off low in Valencia of October 2024, can disrupt the supply chain, compromise the structural integrity of facilities and bring operations to a halt.

The climate risk assessment will identify the areas most vulnerable to these impacts, as well as assess the company's current adaptation and resilience capacities. With this information, Clínica Baviera will be able to design efficient adaptation and transition plans that mitigate risks, strengthen preparedness and ensure an efficient response to extreme climate events. These actions reaffirm Clínica Baviera's commitment to integrate climate change into its strategic decisions, guaranteeing a business model that is resilient, sustainable and aligned with current and future environmental challenges.

Biodiversity protection:

Given the location of the various clinics in urban environments, the impact of the activity on biodiversity is not significant. None of Clínica Baviera's centres are located in or near protected areas or areas of high ecological value. For this reason, Clínica Baviera has not identified significant implications on biodiversity and is therefore not considered a material matter.

European taxonomy:

Within the strategic framework outlined by the European Green Pact, the European Taxonomy, as set out in Delegated Regulation 2020/852, aims to establish itself as the foundation and unified reference framework in Europe that comprehensively systematises those activities identified as sustainable. The EU taxonomy provides a common language aimed at discerning investment opportunities in projects and economic activities that contribute to environmental and climate objectives, while facilitating the alignment of operations with sustainability principles. In essence, the purpose of the Taxonomy Regulation is to set out the criteria for determining whether an economic activity can be considered environmentally sustainable, in order to assess the degree of environmental sustainability of an investment.

For the assessment of compliance with Regulation (EU) 2020/852 we use a specific methodology. The initial phase consists of identifying and classifying activities and assessing the criteria applicable to environmentally sustainable economic activities according to the description of the activity and the NACE system (CNAE) established in the environmental objectives regulation. Clínica Baviera does not have any activity that complies with the taxonomy. Clínica Baviera offers specialised medical services, so its activity is not eligible and therefore not aligned. The following table details the turnover, Capex and Opex for 2024 in relation to the taxonomy and, in the Annex "European Taxonomy", the templates for the key indicators for non-financial companies are included.

	2024					
	Revenue		Capex		Opex	
Activities	Thousands of	%	Thousands of	%	Thousands of	%
Aligned	-	-	-	-	-	-
Eligible	-	-	-	-	-	-
Ineligible	262,648	100 %	41,314	100 %	8,446	100 %

Social issues

Social and personnel issues

Personnel-related impacts, risks and opportunities:

Dimension	Material matter	Materiality of the case		Positive impacts	Negative impacts	Opportunities	Risks
		Impact	Financial				
Social	Talent attraction, retention and career development	Critical	Critical	Collaborative work environment and satisfaction with conflict resolution	Worker discomfort and dissatisfaction	Attraction and retention of professionals (competitive salaries, work-life balance, flexible working hours, job stability).	High staff turnover (excessive working time, job instability, lack of training, etc.)
				Satisfaction, well-being and improved quality of life of workers due to stable and optimal working conditions (including economic and emotional well-being and work-life balance).		Reduction of absenteeism (competitive salaries, work-life balance, flexible working hours, job stability).	Labour claims for non-compliance, disputes and/or disagreements
				Professional development of employees		Encouraging innovation and continuous improvement by incorporating ideas and suggestions from employees into business processes.	Strikes, work stoppages or protests due to tensions, conflicts and/or disagreements
				Employability of young people and students		Increased competence of staff, as a result of training	Need to restructure operations or business policies to adapt to new demands from employees
						Promotion of a culture of innovation and adaptation to change within the organisation, which can motivate and train staff in new skills.	Risk to patients' health, resulting from medical errors due to long working hours
	Diversity and equal opportunities	Significant	Significant	Promoting an inclusive work environment	Existence of a wage gap	Attracting and retaining talent through competitive salaries for work of equal value	Reputational damage resulting from Clínica Baviera's failure to meet stakeholder expectations on diversity issues
				Improved well-being of women workers as they are recognised and paid fairly for their work (no pay gap).		Generating a diverse corporate culture that favours equal opportunities	Fines for non-compliance with the LGD and reputational damage for failing to meet the required percentage of employees with disabilities.
				Promoting social justice and reducing discrimination.		Enhancing the company's reputation as an inclusive employer	
	Health and safety of workers	Significant	Significant	Reduction of occupational accidents and work-related diseases, resulting from the promotion of workers' health and the prevention of accidents in the working environment.	Existence or increase of occupational accidents and health problems	Reducing costs associated with sick leave, compensation and insurance for accidents at work by having sound occupational health and safety management in place to prevent absenteeism and employee turnover.	Risk of financial penalties if security measures are not properly implemented.

Clínica Baviera's staff is the most valuable asset for the Company's success. Their well-being and professional development are a priority for the Group. As a responsible employer, the Company works continuously to provide an inclusive, safe and healthy working environment, where fairness is guaranteed and all people can thrive. Fostering a collaborative environment that promotes work-life balance, as well as stability and continuous development, reinforces staff engagement, motivation and productivity, strengthening the company's ability to attract and retain talent and, consequently, achieve its strategic objectives.

In order to achieve this, Clínica Baviera promotes equal opportunities and fair treatment, supporting employees, especially vulnerable groups, through inclusion and development plans and measures. It also fosters an atmosphere of open and constant communication, ensuring that all voices are heard and their needs addressed through the channels established by the HR Department, where staff can express their concerns or suggestions directly and confidentially. These actions aim to make employees feel supported, actively participating in the continuous improvement and growth of the Company.

Along these lines, during the reporting period, Clínica Baviera has developed various initiatives to improve the quality of life of its workforce. The implementation of a comprehensive work-life balance framework that allows the Clínica Baviera team to balance their professional responsibilities with their private lives; the deployment of an Equality Plan that seeks to reduce the salary gap and promote diversity in the workforce; a programme to recruit people with disabilities to increase the diversity of the workforce; and the deployment of health and safety policies and programmes that have enabled the company to obtain ISO 45001 certification in Spain, demonstrate the Company's commitment to creating a safe, equitable and healthy working environment.

Proper management of Human Resources through initiatives that enhance the well-being of the workforce minimises the materialisation of risks such as loss of productivity or staff turnover, or challenges related to gender equality. In this last aspect, the Company has integrated proactive strategies aimed at improving parity in leadership positions in the organisation, focusing its efforts on aligning itself with the recommendations of the CNMV Code of Good Governance.

Initiatives carried out by the Group are continuously evaluated and adapted, ensuring their alignment with the Company's objectives and the dynamics of the business environment, prioritising material impacts according to their scope and relevance. Clínica Baviera currently prioritises the implementation of immediate actions to improve working conditions and strengthen the general wellbeing of the team. In the medium term, the focus is on consolidating a stable and equitable employment model in all the markets where it operates, while in the long term, the aim is to establish an inclusive and sustainable organisational culture, with solid occupational health and safety standards in all the locations where the company operates.

In this sense, the framework for action in terms of Clínica Baviera Group's personnel policies is based on the Code of Conduct and the Corporate Social Responsibility (CSR) Policy, documents that establish the ethical and strategic bases for human resources management. These principles guide the Group's commitment to its employees and complement the agreements and regulations in force in each country where it operates. In line with these values, the Company fosters a work environment that favours a balance between the personal and professional lives of its employees, providing a positive work environment that enhances their development, training and well-being.

The Harassment Prevention Protocol establishes clear procedures for the investigation and punishment of such conduct, based on principles of confidentiality, speed and respect for the dignity of employees. The Workplace Harassment Committee, made up of representatives from the Human Resources, Finance and Legal departments, is responsible for guaranteeing the implementation of corrective actions and ensuring a respectful and safe working environment. In this regard, Clínica Baviera maintains a firm stance against any type of harassment or discrimination. It categorically rejects physical, psychological or moral violence, and any abuse of authority that creates an intimidating or offensive working environment. Further, the Group undertakes to respect and ensure respect at all times for the human and labour rights recognised in national and international legislation, rejecting child labour and forced or compulsory labour, as well as respecting freedom of association and collective bargaining, and the rights of ethnic minorities in the places where its activity is developed.

In order to guarantee transparency and encourage active listening, Clínica Baviera has formal whistleblowing systems and communication channels for the team to express their concerns, raise complaints or make suggestions. The Internal Whistleblowing System allows serious irregularities or legal breaches to be reported anonymously or identified, ensuring confidentiality and independence. The System Manager handles these reports autonomously, documenting each case and applying corrective measures where appropriate. In addition, strict retaliation protection policies are implemented to ensure a safe environment.

Complaints and claims can also be channelled through immediate superiors or formal procedures, managed by the Legal department in collaboration with Human Resources. The most significant cases are reviewed annually by the Audit Committee, overseeing their resolution and the implementation of improvements.

The Group has registered 2 complaints regarding discrimination and/or harassment through the available channels during the reporting period. These complaints were satisfactorily resolved during the year. In both cases, the established protocols were followed and an internal investigation was carried out, the conclusions of which enabled these complaints to be resolved appropriately. The Compliance Unit is responsible for conducting these investigations and ensuring that the established protocols are carried out efficiently and, when the situation requires it, is supported by external experts. Where appropriate, disciplinary action has been taken.

In addition, the Group has specialised committees to address employee concerns in specific areas. The Medical Committee, the Nursing Committee and the Optometrists' Committee collect, analyse and respond to the concerns of their respective groups, proposing improvements to internal processes. These committees meet regularly, ensuring an efficient and structured flow of information. The Medical Management Committee also analyses suggestions and complaints from medical staff, ensuring efficient solutions aligned with Group and staff expectations.

Clínica Baviera ensures that staff are aware of these mechanisms and have confidence in their effectiveness. Transparency and fair management are fundamental pillars of these systems, consolidating an environment in which employees can express themselves freely and contribute to the growth and improvement of the organisation. The application of the continuous improvement process, together with the identification of new challenges, reinforces the Company's capacity to optimise opportunities, guarantee operational and financial sustainability, and respond efficiently to present and future challenges, consolidating its position as a responsible and competitive organisation.

Characteristics of Clínica Baviera’s workforce:

At the end of 2024, Clínica Baviera’s workforce was made up of 1,759 employees, representing a 21% increase with regard to the previous reporting period (1,448 employees) and a 13% increase on a like-for-like basis, i.e. excluding the UK. The bulk of the workforce is located in Spain and Germany, with 67% and 20% of the workforce, respectively. Eighty per cent of the Group’s workforce are women, reflecting the characteristics of the healthcare sector, where women have traditionally been in the majority.

	Distribution of employees by gender						
	2024			2023			Variation
(No.)	Women	Men	Total	Women	Men	Total	
Spain	965	216	1,181	859	192	1,051	12 %
Italy	80	19	99	67	16	83	19 %
Germany	255	98	353	235	79	314	12 %
UK	**99**	**27**	**126**	**-**	-	-	N/A
Total	**1,399**	**360**	**1,759**	**1,161**	**287**	**1,448**	**21 %**

The Group has a stable and experienced workforce, with 60% of its staff aged between 30 and 50. Given that the main business is ophthalmological interventions, having professionals with a consolidated track record is key to guaranteeing precision, safety and quality in each procedure. The extensive experience of Clínica Baviera’s professionals actively contributes to the training of young talent, which represents 24% of the workforce.

	Distribution of employees by age										
	2024					2023					Variation
(No.)	Spain	Germany	Italy	UK	Total	Spain	Germany	Italy	UK	Total	
<30	258	111	24	28	421	211	99	21	-	331	27 %
30-50	742	191	63	63	1,059	682	177	52	-	911	16 %
>50	181	51	12	35	279	158	38	10	-	206	35 %
Total	**1,181**	**353**	**99**	**126**	**1,759**	**1,051**	**314**	**83**	**-**	**1,448**	**21 %**

In order to analyse parity in Clínica Baviera’s workforce, it is necessary to differentiate between Central Services and Clinics, as the latter account for 85% of the staff.

In clinics, the gender distribution mirrors that of the health sector, with a predominance of women in management positions (84%) and in patient care staff (90%). In contrast, the medical profession has a more balanced composition with respect to other roles, with 54% men.

In Central Services, the staff distribution tends to be more equitable, with a prevalence of women, who represent 65% of managers and 66% of technicians. At the highest levels of leadership (Directors and Senior Management), female representation is reduced to 33%. However, the positive evolution of the proportion of women in leadership positions (31% in 2023) reflects the progress towards greater equity in the strategic positions of the Group’s organisational structure.

	Distribution of employees by gender and professional category										
	2024					2023					Variation
(No.)	Spain	Germany	Italy	UK[4]	Total	Spain	Germany	Italy	UK	Total	
Senior	**6**	**1**	**-**	**-**	**7**	**5**	**1**	**-**	**-**	**6**	**17 %**
Men	4	1	-	-	5	4	1	-	-	5	- %
Women	2	-	-	-	2	1	-	-	-	1	100 %
Executives	**8**	**-**	**-**	**-**	**8**	**7**	**-**	**-**	**-**	**7**	**14 %**
Men	5	-	-	-	5	4	-	-	-	4	25 %
Women	3	-	-	-	3	3	-	-	-	3	- %
Officials	**26**	**7**	**2**	**13**	**48**	**17**	**6**	**3**	**-**	**26**	**85 %**
Men	10	4	-	3	17	7	3	-	-	10	70 %
Women	16	3	2	10	31	10	3	3	-	16	94 %
Technicians	**108**	**37**	**16**	**32**	**193**	**116**	**33**	**11**	**-**	**160**	**21 %**
Men	37	11	4	13	65	39	8	3	-	50	30 %
Women	71	26	12	19	128	77	25	8	-	110	16 %
Managers	**40**	**9**	**4**	**21**	**74**	**33**	**11**	**4**	**-**	**48**	**54 %**
Men	4	5	-	3	12	5	5	-	-	10	20 %
Women	36	4	4	18	62	28	6	4	-	38	63 %
Doctors	**217**	**34**	**7**	**-**	**258**	**186**	**29**	**7**	**-**	**222**	**16 %**
Men	114	21	5	-	140	96	16	5	-	117	20 %
Women	103	13	2	-	118	90	13	2	-	105	12 %
Patient Care Staff	**776**	**265**	**70**	**60**	**1,171**	**687**	**234**	**58**	**-**	**979**	**20 %**
Men	42	56	10	8	116	37	46	8	-	91	27 %
Women	734	209	60	52	1,055	650	188	50	-	888	19 %
Total	**1,181**	**353**	**99**	**126**	**1,759**	**1,051**	**314**	**83**	**-**	**1,448**	**21 %**
Men	216	98	19	27	360	192	79	16	-	287	25 %
Women	965	255	80	99	1,399	859	235	67	-	1,161	20 %

Below are the comparative tables of the distribution of the workforce by gender, age and professional category for years 2023 and 2024 for the Clínica Baviera Group. These data allow us to analyse the evolution of the team composition and provide a more detailed view of the presence of women and men at different levels of the organisation, as well as the generational balance in the workforce.

[4] For the professional category Doctors in the UK, Clínica Baviera has a commercial relationship with its professionals, which is why they are not shown in the table below.

	Distribution of Clínica Baviera employees by gender, age and professional category											
	2024				2023				Variation			
(No.)	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Senior management	**-**	**3**	**4**	**7**	**-**	**3**	**3**	**6**	**- %**	**- %**	**33%**	**17%**
Men	-	3	2	5	-	3	2	5	- %	- %	- %	- %
Women	-	-	2	2	-	-	1	1	- %	- %	100%	100%
Executives	**-**	**3**	**5**	**8**	**-**	**3**	**4**	**7**	**- %**	**- %**	**25%**	**14%**
Men	-	1	4	5	-	1	3	4	- %	- %	33%	25%
Women	-	2	1	3	-	2	1	3	- %	- %	- %	- %
Officials	**-**	**30**	**18**	**48**	**-**	**18**	**8**	**26**	**- %**	**67%**	**125%**	**85%**
Men	-	11	6	17	-	9	1	10	- %	22%	500%	70%
Women	-	19	12	31	-	9	7	16	- %	111%	71%	94%
Technicians	**35**	**118**	**40**	**193**	**32**	**100**	**28**	**160**	**9%**	**18%**	**43%**	**21%**
Men	15	38	12	65	10	29	11	50	50%	31%	9%	30%
Women	20	80	28	128	22	71	17	110	-9%	13%	65%	16%
Managers	**8**	**49**	**17**	**74**	**3**	**31**	**14**	**48**	**167%**	**58%**	**21%**	**54%**
Men	2	7	3	12	1	6	3	10	100%	17%	- %	20%
Women	6	42	14	62	2	25	11	38	200%	68%	27%	63%
Doctors	**3**	**176**	**79**	**258**	**6**	**143**	**73**	**222**	**-50%**	**23%**	**8%**	**16%**
Men	2	87	51	140	5	65	47	117	-60%	34%	9%	20%
Women	1	89	28	118	1	78	26	105	- %	14%	8%	12%
Patient Care Staff	**375**	**680**	**116**	**1.171**	**290**	**613**	**76**	**979**	**29%**	**11%**	**53%**	**20%**
Men	38	62	16	116	27	51	13	91	41%	22%	23%	27%
Women	337	618	100	1.055	263	562	63	888	28%	10%	59%	19%
Total	**421**	**1.059**	**279**	**1.759**	**331**	**911**	**206**	**1.448**	**27%**	**16%**	**35%**	**21%**
Men	57	209	94	360	43	164	80	287	33%	27%	18%	25%
Women	364	850	185	1.399	288	747	126	1.161	26%	14%	47%	20%

It is important to consider the relationship in absolute terms when interpreting data in the table above, as the high percentages of variation do not reflect a significant change in absolute values. For example, variations in the group of female officials aged 30-50 years (111%) are due to the addition of 6 women from the Optimax Group. Excluding the UK data, the variation in this section is 44%. Likewise, the 500% variation in the category of male managers over 50 years of age is due to the incorporation of 2 managers in Spain, 2 in Germany and 1 in the United Kingdom, which means a variation of 5 people in this category by 2024. Together with the 71% increase of women in this category, the number of managers has increased by 10 people.

This situation is also observed in the category of managers under 30 years of age. In absolute terms, the number of women has increased from 2 to 6 persons, a variation of 200%. In the case of men, it has evolved from 1 to 2 managers, varying by 100%. For this reason, this category has increased by 167% but, in absolute terms, this means 5 more managers than in the previous reporting period.

Attracting and retaining talent:

The entire workforce (100%) of Clínica Baviera in Spain is covered by the Private Healthcare Collective Bargaining Agreement applicable in each of the provinces where the clinics operate. These agreements regulate working conditions, establishing rights and obligations in areas such as wages, working hours, breaks, holidays, work-life balance, equality and safety at work. This ensures a fair and structured working environment that promotes the stability and well-being of the team.

For employees in Germany, Italy and the United Kingdom, working conditions are governed by the labour and social security legislation in force in each country, ensuring compliance with local regulations and the protection of their rights.

Based on compliance with collective bargaining agreements and legal regulations, Clínica Baviera develops additional strategies to attract and retain talent. Through initiatives focused on job stability, work-life balance, training and inclusion, the Company is committed to offering stable, quality positions that favour employee retention. The Group's contract distribution figures and the decrease in staff turnover reflect the success of the practices implemented to achieve this goal.

(No.)	2024						2023						% Change	
	Fixed			Temporary			Fixed			Temporary			Fixed	Temporary
	FT	PT	Total	FT	PT	Total	FT	PT	Total	FT	PT	Total		
Spain	696	383	1.079	68	34	102	615	366	981	50	20	70	42%	16%
Germany	119	97	216	94	43	137	110	79	189	89	36	125	9%	45%
Italy	69	22	91	7	1	8	61	20	81	2	0	2	35%	41%
UK	97	29	126	-	-	0	-	-	0	-	-	0	N/A	N/A
Total	**981**	**531**	**1.512**	**169**	**78**	**247**	**786**	**465**	**1.251**	**141**	**56**	**197**	**47%**	**30%**
	1.759						**1.448**						**21%**	

The Group's contract type reflects Clínica Baviera's commitment to employment stability and quality. At year-end, 86% of contracts in both 2024 and 2023 (1,512 and 1,251 contracts, respectively) are indefinite term. Of these, 65% (62% in 2023) are full-time, ensuring greater job security for the workforce. This commitment is even more evident in countries such as Spain, Italy and the United Kingdom, where more than 90% of contracts are permanent (62% in the case of Germany). These data highlight the organisation's commitment to offering stable working conditions that favour the professional development and well-being of its employees.

	Distribution of average number of contracts by gender and age								
	Fixed				Temporary				Total
	Full time		Part time		Full time		Part time		
	M	W	M	W	M	W	M	W	
2024	**222**	**757**	**77**	**451**	**34**	**99**	**7**	**58**	**1,705**
<30	20	190	6	55	18	57	6	26	377
30-50	140	459	44	332	12	36	1	27	1,050
>50	62	108	27	64	4	7	0	6	278
2023	**193**	**612**	**64**	**386**	**24**	**97**	**8**	**45**	**1,429**
<30	16	151	7	41	8	56	7	19	305
30-50	119	397	36	294	14	37	1	24	922
>50	57	64	22	51	2	3	0	2	201
Variation	**15 %**	**24 %**	**20 %**	**17 %**	**42 %**	**2 %**	**-13%**	**29 %**	**19 %**
<30	25 %	26 %	-14 %	34 %	125 %	2 %	-14%	37 %	24 %
30-50	18 %	16 %	22 %	13 %	-14 %	-3 %	-%	13 %	14 %
>50	9 %	69 %	23 %	25 %	100 %	133 %	-%	200 %	38 %

During 2024, Clínica Baviera's workforce experienced a 19% increase in the average number of contracts, reflecting an expansion in recruitment in line with business growth. Particularly noteworthy is the 38% increase in the group of employees over 50 years of age, which highlights the Company's efforts to retain and attract senior talent, with the aim of passing on knowledge to new recruits. In this regard, the percentage changes in temporary contracts are high, as the absolute year-on-year values are low.

	Distribution of average number of contracts by gender and age								
	Fixed				Temporary				Total
	Full time		Part time		Full time		Part time		
	M	W	M	W	M	W	M	W	
2024									
<30	5 %	50 %	2 %	15 %	5 %	15 %	2 %	7 %	100 %
30-50	13 %	44 %	4 %	32 %	1 %	3 %	- %	3 %	100 %
>50	22 %	39 %	10 %	23 %	1 %	2 %	- %	2 %	100 %
2023									
<30	5 %	50 %	2 %	13 %	3 %	19 %	2 %	6 %	100 %
30-50	13 %	43 %	4 %	32 %	2 %	4 %	- %	3 %	100 %
>50	28 %	32 %	11 %	26 %	1 %	2 %	- %	1 %	100 %

It can be inferred from the above data that as a worker's career progresses, men become more represented in the older age brackets, linked to the greater propensity of women to balance work and family life. This trend suggests the need to evaluate flexible working arrangements to facilitate professional continuity without affecting career development.

	Distribution of the average number of contracts by professional category				
	Fixed		Temporary		Total
	Full time	Part time	Full time	Part time	
2024	**979**	**528**	**133**	**66**	**1,705**
Senior Management	6	1	-	-	7
Executives	7	-	-	-	7
Officials	43	4	-	-	47
Technicians	138	42	11	7	197
Managers	69	4	1	-	74
Doctors	100	140	-	2	242
Patient Care Staff	617	337	121	57	1,131
2023	**805**	**450**	**121**	**54**	**1,429**
Senior Management	7	1	-	-	8
Managers	7	-	-	-	7
Officials	24	2	-	-	26
Technicians	101	33	12	6	152
Managers	46	4	4	3	57
Doctors	91	123	-	2	215
Patient Care Staff	528	288	104	44	964

The growth in the workforce has been particularly reflected in the technical and managerial categories, with an increase of 30% and 82% in the average number of contracts, respectively. These groups represent 12% and 3% of the total.

The majority of the year's contracts (66%) are for patient care, where 84% of the contracts are fixed-term in both 2024 and 2023. Doctors represent 14% of the total average number of contracts, where 8% have part-time permanent contracts, due to the compatibility with their work in public health care.

Overall, 88% of Clínica Baviera's average number of contracts are permanent, both in 2024 and 2023. Of these, 57% (56% in 2023) are full-time. These figures reflect the consolidation of a stable employment structure, in line with the Group's intentions.

	Turnover rate										
	2024					2023					Variation
%	Spain	Germany	Italy	UK	Total	Spain	Germany	Italy	UK	Total	
Voluntary turnover rate	10%	14%	11%	33%	12%	11%	22%	13%	-	14%	-2%
Involuntary turnover rate	10%	7%	9%	6%	9%	11%	3%	6%	-	10%	-1%
Turnover rate[5]	**20%**	**21%**	**20%**	**40%**	**21%**	**22%**	**31%**	**19%**	**-**	**24%**	**-3%**

The voluntary turnover rate and the number of dismissals at Clínica Baviera reflect a positive trend in talent management within the Group, highlighting the effectiveness of the retention strategies implemented. The turnover rate decreased by 3%, with variations in all countries, Germany being the country with the largest decrease in this rate (10%). These figures indicate that the initiatives aimed at retaining staff are having a positive impact, especially in the German market.

[5] The turnover rate is calculated according to the following formula: R=S/ (I+F) /2*100. Where "S" is the number of persons leaving the Group voluntarily and/or involuntarily, and "I" and "F" are the number of staff at the beginning and end of the period respectively.

(No.)	2024 <30	2024 30-50	2024 >50	2024 Total	2023 <30	2023 30-50	2023 >50	2023 Total
	Number of dismissals by gender, age and professional category at Clínica Baviera							
Senior management	**-**	**-**	**-**	**-**	**-**	**-**	**2**	**-**
Men	-	-	-	-	-	-	2	-
Women	-	-	-	-	-	-	-	-
Executives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Men	-	-	-	-	-	-	-	-
Women	-	-	-	-	-	-	-	-
Officials	**-**	**2**	**1**	**3**	**-**	**-**	**-**	**1**
Men	-	-	-	1	-	-	-	1
Women	-	2	1	2	-	-	-	-
Technicians	**3**	**7**	**2**	**-**	**1**	**5**	**3**	**1**
Men	1	3	1	-	1	3	2	-
Women	2	4	-	-	-	2	1	1
Managers	**-**	**1**	**1**	**-**	**1**	**4**	**1**	**-**
Men	-	-	-	-	-	2	-	-
Women	-	1	1	-	1	2	1	-
Doctors	**-**	**-**	**-**	**12**	**-**	**3**	**1**	**8**
Men	-	-	-	2	-	1	1	-
Women	-	-	-	10	-	2	-	8
Patient Care Staff	**12**	**15**	**7**	**15**	**8**	**20**	**2**	**10**
Men	2	-	1	3	-	1	-	1
Women	10	15	6	12	8	19	2	9
Total	**15**	**25**	**10**	**50**	**10**	**32**	**9**	**51**
Men	3	3	2	-	1	7	5	-
Women	12	22	8	-	9	25	4	-

The number of dismissals remained virtually unchanged from the previous year, from 51 to 50, with a larger workforce, which reinforces the balance between employment stability and adaptation to the needs of the business.

Overall, these results confirm that the retention and management policies are aligned with the Group's strategic objectives, contributing to a more stable and committed work environment.

Integration of people with disabilities:

In order to promote the diversity of its workforce, Clínica Baviera promotes different initiatives to integrate people with disabilities, promoting inclusiveness and facilitating their access to employment.

	Employees with disabilities										
	2024					2023					Variation
	Spain	Germany	Italy	UK	Total	Spain	Germany	Italy	UK	Total	
Number of employees	14	4	3	4	25	17	5	1	-	23	9 %
Percentage (%)	1.19%	1.13%	3.03%	3.17%	1.42%	1.62%	1.59%	1.2%	-	1.59%	-0.17%

The percentage of people with disabilities in the workforce is 1.42%. Although the percentage of people with disabilities at Clínica Baviera still falls short of the target set by the General Disability Act (LGD), the company has demonstrated its commitment to inclusion through various initiatives and ongoing efforts in this area.

The Company has intensified its efforts in this direction through two main lines of action: in collaboration with the Eurofirms Foundation, guidance and support is provided to employees and their families to manage the disability certificate, together with awareness campaigns that promote inclusion in the workplace. In addition, specific opportunities have been created to integrate people with disabilities in the company's offices, in line with the objectives of inclusion in the workplace. These initiatives are expected to advance the efficient integration of people with disabilities within the Group.

Work-life balance and employee benefits:

In line with Clínica Baviera's ongoing commitment to staff wellbeing, the Company has implemented several measures to promote work-life balance, adapting to the changing needs of its staff.

Among actions adopted are intensive working hours during the summer months for Central Services employees, the option for Clinic Managers to enjoy 15 afternoons off per year, and the "Happy Noons" programme which allows Central Services staff to enjoy the afternoon before a public holiday off. It also offers the possibility of adopting a mixed working mode, combining face-to-face working days with a weekly telework day for the Central Services team. As an additional measure, a day off and a gift is provided for each employee on their birthday, if it falls on a working day, as a way of encouraging rest and personal well-being. In addition, 15 additional days of holiday have been set aside for employees' first participation in solidarity projects, reinforcing the Company's commitment to social responsibility.

At operational level, the Company has ensured that work shifts are delivered sufficiently in advance, allowing the necessary flexibility to adjust to the scheduling needs of employees and allowing for the disconnection from work.

In Italy, Germany and the United Kingdom, work-life balance measures have also been adapted, implementing teleworking up to two days a week for the Central Services team, with the aim of avoiding overcrowding in the office and improving the organisation of working hours.

These measures contribute to a more flexible and balanced work environment, improving staff satisfaction and productivity. Over time, these initiatives have evolved to adapt to new work and social circumstances, ensuring the promotion of personal wellbeing and work-life balance for Clínica Baviera's employees.

	Absence hours[6]				
	Spain	Germany	Italy	UK	Total
Absence hours 2024	106,040	30,633	3,449	-	140,122
Absence hours 2023	95,368	45,470	5,704	-	146,542
% Change	11%	-33%	-40%	N/A	-4%

As a result of these initiatives, Clínica Baviera has achieved a 4% reduction in absenteeism. Improved work-life balance and working conditions have contributed to a more motivated and committed team, significantly reducing unplanned absences. These data confirm that a stable working environment with good conditions favours staff satisfaction, resulting in greater efficiency and operational continuity.

Remuneration:

Clínica Baviera applies fair remuneration criteria, based exclusively on merit and objective aspects. These criteria guarantee equal pay for all members of the organisation, regardless of gender, age or other factors. The following table shows the Group's remuneration by gender and professional category.

	Clínica Baviera[7]					
	2024			2023		
	M	W	Gap	M	W	Gap
Executives	160,554	179,082	-12%	132,583	115,304	15%
Officials	84,215	77,125	8 %	73,944	78,608	-6%
Technicians	35,024	30,672	12 %	30,395	28,329	7%
Managers	63,060	60,574	4%	65,426	57,721	13%
Doctors	224,963	199,422	11%	258,623	231,568	12%
Patient Care Staff	31,669	26,407	17 %	30,714	29,728	3%

[6] Absenteeism hours include common contingencies and accidents occurring outside work (common illness and non-occupational accidents). These data are not available for the United Kingdom.
[7] The wage gap has been calculated as *(Male Wage - Female Wage/Male Wage*

	Average salaries by country, gender and professional category[8,9]											
	2024											
	Spain			Germany			Italy			United Kingdom		
	M	W	Gap	M	W	Gap	M	W	Gap	M	W	Gap
Executives	160,554	179,082	-12%	-	-	N/A	-	-	N/A	-	-	N/A
Officials	86,217	77,601	10%	88,075	IC	N/A	-	IC	N/A	72,391	66,892	8%
Technicians	28,280	30,809	-9%	51,162	33,957	34%	32,708	29,010	11%	41,276	26,717	35%
Managers	87,517	69,440	21%	62,119	60,676	2%	-	62,346	N/A	32,019	42,426	-33%
Doctors	228,430	205,549	10%	200,157	158,600	21%	250,113	IC	N/A	-	-	N/A
Patient Care Staff	28,359	26,026	8%	36,031	28,278	22%	29,209	24,540	16%	21,582	26,426	-22%

	Average remuneration by country, gender and occupational category											
	2023											
	Spain			Germany			Italy			United Kingdom		
	M	W	Gap	M	W	Gap	M	W	Gap	M	W	Gap
Executives	132,583	115,304	13%	-	-	N/A	-	-	N/A	-	-	-
Officials	68,224	68,684	-1%	87,291	130,338	-49%	-	59,958	N/A	-	-	-
Technicians	26,453	26,213	1%	48,591	34,628	29%	33,125	29,016	12%	-	-	-
Managers	87,441	60,637	31%	43,412	43,455	- %	-	58,716	N/A	-	-	-
Doctors	269,371	247,336	8%	219,929	136,711	38%	176,076	IC	N/A	-	-	-
Patient Care Staff	26,585	30,954	-16%	34,394	26,949	22%	28,656	24,234	15%	-	-	-

The Group's remuneration scheme is based on objective criteria related to the value of the position and the responsibilities assigned, without distinction by gender, age or other factors. The salary differences observed respond to the nature and level of the positions held, as well as the experience and qualifications required for each position, also considering the calculation based on the FTE (Full-Time Equivalent), which adjusts remuneration according to the effective working hours of each employee. In this sense, a higher proportion of women have an FTE of less than 1.

	Average earnings by age and country								
	2024			2023			% Change		
	<30	30-50	>50	<30	30-50	>50	<30	30-50	>50
Spain	29,988	138,927	178,675	39,972	136,499	109,615	-25%	2%	63%
Germany	29,315	57,835	65,552	27,992	49,402	80,715	5%	17%	-19%
Italy	24,251	44,372	127,001	24,178	43,501	123,576	- %	2%	3%
United Kingdom	24,657	34,723	44,164	N/A	N/A	N/A	N/A	N/A	N/A
Total	**29,129**	**112,402**	**138,733**	**35,387**	**114,195**	**105,035**	-18%	-2%	32%

Age-related remuneration is a key aspect of human resources management, as it recognises the experience and seniority of employees within an organisation. In this respect, the Group's doctors are generally over 30 years of age. Their remuneration varies according to the number of consultations performed and the number of treatments carried out. In 2024, a greater number of operations were performed by people in the 30 to 50 age group than in 2023, to the detriment of the over-50 age group.

Moreover, in the under 30 age bracket, there is a greater number of clinical assistants. The higher number of new recruits in this age group is reflected in a lower average remuneration, as in the previous reporting period, this average remuneration was higher due to the greater presence of opticians and nurses in this age group.

[8] In those categories with less than 2 female or male employees, remuneration has not been reflected for reasons of confidentiality (IC). In cases where there are no employees of either sex, no information is included.
[9] The managers category includes 21 deputy managers, a newly created post.

On the other hand, with the aim of guaranteeing fair remuneration, Clínica Baviera has adopted a key measure in the remuneration of its staff, the “Baviera Minimum Wage”, which ensures that all staff receive fair and decent remuneration, very often higher than that established by the labour agreements for their category, in order to improve their satisfaction and retention.

The Baviera Group’s employees benefit from the “Flexible Remuneration Plan”, which allows employees to spend a portion of their salary on products with a statutory tax benefit, thereby increasing their net remuneration.

These initiatives are reflected in Clínica Baviera’s fair pay ratio, which stands at 1.16 at Group level. In all countries where the company operates, the remuneration offered is equal to or higher than the reference standards. Furthermore, this ratio has increased by 8% compared to the previous period, demonstrating a continuous improvement in remuneration practices and reinforcing Clínica Baviera’s position as a benchmark in the promotion of fair and competitive working conditions.

	Fair wages		
	2024	2023	Variation %
Spain	1.07	1.09	-2%
Germany	1.29	1.06	22%
Italy	1.3	1.1	18%
United Kingdom	1.00	N/A	N/A
Total	**1.16**	**1.07**	**8%**

Both actions are part of the company’s ongoing remuneration practices, although they are reviewed annually according to the needs of the labour market and the needs of the team.

The Flexible Remuneration Plan includes benefits such as parent company shares, health insurance, training, transport card, meals and childcare, which improves the motivation and well-being of the workforce.

The remuneration of Directors for their executive functions, senior management personnel and representatives of legal entities who are members of the management body is of particular relevance. Given their level of responsibility and the nature of their functions, these professionals tend to be in the highest salary brackets in the organisation, which may influence the pay inequality ratio. Nevertheless, Clínica Baviera remains committed to pay equity, ensuring that differences in compensation are based on objective criteria, such as experience, job responsibility and impact on the company, as described in the section “Integration of performance related to sustainability“.

During the financial year 2024, the remuneration received by the Directors, Senior Management personnel and representatives of legal entities who are members of the management body for the performance of their duties in the parent company and for all items amounts to 2,218 thousand Euros (2,553 thousand Euros in 2023), including termination of contracts, of which 542 thousand Euros correspond to women (average remuneration of 136 thousand Euros) and 1,676 thousand Euros to men (average remuneration of 168 thousand Euros).

Training and Talent Development

In order to strengthen the retention and attraction of talent by promoting professional development and continuous training, Clínica Baviera develops an annual comprehensive training programme. Training and specialisation are essential pillars to guarantee a high quality service, strengthening the competencies of professionals and promoting excellence in specialised units.

These plans address strategic themes adapted to the specific needs of each team. In the area of occupational health, continuous occupational risk prevention (ORP) programmes are offered to promote safety, health and a culture of prevention at all levels. In addition, within the framework of the equality plan, actions are developed to raise awareness of equal opportunities, prevention of harassment and work-life balance, promoting an inclusive and respectful environment.

The scope of these initiatives varies by business area: some programmes target the central services team, while others focus on specific clinics. Training can be targeted at the entire workforce or designed for specific roles, working on both transversal and technical skills to ensure service excellence. In this sense, training actions are annually proposed and are developed and adjusted according to each group’s specific needs.

	Average hours of training										
	2024					2023					Variation
	Spain	Germany	Italy	UK	Average	Spain	Germany	Italy	UK	Average	
Average hours of training for men	28	15	4	12	22	26	5	3	-	19	16%
Average hours of training for women	15	8	4	20	13	28	5	5	-	22	-41%
Average hours of employee training	**22**	**10**	**4**	**18**	**15**	**28**	**5**	**5**	**-**	**22**	**-32%**

The main tools include both Baviera Academy (more focused on doctors) and Campus Baviera (focused on the rest of the team). These are online platforms that facilitate training in technical and personal skills. In addition, there are face-to-face programmes such as “Onboarding for general ophthalmologists” and “Put on your gown”, designed to integrate employees into the day-to-day running of the clinics.

In addition to the standard training programmes, Clínica Baviera offers additional training for people hired with international mobility, in order to facilitate their adaptation to new locations. These programmes include specific language courses that enable them to improve their communication skills in the destination country, as well as a cultural and work integration programme. The latter aims to provide them with the necessary tools to adapt efficiently to the particularities of the new environment, both professionally and personally. With these actions, the company ensures that displaced persons have the necessary support for a successful performance in their new functions and an integral wellbeing during their expatriation period.

In the case of new medical staff, a comprehensive training process is carried out to ensure that they acquire the knowledge and skills necessary for their professional activity. At the end of this training, they must pass a knowledge test, the result of which makes it possible to assess both their preparation and the impact of the training on their ability to face professional challenges.

The monitoring of progress is based on indicators such as the amount and type of training provided, participation by group and gender and, in the case of new doctors, their performance in the competency test. These indicators make it possible to assess the level of preparation achieved and the direct impact of the training on the competencies needed to address the challenges of the sector.

	Hours of training by professional category									
	2024					2023				
(No.)	Spain	Germany	Italy	United Kingdom	Total	Spain	Germany	Italy	United Kingdom	Total
Senior Management and Executives	470	-	-	-	470	237	-	-	-	237
Officials	1331	-	16	137	1,484	1,834	-	18	-	1,852
Technicians	2636	-	42	298	2,976	3,378	-	24	-	3,402
Managers	357	-	16	441	814	682	-	24	-	706
Doctors	6,790	1,245	1,632	-	9,667	13,066	90	8	-	13,164
Patient Care Staff	10,789	2235	265	1418	14,707	18,174	1499	321	-	19,994
Total	**22,373**	**3,480**	**1,971**	**2,294**	**30,118**	**37,371**	**1,589**	**395**	**-**	**39,355**

Responsible Baviera Foundation:

In its commitment to improving the quality of life and social development of Clínica Baviera’s employees, the Responsible Baviera Foundation plays a fundamental role. One of the Foundation’s objectives is to improve the well-being of the Clínica Baviera team, especially those in vulnerable situations, through financial aid, training and assistance in various areas, such as health, work-life balance and emotional support, ensuring that they have an inclusive, adapted and safe working environment.

The Company is committed to developing initiatives to remedy these situations, promoting equal opportunities and respect for diversity in all aspects of the organisation. Through the Baviera Foundation, additional support is given to employees in vulnerable situations, providing various forms of assistance that include both financial aid and other welfare actions. These initiatives cover the work-life balance, as well as the promotion of team protection and well-being. Employees can access these grants confidentially through a dedicated channel, and each application is assessed by the Foundation's Committee, which analyses the particular situation of each case. At the end of 2024, various actions had been carried out, including the following:

- Birth grants for all employees of Clínica Baviera in Spain and Italy
- Aid for school supplies in Spain and Italy
- Psychological counselling sessions
- Volunteer travel assistance
- Physical-medical assistance (through the Occupational Health and Safety Department) to operating theatre staff
- Individual cases (advice and assistance with legal costs, financial support for children of deceased employees, support for employees affected by the cut-off low, etc.).

Workforce equality and diversity:

Equal opportunities is one of the Group's core values, ensuring that all employees, regardless of gender, race, nationality, age, sexual orientation or any other condition, have equal access to resources and opportunities within the organisation. This commitment is embodied in the Equality Plan, which aims to eliminate social barriers and stereotypes, promoting the full integration of people in the workplace.

During 2024, Clínica Baviera has implemented its Equality Plan, in compliance with Organic Law 3/2007 and Decree-Law 6/2019. This plan addresses essential aspects such as access to the company, training, remuneration, work-life balance, occupational health and wellbeing, and communication and awareness-raising.

Its main objective is to promote equal opportunities and eradicate discrimination between men and women. For the purpose of achieving this, measures such as flexible working hours, the use of inclusive language in internal documents and continuous improvement in selection and promotion processes have been implemented, ensuring that all staff have equal access to the opportunities available. The time horizon for the implementation of these measures is defined in the short and medium term, with a focus on the continuous improvement of processes through awareness-raising and internal training, key elements of this plan.

In this sense, one of the fundamental pillars of this strategy is equality training to promote a fair and equitable working environment. To assess the impact of this training, Clínica Baviera uses as a metric the percentage of the workforce that completes equality-related courses. This metric is essential to measure the effectiveness of training in raising awareness and applying these principles in all operational processes.

During the reporting period, training in equality was offered to 68 people, 58 of whom completed the course. These figures reflect the need to continue efforts to integrate the Equality Plan into the Group's organisational culture, progressively extending it to a greater number of people within the company.

Furthermore, as part of the Equality Plan, the Group continues to work towards a more balanced parity at management levels, where 67% are men (69% in 2023). In addition, the Company has made significant progress in reducing gender bias in pay and promotion by implementing a job evaluation model that ensures equal pay.

In terms of work-life balance, Clínica Baviera fosters a work environment that supports work-life balance, enabling the Group's employees to find a balance between work and family. As a reflection of this commitment, 90 employees (87 in 2023) have taken maternity and paternity leave, which represents 5% of the Group's employees (6% in 2023), with women being the majority group (87% in 2024 and 85% in 2023), due to the characteristics of the workforce. In terms of the gender distribution of people who have availed themselves of this right, 3% of men and 6% of women in the Group have taken paternity and maternity leave, as well as the measures made available by the Group to promote the work-life balance.

Staff health and safety:

In terms of occupational health and safety, the Clínica Baviera Group guarantees a safe and healthy workplace for all its staff, contractors and visitors. The Health, Safety and Wellbeing policy is based on hazard identification, risk assessment and continuous improvement, with emergency response protocols and regular training for the team. Currently, all clinics have Occupational Risk Prevention (ORP) certificates and, in both Italy and Spain, ISO 45001 Occupational Health and Safety certification is in place. This certification will be extended to all other locations, with the aim of ensuring that all Group clinics maintain high standards of safety and well-being for their staff. This effort aims to prevent accidents and occupational illnesses, promoting a safe and healthy working environment for all that complies with international standards and legal requirements.

The implementation of a strategic framework on occupational health and wellbeing in all countries where the Group operates aims to share common guidelines and provide resources to employees to help them improve and maintain their health and wellbeing. The scope of OHS actions includes compliance with local laws in each country where the Group operates, with specific adaptations according to the context and regulatory requirements. The milestone of obtaining ISO 45001 certification during 2024 in Spain has led to the evaluation of the extension of this standard to the rest of the companies.

Ongoing studies of the occupational risks present at the various sites, taking corrective and preventive measures based on the results of the risk assessments, ensure the safety of the workforce. This approach includes regular training and drills to ensure that staff are prepared to deal with any emergency situation. In addition, practices that favour a safe and healthy working environment are promoted, with special emphasis on ergonomics and the prevention of psychosocial risks.

In this regard, the Occupational Risk Prevention (ORP) Training Plan aims to guarantee the efficient protection of workers and foster a preventive culture at all hierarchical levels. This plan promotes the active participation of the team in the management of their safety and is considered a key action in the company's Occupational Health and Safety strategy. To evaluate the effectiveness of the plan, Clínica Baviera uses various metrics focused on reducing occupational risks, improving safety in the workplace and monitoring incidents detected through previous evaluations. The effectiveness of the training is also measured through post-training satisfaction surveys and the observation of improvements in the preventive behaviour of employees.

The occupational health and wellness programme is an ongoing process that is annually carried out. Key initiatives are designed to reduce risks of occupational accidents, improve the quality of life at work and provide comprehensive medical support, ensuring the physical and mental health of the workforce. These initiatives include psychological support services, counselling and training in work stress management, programmes to encourage healthy habits such as physical activity and work breaks, and support in work integration for employees with health problems. All of this contributes to a working environment where the well-being of the team is a constant priority.

The Company also pays special attention to employees who participate in volunteer programmes, especially those who move to other countries. These people, who may have additional vulnerability due to the unfamiliar environment, are provided with detailed information prior to their arrival in the destination country. This information includes guidelines on safety, health and welfare measures to be followed, adapted to the particularities of each location, to ensure their protection during their stay. The company ensures that employees are well informed and prepared to minimise risks and maximise their well-being, both physical and emotional, while volunteering abroad.

	Number of accidents and frequency and severity rates[10,11]										
	2024					2023					% Change
(No.)	Spain	Germany	Italy	UK	Total	Spain	Germany	Italy	UK	Total	
Accidents with sick leave	17	5	3	0	25	12	0	2		14.00	79 %
Frequency rate	8.56	8.31	18.04	0.00	8.43	6.79	0.00	14.34		5.72	47 %
Severity rate	0.34	0.01	0.34	0.00	0.25	0.39	0.00	0.03		0.28	-11 %

As a result of the efforts made by the Clínica Baviera Group, the accident rate for the reporting period is 1.42% (0.967% in 2023) and there were no occupational illnesses. The table shows that in 2024 the number of lost-time accidents increased compared to the previous year, resulting in an increase in the frequency rate. However, thanks to the Group's improved safety standards and efficient accident management and response, the severity rate has decreased. This indicates that, although accidents are more frequent, their impact in terms of severity is lower. This pattern reflects a trend towards less serious incidents, reflecting the contribution of the measures implemented to mitigate the consequences of accidents.

[10] The frequency rate is calculated as: (number of accidents with sick leave during the working day / total annual hours worked) x10^6.
[11] The severity rate is calculated as: (number of days lost due to lost time accidents/total annual hours worked) x10^3.

Patient care

Patient-related impacts, risks and opportunities:

Dimension	Material matter	Materiality of the case: Impact	Materiality of the case: Financial	Positive impacts	Negative impacts	Opportunities	Risks
Social	Patient health and safety	Critical	Significant	Safe and quality health care	Damage to patients' health and reduced quality of life due to negligence (malpractice, poor quality instruments, infections, etc.).		Risk to patients' health, due to lack of quality of products or malpractice (negligence)
				Increasing patients' quality of life			
	Access to medical services	Significant	Critical	Promoting social equity		Strategic alliances with insurance companies	Worsening value for money satisfaction.
				Improving quality of life through affordability of service provision		Increased turnover as a result of customer satisfaction (word-of-mouth)	Loss of reputation due to patient discrimination
				Promoting access to affordable services		Creation of specialised medical units	Loss of turnover due to expansion of the public system
	Promoting transparency of services	Significant	Significant	Empowering patients as part of the continuous improvement process through active listening to this stakeholder group	Disinformation of patients due to non-transparent advertising practices.	A commitment to transparency throughout the patient experience	Additional costs as a result of handling and resolving complaints and claims, potentially leading to litigation if complaints and claims result in legal action against the company.
				Improved patient decision-making, through access to quality treatment information		Increased turnover through customer acquisition	Decrease in turnover and loss of reputation due to patients' mistrust as a result of misinformation. Loss of guarantee of transparency
						Improved services by receiving direct feedback, which can lead to potential savings by proactively identifying and correcting problems.	Fines for misleading information
							Loss of reputation due to an increase in anti-company advertising campaigns
							Possible dissemination of negative or inaccurate information that could damage the reputation of the company if complaints are not well founded or are poorly handled.

The central focus of Clínica Baviera's activity is its patients. The Group's objective is to offer high quality ophthalmological services that guarantee safety, satisfaction and well-being at every stage of the process, combining personalised and efficient care with clear and understandable communication. To this end, the Group's ophthalmologists assess each patient individually, determining the suitability of each treatment and offering efficient and safe care. In this regard, the Company has specific protocols designed to guarantee specific care for each patient, with special care for vulnerable groups such as children, the elderly and the disabled. The Code of Ethics and the Corporate Social Responsibility (CSR) Policy set out the fundamental principles that guide practices and actions with respect to patient care and treatment, ensuring ethical, transparent and respectful interactions with patients, focusing on their well-being, privacy and safety.

In its commitment to continuous improvement and personalised care, patient management plays a crucial role in Clínica Baviera's strategy. Aspects such as care, access to services and patient safety, together with effective transparency, directly influence user confidence and the relationship with the sector's stakeholders. Addressing these factors in a comprehensive manner makes it possible to improve service quality, strengthen patient loyalty, optimise resources and ensure compliance with current regulations.

Patient Health and Safety.

The Group keeps a holistic approach that prioritises patient health and safety as the fundamental pillar of its business model and organisational strategy. The Company's commitment to safe and quality healthcare is essential to ensure the well-being of patients and to reinforce trust in the Group.

Any risk to the health and safety of patients can have a serious impact on their quality of life and, consequently, on Clínica Baviera's reputation. In order to protect its patients, the Group applies strict quality protocols, offers continuous training to its professionals and implements international standards of good practice, which guarantee safety and allow the company to maintain a proactive approach to these risks.

Comprehensive measures focused on the quality and safety of ophthalmological interventions ensure the safety and well-being of Clínica Baviera's patients. The application of strict protocols aligned with international best practices and standards, such as the Preferred Clínical Practice recommendations and the World Health Organisation (WHO) guidelines, provide clear guidelines to ensure the highest standards of quality and safety in treatments. These protocols are available to all employees, guaranteeing maximum safety in all care processes, ensuring that diagnoses, treatments and procedures are carried out with the highest quality and safety levels.

Also, the training of medical staff includes an intensive initial training period and a knowledge examination, as well as a continuous update programme to incorporate the latest innovations in ophthalmology. This improves both clinical outcomes and patient satisfaction, ensuring service excellence.

The Medical Management Committee, together with the R&D&I department, oversees compliance with safety regulations in all the group's clinics. This committee is responsible for monitoring, updating, improving and disseminating protocols, while clinic managers ensure compliance at the local level. In addition, the collection of suggestions from healthcare professionals and feedback from patients allows these regulations to be continuously adapted according to their needs and the environment.

The effectiveness of protocols is assessed through internal audits, and regular health inspections ensure compliance with legal regulations. As an additional measure, the Group conducts "Mystery Shopper" visits to ensure that the procedures established by the company are correctly followed in all clinics. These inspections assess key aspects such as reception, patient treatment, and the quality of the medical consultation, enabling areas for improvement to be identified and uniformity in service quality standards to be maintained. In addition, centralised purchasing of medical equipment ensures uniformity and quality of treatment.

Moreover, the Clínica Baviera Group is firmly committed to the protection of patients' personal data. The Data Protection Policy, updated on March 2022, guarantees compliance with current legislation, backed by specific delegates in each country in charge of supervising and advising on this matter.

Transparency of services:

Maintaining transparency in communications is an essential requirement in Clínica Baviera's relationship with its stakeholders, in particular with its patients. Clear and truthful communication, both in care and advertising, enables informed decision-making, preserves public trust and prevents reputational and legal risks. In this sense, Clínica Baviera implements rigorous complaint management processes and ensures compliance with regulations on informed consent and transparent advertising, contributing to the improvement of the patient experience.

The application of these practices is aligned with international regulatory frameworks, such as the Universal Declaration of Human Rights, which recognises the right to information as fundamental. Clínica Baviera ensures that its patients understand all available options, associated risks and expected benefits, promoting open and transparent communication at all times.

Patient Information and Care Protocols in Clinics

The Company has patient information protocols in place to ensure clear and understandable communication at all times. These documents include detailed explanations of each procedure, delivery of explanatory documentation and direct channels of communication with the clinics. In every interaction, active listening is encouraged and patients' concerns are addressed, ensuring personalised care.

Internal protocols establish clear pathways to ensure that patients are informed at all stages of their care process. From the first consultation to discharge, the protocols include detailed explanations of procedures, the provision of personalised documentation, access to a digital portal to manage appointments and resolve queries, as well as direct communication channels with the clinic.

During the first consultation, information is provided about the reason for the visit, the care process and access to the patient's digital area, where they can consult relevant documentation, important data and the privacy policy in accordance with the General Data Protection Regulation. If a treatment is prescribed, the preoperative and postoperative plan is explained, as well as the previous care, the guidelines for the day of the intervention and the informed consent form. Likewise, a contact card is provided so that the patient can resolve any doubts at any time, encouraging active listening and personalised attention.

Prior to surgery, patients receive a personalised folder that includes both the medical report and informed consent, previously provided on the day of the treatment prescription, ensuring that they fully understand the treatment and its implications. On the day of the operation, post-operative guidelines such as necessary care, normal symptoms and possible complications are reminded, along with an emergency number for immediate assistance if needed. All this information is also made available to the patient via the customer portal.

These protocols are periodically reviewed by the Medical Management Committee, which incorporates suggestions from clinical staff and patients themselves to ensure their updating and effectiveness. In addition, clinical staff receive specific training to provide clear and accessible information, promoting informed decision-making by patients.

Advertising Protocol:

As part of its commitment to transparency, the Group also has an internal advertising and communications review protocol that guarantees responsible advertising practices, in compliance with current legal and ethical regulations. Its objective is to ensure that all campaigns are clear, truthful and honest, respecting the company's values and minimising legal risks.

This protocol is activated prior to any advertising or promotional action and requires the approval of the Legal, Medical Management, and Marketing and Communication departments. It is aligned with the General Health Act, the General Advertising Act and the Unfair Competition Act, and covers both national and regional campaigns. In some cases, regional campaigns may require additional approvals due to specific regulations in each autonomous community.

The protocol is updated in line with regulatory or market changes, adapting to the company's needs and legal requirements. So far, it has been efficient in preserving the company's reputation and protecting patients from erroneous or misleading information, while maintaining adequate control of campaigns and a low compliance incident rate.

Access to services:

Another key component of Clínica Baviera's strategy is to promote access to ophthalmological services. Through its commitment to affordability of services, the Company ensures that people of various socio-economic levels can benefit from high-quality treatment. Despite increases in operating costs, Clínica Baviera maintains competitive prices that allow it to offer quality ophthalmological services, eliminating potential economic barriers that may limit access to these services. Strategic alliances with key players, such as insurance companies and collectives, expand the possibility for patients to obtain affordable, quality solutions to their visual pathologies.

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Collaboration agreements with public health, insurance companies and agreements with corporations.

The Company has agreements with several entities to facilitate access to its services to a greater number of people. Collaborations with the public health system and various insurance companies and corporations seek to meet the ophthalmological needs of different segments of the population with an inclusive and efficient approach.

With the aim of improving access to ophthalmological services and reducing waiting lists, the Group has participated in public-private partnership tenders organised by the autonomous communities in Spain and similar initiatives in other countries. These initiatives address areas where public resources cannot fully meet demand and offer solutions that improve patient access to critical treatments.

In particular, cataracts have a significant impact on the quality of life of people who suffer from them, limiting their vision and making it difficult to carry out normal daily activities. Aware of this problem, Clínica Baviera collaborates in the provision of services through agreements with the Social Security in several provinces of Spain and in different cities in the United Kingdom, with the aim of helping patients to recover their autonomy and wellbeing, strengthening accessibility to quality medical care.

Clínica Baviera also signs annual collaboration agreements with insurers, mutual insurance companies and corporations with the aim of facilitating access to its ophthalmological services for policyholders, associates and employees, expanding the population's possibilities of benefiting from affordable, quality ophthalmological care. These agreements establish limits and characteristics of the services offered, guaranteeing a personalised approach that considers the severity of the condition, the impact of the pathology on the patient's life and the risks associated with possible delays in treatment. In addition, these agreements offer the possibility of benefiting from discounts on official fees and other exclusive advantages, promoting wider and more affordable access to services.

Prices and financing options:

Moreover, one of the Group's priorities is to ensure that all patients have access to quality vision care, regardless of their financial circumstances. With a firm commitment to efficiency, key actions have been taken to avoid fully passing on inflation-driven cost increases to treatment prices. Maintaining competitive prices is essential for patients to continue to benefit from the services offered. Although this decision may imply a reduction in profit margins, the Company considers this action as the most responsible way to care for its patients in difficult times.

In addition to this effort to maintain prices, the Group offers various financing options for those patients who require Clínica Baviera's services. With flexible payment plans, the aim is to ensure that price is not a barrier to accessing the treatments offered and that each patient can find an option that meets their financial needs.

These actions are based on the conviction that medical services should be affordable for everyone, and the Group will therefore continue to adapt to its patients' economic circumstances and needs. The commitment to access to eye care is a priority for Clínica Baviera, which is why it will continue to invest in solutions that improve accessibility to ophthalmological treatments, while maintaining financial stability for patients. In this way, the Group aims to facilitate access to high quality solutions to improve people's visual health, regardless of their financial situation.

Universal accessibility.

The Group ensures that its clinics are accessible to all those in need of care. Throughout 2024, adaptations were made to several clinics, such as those in Andía, Gandía, Vitoria and Trenno (Milan), eliminating architectural barriers and ensuring compliance with accessibility regulations.

This effort reflects the group's commitment to universal accessibility and inclusive service delivery, in line with local and national regulations. In addition, a Disability Patient Care Guide was developed in 2023 to raise awareness and improve care for people with visible and invisible disabilities. The guide was distributed to all clinics from the end of 2023 to provide employees with the necessary tools to provide treatment adapted to the needs of each patient.

These advances have enabled more inclusive care for people with disabilities and have contributed to the clinics' continued compliance with accessibility standards, offering quality care to all patients, regardless of their needs or abilities. Future efforts will focus on continuous improvement of infrastructure and staff training, ensuring equitable and respectful access to ophthalmological services.

Patient satisfaction and quality of service:

Efficient health management, safety and access to affordable, transparent and quality services have an immediate impact on patient satisfaction and wellbeing, as well as on the Company's stability. In this sense, Clínica Baviera's commitment to service quality and user experience is reflected in the implementation of tools that help maintain high quality standards in all its clinics. In addition, feedback channels contribute to the process of constant improvement in the relationship with patients. Measures of this kind reinforce the Group's competitiveness in the ophthalmological sector and are aimed at maintaining its leading position in the market. In this way, Clínica Baviera is able to adapt to changes in patient needs and the economic and regulatory environment, maintaining sustained growth.

The implementation of specific channels to collect and analyse patients' opinions allows us to address their concerns, adjusting the Group's services to guarantee a personalised experience of the highest quality, strengthening patients' trust and bonding with the Company.

Clínica Baviera has several channels for generating spaces for dialogue with its patients and encouraging feedback that allows it to adapt its operational processes. Active patient participation is promoted throughout the care process, through communication with clinic staff, surveys and digital platforms such as the patient portal and website, as described in the section "Stakeholder relations - Stakeholder interests and opinions". Proactive engagement mechanisms include the patient care form and satisfaction surveys. The collection of opinions and the Net Promoter Score (NPS) obtained through the surveys enable performance to be assessed and procedures to be adjusted according to the areas for improvement identified.

The NPS (Net Promoter Score) surveys, sent automatically after the first consultation and upon discharge, allow us to assess patient satisfaction in terms of their loyalty and willingness to recommend Clínica Baviera's services. They cover aspects such as overall experience, waiting time, quality of the auxiliary team and medical care, helping to identify areas for improvement and providing a cross-sectional view of customer satisfaction. If a patient gives a score of 7 or lower on the NPS, they are contacted to learn more about their experience and take immediate corrective action, offering personalised solutions.

Results NPS			
%	2024	2023	Variation
NPS	86.30%	87.20%	- 0.90%

The Operations Department is responsible for overseeing these processes, analysing survey results on a monthly basis and implementing corrective actions at both corporate and local levels to improve service quality and strengthen the patient experience. Monthly results are shared with the clinics to foster a culture of continuous improvement, ensuring that corrective actions are taken when necessary and that each clinic has the tools to respond appropriately to complaints or suggestions.

Complaints and claims channels available at all clinics ensure that any incidents are efficiently handled, providing patients with a direct channel for expressing their concerns and ensuring a swift and satisfactory resolution. In 2024, Clínica Baviera Group handled a total of 771 complaints (569 in 2023) through different channels. In this respect, the ratio of complaints per patient is 0.48% (0.38% in 2023). This percentage represents less than one complaint for every 200 patients seen, which demonstrates the efficiency and commitment of the staff in providing quality care and, consequently, the high degree of satisfaction of the patients who visit Clínica Baviera.

Complaints and claims			
	2024	2023	Variation
No. of complaints	771	569	36%
No. of patients attended	161,385	149,719	8%
Ratio of complaints	0.48%	0.38%	0.10%

All complaints and claims are centrally recorded, managed and reviewed on a weekly basis, ensuring efficient follow-up, prompt responses and personalised resolutions. This process ensures that recurring problems are identified and resolved. To this end, the Group has a procedure that regulates the handling of complaints and claims, both in and out of court, including medical malpractice. The Legal Department is in charge of ensuring that these are dealt with in accordance with the established procedures, guaranteeing their resolution and compliance with current regulations. In particular, for medical malpractice claims, a structured procedure is implemented to establish the necessary corrective measures to repair any damage to patients. The Legal Department coordinates the management of these claims, recording the dates of entry to comply with procedural deadlines and requesting the assessment of the Medico-Legal Commission to classify claims according to the seriousness of the impact.

For complex issues, it is the Medical Management Committee that makes key decisions on resolution, ensuring that all medical decisions are aligned with patients' interests and the highest standards of quality and safety.

The company has robust procedures in place to identify, mitigate and remedy any negative impact on its patients, including ongoing assessment of internal processes and taking corrective action where necessary.

Complaints and claims are dealt with promptly, and the Company continuously monitors these processes to ensure their effectiveness. The tracking system allows each case to be tracked from submission to resolution, ensuring that issues are efficiently monitored and necessary action is taken.

The effectiveness of these channels is regularly assessed through internal audits to optimise their functioning. In addition, an annual report on the status of complaints is submitted to the Audit Committee.

In order to protect those who use these channels, Clínica Baviera Group implements strict policies against retaliation, ensuring that any act of retaliation will be investigated and sanctioned. It also guarantees the confidentiality of information related to complaints and claims, respecting patients' rights to privacy and protection. Complaints and claims can also be submitted anonymously, allowing users to express their concerns in confidence, without fear of retaliation and with the assurance that their data will be handled in accordance with current legislation.

Thanks to these measures, the Company ensures that potential negative impacts on its patients are managed efficiently, transparently and in accordance with current regulations. The implementation of these processes reflects Clínica Baviera's commitment to the quality of its services, transparency and the protection of patients' rights and, therefore, to patient satisfaction.

Community support and social commitment

Impacts, risks and opportunities related to the social commitment

Dimension	Material matter	Materiality of the case: Impact	Materiality of the case: Financial	Positive impacts	Negative impacts	Opportunities	Risks
Social	Support to local communities and social engagement	Medium	Medium	Broadening society's knowledge		Increased brand value among members of the local community	
				Expansion of services in disadvantaged areas		Partnerships with NGOs promoting access to ophthalmic services	
				Promoting studies on the effects of ophthalmic surgeries			
				Promoting social responsibility programmes for community development			
				Promoting accessibility of eye care services in disadvantaged communities			

Clínica Baviera's success is linked to social welfare, with people being an essential element in its activity. For this reason, the Group is committed to developing responsible actions that generate value for its stakeholders with an inclusive approach. Through the Responsible Baviera Foundation, Clínica Baviera collaborates with foundations, NGOs and associations to support particularly vulnerable groups.

In line with this commitment, many of the Group's social actions are channelled through the Responsible Baviera Foundation, whose work is governed by the principles of its bylaws and Clínica Baviera's CSR policy (see section "Regulatory framework and corporate culture"). In this way, the Group guarantees a positive impact on society, in line with its values. The company's relationship with communities is based on respect, dialogue and collaboration, especially with groups affected by visual diseases, developing projects that aim to improve their quality of life.

Through the Foundation, the Clínica Baviera Group contributes its knowledge in the detection and treatment of ophthalmological problems and makes financial donations and donations of medical equipment to collaborating organisations. It also carries out national and international actions focused on protecting vulnerable groups. Its initiatives include health campaigns in collaboration with non-profit organisations to prevent and treat visual anomalies, especially among the school population, as well as support for patient associations in Spain to raise awareness of pathologies affecting their members.

The Foundation also actively collaborates with various NGOs, identifying common projects such as campaigns for the early detection of eye diseases, distribution of medical equipment and solidarity trips to developing countries to carry out ophthalmological diagnoses and treatments. These actions are implemented under a structured approach that evaluates the resources allocated to maximise the positive impact on society.

These initiatives are annually structured in the Responsible Baviera Foundation's Action Plans, adjusting the strategy to the changing needs of the communities and collaborating entities. These plans include specific measures monitored to ensure an effective response to stakeholder expectations, in line with the Foundation's objectives. This Action Plan's results are reflected and analysed in the Annual Report of the Responsible Baviera Foundation, which allows the results of the activities carried out during the year to be assessed, in order to establish a process of continuous improvement.

The 2024 Action Plan groups community support initiatives into two large blocks: national and international cooperation aid, which seeks to strengthen local initiatives and promote sustainable development, and scholarships and monetary aid, designed to support individuals and groups in vulnerable situations. Through these actions, the aim is to meet the immediate needs of communities by facilitating access to ophthalmological services and to support groups at risk of exclusion, thus improving their autonomy and quality of life in the long term.

During 2024, initiatives have been aimed at extending the scope of visual health and providing social support, both in the countries where the Group operates and in developing areas, contributing to the wellbeing and social development of communities. Having exceeded the objectives set out in the 2024 Action Plan consolidates the Clínica Baviera Group's social commitment as one of its priorities.

- At international level, the Group has cooperated in different parts of Africa with other entities with similar aims to those of the Foundation, organising expeditions and/or medical campaigns for ophthalmological assistance and surgery, free of charge for patients without resources in developing countries. Together with the NGO Visio Sense Fronteres, we have participated in different medical campaigns in Chad, Sierra Leone, Cameroon and Kenya. In addition, together with Stop Ceguera, a project has been carried out to prevent and eradicate blindness in the Kawololugazi communities in Uganda, in which training in ophthalmology has been provided to different people with the aim of eradicating preventable and treatable blindness. In addition, several donations in kind of ophthalmological equipment have been coordinated for different NGOs and, in collaboration with the Melvin Jones Los Lions recycling centre, it has been possible to send glasses donated by patients operated on at Clínica Baviera to different developing countries.

International cooperation		
	2024	2023
No. of reviews carried out	4,971	917
No. of patients operated on	1,136	491
No. of glasses delivered	2,366	602
No. of spectacles donated (collected at clinic)	3,745	1,881

- In Spain, several eye screening campaigns have been carried out in collaboration with different non-profit organisations aimed at vulnerable groups at risk of social exclusion. This is the case of the ophthalmological screening campaigns for children at risk of exclusion carried out together with the Rafa Nadal Foundation and the OneSight EssilorLuxotica Foundation, or the ophthalmological screenings for Saharawi children together with the NGO Vacaciones en Paz, providing glasses to those who needed them through a group of collaborating opticians. Likewise, check-ups were carried out for homeless people in conjunction with the NGO Mundo Justo. As a whole, Clínica Baviera carried out 427 check-ups (363 more than the previous year) and provided a total of 114 glasses.

- Together with other organisations and through the corporate volunteering channel set up by the Foundation, Clínica Baviera’s corporate volunteering programme has continued to grow, being present in 18 cities (13 in 2023). This year, it has collaborated in 15 soup kitchens and 3 old people’s homes in various Spanish cities, such as Pamplona, Ciudad Real, San Sebastián, Castellón and Vigo. In addition, during the Christmas season, the Foundation also collects toys for children in vulnerable situations. This year, Clínica Baviera employees gave away 168 toys as part of their social commitment.

- In addition, with the aim of promoting and increasing knowledge of ophthalmology, the Foundation has collaborated with different academic institutions in the Partners for a Day project, together with the Junior Achievement Foundation, aimed at teaching adolescents interested in studying medicine and nursing how clinics work, in which 11 adolescents have participated. Similarly, a collaboration framework has been signed with the Castilla-La Mancha University, with the aim of learning about the psychological implications of ophthalmological operations and how these interventions impact on the quality of life and emotional well-being of patients.

As part of its commitment to society, the Clínica Baviera Group has donated 117,327.87 Euros to non-profit organisations and foundations through the Responsible Baviera Foundation, 32% more than in 2023.

	2024	2023	Variation
Contributions to associations and non-profit organisations	117,328 €	88,587 €	32 %

During 2024, collaborations with associations and sponsorships have strengthened Clínica Baviera’s presence and its commitment to the community. Through strategic alliances with non-profit, cultural and sports organisations, initiatives have been promoted that reflect the Group’s values and its commitment to sustainable development and social responsibility.

- Clínica Baviera has collaborated with the AMIRES Association (myopia magna association) and AGAF (glaucoma association for affected people and their families) for the purpose of providing a service to its members and support their research and dissemination work, providing resources, promoting the exchange of knowledge and strengthening the impact of their projects in the community.

- Clínica Baviera sponsored sporting events throughout the year, supporting local competitions to promote a healthy lifestyle in the community: on February, Clínica Baviera was present at the Castellón Marathon and the Madrid Spring Race; on March, the Pink Running organised by Cadena 100 was sponsored, with the aim of promoting equality through sport; on June, the III Xacobeo Padel Tour in Santiago de Compostela and the annual race against cancer in Pamplona were sponsored.

- Likewise, actions have been carried out with the aim of reaching the younger public, for example, with the Castellón University (UJI), with the afterWork Marbella initiative, or the Love 90s and I love Reggaeton events in Bilbao. At the same time, Clínica Baviera has participated in cultural events such as the “Huelva Fashion Province” initiative, which aims to support designers from Huelva companies, and different concerts in Zaragoza during the Pilar festivities.

- In addition, Clínica Baviera collaborates with and sponsors different sports initiatives every year, promoting team spirit in different disciplines. During 2024, the Company sponsored the Aramón ski season, the UCAM eSports team, the Ultimate Móstoles team of the Kings League, the Burgos San Pablo Basket and Burgos CF teams, the Movistar Team cycling team, the Albacete football team and the El Olivar sports club (Zaragoza).

Governance issues

Responsible supply chain management

Supply chain impacts, risks and opportunities

Dimension	Material matter	Materiality of the case: Impact	Materiality of the case: Financial	Positive impacts	Negative impacts	Opportunities	Risks
Governance	Responsible supply chain management	Medium	Significant	Promotion of actions to reduce the environmental impact of the value chain (emissions and waste).	Contracting suppliers that do not guarantee ethical and responsible working practices (temporary contracts, fair pay, work-life balance, etc.).	Improving the efficiency and stability of the supply chain by maintaining strong and reliable relationships with suppliers.	Reputational damage resulting from business relationships with suppliers that do not comply with the company's social, labour, ethical or sustainability standards, human and labour rights recognized in legislation and/or do not provide responsible and fair working conditions.
				Encouraging actions to promote responsible work and ethical practices in the value chain (stability, work-life balance, employee wellbeing, fair wages, inclusiveness, etc.).	Existence of a wage gap in the value chain	Improving the Company's Due Diligence processes along its value chain	
				Enhancing local development by collaborating with and supporting the growth of local suppliers	Human rights violations in the value chain	Reputational enhancement and positioning of the company as a promoter of responsible labour practices in the value chain and long-term partnerships.	

Proper supply chain management has implications for people and the environment. In this sense, working with suppliers to optimise processes, reduce emissions, promote the circular economy and encourage responsible labour practices contributes to social and environmental well-being, and strengthens the stability and quality of the supply chain.

In order to guarantee ethical, sustainable operations aligned with respect for people and the environment throughout the value chain, it is essential to manage commercial relations in a way that integrates the Group's sustainability principles. To this end, Clínica Baviera encourages its suppliers to adopt ethical principles that ensure respect for the fundamental rights of workers, their safety at work and environmental protection.

From a strategic point of view, the alignment of the supply chain with the Company's sustainability principles is essential to the business vision. Measures such as the dissemination of the Group's values, which encourage compliance with ethical and environmental standards, open up new opportunities to strengthen long-term relationships with responsible suppliers and contribute to the optimisation of operating costs. It can also increase the company's attractiveness to investors interested in responsible business. Proactive management based on due diligence enhances the Group's ability to meet the challenges of the current environment, thus ensuring continuity of operations.

To this end, the Purchasing Department holds regular discussions with suppliers with the aim of fostering lasting and stable relationships, based on trust and mutual respect. In this way, it seeks to safeguard the interests of all participants in commercial relations. Clínica Baviera's aim is to promote joint, responsible growth in line with the principles set out in the Group's Code of Conduct, CSR Policy and Procurement Protocols.

In order to promote responsible behaviour among the supply chain actors, Clínica Baviera disseminates its code of ethics among its suppliers and makes it available to them through the corporate website, setting the minimum principles that the Company expects from them. This document includes obligations such as the rejection of child labour and forced labour, freedom of association and the right to collective bargaining. It also includes standards of ethical behaviour and measures against bribery, corruption and conflicts of interest.

In addition, the Group's Procurement Protocol allows for ongoing engagement with suppliers to discuss potential risks and strategies to mitigate them. Through this collaborative approach, the Group builds a resilient supply chain aligned with the Company's objectives. In addition, the Procurement Protocol regulates the negotiation processes with suppliers, details the approval criteria for annual procurements above a certain amount, and establishes the frequency of ESG assessments, ensuring that the Group's selection and contracting processes are governed by transparency, impartiality and the absence of any bias or discrimination.

Having adequate controls in place to promote responsible practices in the supply chain guarantees fair labour conditions and ensures compliance with environmental standards in the value chain. For this reason, the Procurement Protocol details a series of criteria that ensure the selection of the highest quality suppliers, as well as ESG assessments. The consideration of certifications or management systems in areas such as environment, quality, occupational risk prevention and human rights, allow us to know the performance of suppliers in this area. As a result, Clínica Baviera has begun to examine the ESG status of its supply chain in depth, which will enable it to adjust its strategy towards a more sustainable and responsible supply chain model.

These assessments are carried out every two years, the last one having taken place in 2023. At that time, 60% of suppliers (54 out of 90) responded to the assessment, which has provided a better understanding of their sustainability performance. Among the responding suppliers, 74% have quality management systems certified under ISO 9001 or equivalent and 95% comply with the General Law on Disability (LGD). Furthermore, 61% have an anti-corruption policy, 44% have implemented a code of ethics and 54% have a corporate social responsibility (CSR) policy. These results reflect progress in integrating sustainability criteria upstream of the company's operations. Nevertheless, Clínica Baviera will continue to work to encourage greater adherence to these good practices and strengthen compliance with ethical, social and environmental standards in its network of suppliers, promoting the sustainable development of its supply chain.

Supplier assessments	
Assess whether they:	%
Have a quality system	74%
Comply with the LGD	95%
Adhere to the Global Compact	13%
Have a code of ethics	44%
Have an anti-corruption policy	61%
Have a CSR Policy	54%

Likewise, to ensure that all business operations are conducted in an ethical, responsible manner and aligned with sustainability principles, it is necessary to apply the due diligence principles. This approach makes it possible to identify, prevent and mitigate potential social, labour and environmental risks that may arise in the value chain. With the aim of strengthening this management, Clínica Baviera has a whistleblowing channel, which provides all actors in its supply chain with the possibility of confidentially reporting any conduct that contravenes the Group's ethical, legal or social responsibility principles. This channel reinforces the company's commitment to transparency and integrity, enabling continuous monitoring and compliance with established standards.

As part of its commitment to the growth and development of its suppliers, especially small and medium-sized enterprises, Clínica Baviera understands that meeting payment deadlines is fundamental to guaranteeing its financial stability. This compliance enables suppliers to access fair and transparent business relationships. By respecting payment deadlines, the company contributes to the strengthening and expansion of these companies, favouring their capacity to operate efficiently and continue offering quality products and services. In this way, Clínica Baviera strengthens mutual trust and fosters solid and sustainable long-term business relationships.

In this sense, the company complies with Law 15/2010, of 5 July, which establishes measures against late payment in commercial transactions, setting a maximum payment period of 60 days to suppliers. This practice is also applied in Clínica Baviera's operations in Germany and Italy, in line with the European Directive.

In order to maintain transparency in its payment practices and in accordance with current legislation, including the ICAC resolution of January 29, 2016 and Law 18/2022 of 28 September, the information on the average payment period to suppliers by the Group's Spanish companies is disclosed below:

Supplier payment practices			
	2024	2023	Variation
Average payment period to suppliers (days)	33	35	-6%
Ratio of paid transactions (days)	35	36	-3%
Ratio of transactions payable (days)	23	28	-18%
Total payments made (€)	74,649,070	55,617,265	34%
Total outstanding payments (€)	10,011,028	8,731,352	15%

Digital transformation and Cybersecurity

Digital transformation-related impacts, risks and opportunities

Dimension	Material matter	Materiality of the case: Impact	Materiality of the case: Financial	Positive impacts	Negative impacts	Opportunities	Risks
Governance	Digital Transformation	Significant	Significant	Streamlining of automatable tasks and increased efficiency.		Digitisation of medical services	Increasing reliance on technology, which could be problematic if systems fail or become unreliable, affecting continuity of service.
				Improved user experience by increasing efficiency and speed in patient care, reducing waiting times.		Increased competitiveness by optimising the supply chain, improving efficiency in the procurement and management of ophthalmic materials and equipment.	Challenges in integrating new digital systems with existing infrastructure, which could cause delays or cost overruns in implementation.
				Reducing environmental impact by digitising medical records, billing and other administrative processes.		Increased diagnostic accuracy and personalisation of treatment through the use of artificial intelligence and big data analysis.	Need for job retraining due to reduction of administrative or traditional operational tasks due to automation
						Innovation in data analytics leading to efficient operations and processes	Information security and cyber-attacks
						Improved internal collaboration and communication through digital platforms, which fosters a more connected and efficient working environment	
						Long-term operational cost reduction by digitising and automating processes such as inventory management, invoicing and appointment scheduling.	
	Data security and privacy	Significant	Critical		Patient and/or employee data security breaches, loss of confidentiality and privacy		Increased costs due to lawsuits and/or fines for non-compliance with the LOPD and loss of reputation.

Clínica Baviera has adopted a digital transformation strategy focused on optimising operational processes and strengthening cybersecurity. Through the incorporation of digital tools and the optimisation of its systems, the Company is consolidating its focus on generating a more agile, secure and personalised user experience.

The implementation of digital management systems in the Group's internal processes and patient care provides a more efficient and collaborative environment for employees, with direct implications for the quality of service offered and, therefore, patient satisfaction.

The use of digital platforms facilitates the analysis of large volumes of data, enables the automation of tasks and streamlines internal collaboration, optimising the Company's operations and allowing employees to focus on activities with greater added value, improving their satisfaction and boosting professional growth. In this context, it is essential to equip the workforce with new digital skills to facilitate adaptation to a constantly evolving environment.

As a consequence, the quality of the service offered is increased, significantly reducing waiting times and allowing patients to access faster care. Similarly, the digitisation of medical services enables the handling of large volumes of data, improves diagnostic accuracy and allows for a higher degree of personalisation of treatments, resulting in better clinical outcomes. In addition, strengthening the digital platforms available to the public improves the accessibility of the service and facilitates communication with this stakeholder group.

In addition, the operational improvement offered by the digital transformation facilitates the optimisation of resources, contributing to the reduction of the environmental footprint of the Group and its value chain.

In short, digital transformation is positioned as a key aspect for operational optimisation and improvement of the patient experience, strengthening internal efficiency and service quality, characterised by a more agile, accurate and personalised service. For this reason, Clínica Baviera is implementing different individual measures which, as a whole, have become a key lever for the evolution and transformation of the organisation. These initiatives are aligned with the company's strategic objectives, which focus on improving the quality of patient care and optimising operational efficiency through digitalisation and the use of advanced technologies.

The scope of these measures is wide-ranging, impacting both organisational processes and the adoption of innovative technological solutions. For example, the contact centre has implemented an integrated appointment management system, which has significantly improved the patient experience by reducing waiting times and optimising internal resources. Departments such as Marketing, Systems and Operations work closely together on these initiatives, ensuring a holistic and efficient approach.

Recent milestones include the integration of electronic prescriptions with the national pharmacy system in Spain, which has optimised the process of issuing and dispensing medicines, reducing errors and improving patient safety; improved video consultation management in Germany has reduced waiting times for consultations; and the creation of a unified complaints management platform has facilitated full traceability and improved responsiveness to patients, optimising communication and reducing incident resolution times.

However, the increasing reliance on technology entails risks such as cyberattacks, which could compromise information security and affect the Group's business continuity.

In this sense, maintaining data security and privacy is a critical aspect for Clínica Baviera, due to the handling of sensitive patient and employee information. The existence of security breaches could affect the confidentiality of data, which would have serious consequences at both a personal and business level. The implications of possible cyberattacks or failures in data protection systems could result in a breach of the Organic Law on Data Protection (LOPD). The handling of sensitive data requires strict compliance with current legislation to protect the trust of patients and other stakeholders.

In order to mitigate this type of risk, Clínica Baviera adopted a Data Protection Policy on March 2022, which is periodically updated to ensure compliance with current regulations and align with best practices in the management of sensitive data. In addition, it has appointed Data Protection Officers in all countries where it operates, in order to strengthen its ability to prevent and respond to potential breaches. However, the context of cybercrime has become increasingly challenging, underlining the need for constant assessment and continuous improvements in data protection practices to ensure the security of customer information.

In this regard, during 2024, the Clínica Baviera Security Master Plan (ISMP) has been developed, which purpose is to establish a comprehensive information security strategy in the short, medium and long term. The staggered execution of the projects and action plans contemplated in the ISMP will enable the implementation of a security management model that evaluates and manages the risks associated with the technological resources that support the business services. In order to deploy the measures envisaged in the ISMP, a comprehensive diagnosis of the current state of the information systems in terms of security has been carried out, including an assessment of the risks associated with critical assets and an analysis of the maturity level of the security measures in accordance with the ISO/IEC 27001:2022 standard. This approach serves as a guide for planning cybersecurity and data protection improvements.

Thanks to the implementation of these measures and the focus on continuous improvement in information security, Clínica Baviera has not recorded any cybersecurity incidents during the reporting period.

Research and Development and Tax information:

R&D-related impacts, risks and opportunities:

Dimension	Material matter	Materiality of the case: Impact	Materiality of the case: Financial	Positive impacts	Negative impacts	Opportunities	Risks
Governance	Research and Development	Medium	Insignificant	Increased access to solutions for eye problems, benefiting a greater number of people with complex visual conditions.			
				Fostering innovation and continuous improvement in products and services by collaborating with suppliers on joint development projects.			

Research and development:

Clínica Baviera strives to promote scientific and technological advances that improve ophthalmological operations and optimise clinic processes. The publication of scientific research and the development of advanced technological tools aim to ensure that advances in research and technology respond to current challenges in the sector, providing solutions that benefit both patients and specialists. This commitment is organised through strategic collaborations and the implementation of innovative IT projects that facilitate the management of ophthalmological processes and enable the collection of key information for the adjustment of the company's strategy and business model, ensuring that the solutions offered are aligned with the stakeholders' needs and expectations. Through this approach, Clínica Baviera aims to contribute to ophthalmological medicine by promoting medical knowledge.

The ability to improve patients' visual health through advanced and effective treatments has a significant impact on the business model by driving innovation in the sector and enabling the Company to offer more effective and personalised solutions. The research projects, led by Clínica Baviera's specialist doctors, aim to improve patients' quality of life and consolidate the company's strategic positioning in the field of ophthalmology.

Furthermore, the development of IT solutions improves operational efficiency and patient satisfaction by optimising the management of medical and administrative processes, reducing waiting times and improving the overall experience. This strengthens customer loyalty and the company's competitiveness, and enables greater personalisation of treatments and better management of clinical data, contributing to service quality and efficient decision-making. These activities have a direct impact on people by reducing adverse effects on visual health and optimising clinical resources.

In this sense, R&D&I is integrated as an added value within Clínica Baviera's strategy, with the aim of providing top quality services adapted to patients' needs. R&D&I projects are carried out on an ad hoc basis to improve the Group's services, and are considered a complement to the main activity, without constituting the core of the company. For this reason, there are no formal policies regulating R&D&I management, which is approached in a flexible manner and focused on the continuous improvement of the services provided.

In this way, Clínica Baviera has carried out several studies, focused on improving the quality of the services offered, collaborating with lens providers and compiling the conclusions derived from the Company's doctors. This research contributes to the creation of personalised, high-quality services, with a constant focus on optimising resources and continuous improvement. In addition, the advances obtained in these studies have led to the publication of scientific articles that consolidate the company's leadership in the sector.

2024	
No.	Total
Number of published scientific articles	15

In addition, Clínica Baviera, in collaboration with other entities, has implemented a project to improve its clinical management platform, which has given rise to a new architecture capable of enabling a more robust and scalable data flow, from databases to analysis and visualisation platforms. This development has enabled the optimisation of resources, improved patient experience and facilitated decision-making through advanced technologies. The implementation of these tools has resulted in greater operational efficiency and process automation, improving service quality and ensuring more efficient healthcare that ensures compliance with privacy regulations.

The main objective of these R&D&I initiatives is to improve service quality and patient experience, and their effectiveness is tracked through the direct impact they have on improving treatments and patient satisfaction. These advances aim to optimise operational efficiency, increase safety and personalise services, resulting in greater patient satisfaction and more efficient healthcare.

Motivated Reports corresponding to the monitoring, development and execution of Clínica Baviera's R&D&I activities are approved by the Ministry of Economy and Competitiveness or, where applicable, by the Centre for the Development of Industrial Technology (CDTI). These reports detail the actions undertaken in the field of innovation and continuous improvement of ophthalmological services, particularly those related to process optimisation and improvement of service quality and patient experience through the use of advanced technologies. They also guarantee that R&D&I projects have been technically and financially audited. Motivated Reports are essential to justify the investments made in R&D&I and their impact on internal processes, allowing the company to access applicable tax deductions. By aligning these innovation projects with the Group's tax policy, Clínica Baviera ensures that its initiatives are consistent with the corporate culture, maximising added value for patients and the business.

Amounts of R&D&I expenses incurred in previous years that qualify for the corresponding corporate income tax deduction in 2024 are the following:

2024[12]	
Concept	Total (€)
Research and Development: technological innovation	631,196

Tax information:

Clínica Baviera's compliance with tax requirements in the countries where it operates and its alignment with the principles of fiscal responsibility, which ensure transparency in the Group's tax practices, are reflected in the presentation of the information detailed below. This includes the disclosure of profits by country, taxes on profits paid and public subsidies received.

	Clínica Baviera Group tax information (thousands of €)					
	2024			2023		
	Profits	Income tax	Subsidies	Profits	Income tax	Subsidies
Clínica Baviera	41,136	13,786	88	36,735	11,643	75
Spain	36,324	11,623	88	29,936	9,545	75
Germany	7,791	2,054		6,667	1,978	
Italy	221	109		132	120	
UK	(3,198)					

[12] See Note 4.b of the Consolidated Financial Statements of Clínica Baviera 2024.

Annex

Cross-reference table – NFIS - ESRS criteria

Contents Law 11/2018	Section of the report	ESRS Standard
0. General contents	Clínica Baviera's strategy, business model and value chain.	**SBM-1:** Strategy, business model and value chain
a) Business model		
1. its business environment		
2. its organisation and structure		
(3) the markets in which it operates		
4. its objectives and strategies		
(5) the main factors and trends likely to affect their future evolution		
b) Policies	Regulatory framework and corporate culture	**MDR-P:** Policies adopted to manage material sustainability matters **G1-1:** Corporate culture and corporate culture and business conduct policies

Contents Law 11/2018	Section of the report	ESRS Standard
c) Policy results. KPI	Risk control and management. Governance: governance-related impacts, risks and opportunities. Environmental issues: impacts, risks and opportunities related to the environment. Social and personnel issues: impacts, risks and opportunities related to staffing. Community support and social engagement: impacts, risks and opportunities related to social engagement. Responsible supply chain management: impacts, risks and opportunities related to the supply chain. Digital transformation and cybersecurity: impacts, risks and opportunities related to digital transformation. Research and Development and Tax Information: impacts, risks and opportunities related to R&D.	**GOV-5:** Risk management and internal controls over sustainability disclosure **SBM-3:** Significant issues, risks and opportunities and their interaction with the strategy and business model
(d) Short-term, medium-term and long-term risks		
e) KPIs		
1. Environmental issues	Environmental issues	**MDR-A:** Actions and resources in relation to material sustainability matters **MDR-M:** Parameters in relation to material sustainability matters **MDR-T:** Monitoring the effectiveness of policies and actions through targets
a) General		
• Current and foreseeable effects of the company on the environment		
• Environmental assessment or certification procedures		
• Resources dedicated to environmental risk prevention		
• Precautionary principle, environmental provisions and safeguards		
b) Pollution	Pollution	No material

Contents Law 11/2018	Section of the report	ESRS Standard
c) Circular economy and waste prevention and management	Circular economy and waste prevention and management	**E5-1:** Policies related to resource use and the circular economy **E5-2:** Actions and resources related to resource use and the circular economy **E5-5:** Resource outflows
d) Sustainable use of resources	Sustainable use of resources	**MDR-A:** Actions and resources in relation to material sustainability matters
• Water consumption and water supply in accordance with local constraints		Non-material
• Consumption of raw materials and measures taken to improve the efficiency of raw material use		**E5-4:** Resource inputs
• Direct and indirect energy consumption, measures taken to improve energy efficiency and the use of renewable energies		**E1-5:** Energy consumption and energy mix
e) Climate change	Climate change	**E1-2**: Policies related to climate change mitigation and adaptation **E1-3**: Climate change policy actions and resources **E1-6**: Scope 1, 2 gross GHG emissions
• GHG emissions generated as a result of the company's activities		
• Measures adopted to adapt to the consequences of climate change		
• Medium- and long-term greenhouse gas emission reduction goals		
f) Biodiversity protection	Biodiversity protection	Non- material

Contents Law 11/2018	Section of the report	ESRS Standard
2. Social and personnel issues	Social and personnel issues	**MDR-A:** Actions and resources in relation to material sustainability matters **MDR-M:** Parameters in relation to material sustainability matters **MDR-T:** Monitoring the effectiveness of policies and actions through targets **S1-1:** Own personnel policies **S1-2:** Processes for collaborating with own employees and employee representatives on incidents **S1-3:** Processes for redressing negative incidents and channels for workers to voice their concerns **S1-4:** Action taken on material incidents related to own staff, approaches to mitigate material risks and take advantage of material opportunities related to own staff and effectiveness of such actions
a) Employment	Characteristics of Clínica Baviera's workforce	**S1-2:** Processes for collaborating with own employees and employee representatives on incidents **S1-6:** Characteristics of the enterprise's employees **S1-9:** Diversity parameters **S1-10:** Adequate wages **S1-16:** Remuneration parameters
• Total number and distribution of employees by gender, age, country and occupational classification		
• Total number and distribution of types of employment contracts		
• Average annual number of permanent contracts, temporary contracts and part-time contracts by sex, age and occupational classification	Attracting and retaining talent	
• Number of dismissals by gender, age and occupational classification		
• Average earnings and their evolution broken down by gender, age and occupational classification or equal value		

Contents Law 11/2018	Section of the report	ESRS Standard
• Wage gap, the remuneration for equal or average jobs in the company	Equality and diversity of the workforce	**S1-10:** Adequate wages **S1-16:** Remuneration parameters
• The average remuneration of directors and executives, including variable remuneration, allowances, indemnities, payments to long-term savings schemes and any other payments broken down by gender	Attracting and retaining talent	**S1-10:** Adequate wages **S1-16:** Remuneration parameters
• Implementation of work disengagement policies		**S1-11:** Social protection **S1-15:** Work-life balance parameters
• Employees with disabilities		**S1-12:** Persons with disabilities
b) Work organisation		**S1-11:** Social protection **S1-15:** Work-life balance parameters
• Number of absence hours		
• Measures to facilitate work-life balance		
c) Health and safety	Health and safety of workers	**S1-14:** Health and safety parameters
• Frequency and severity of accidents at work, disaggregated by gender		
• Occupational diseases		
d) Social relations	Attracting and retaining talent	**S1-8:** Coverage of collective bargaining and social dialogue
• Organisation of social dialogue		
• Percentage of employees covered by collective bargaining agreements by country		
• Review of collective agreements in the field of occupational health and safety at work		
e) Training		**S1-13:** Training and capacity building parameters
f) Universal accessibility for people with disabilities	Attracting and retaining talent Patient care	**S1-12:** Persons with disabilities
g) Equality	Equality and Diversity of the workforce	**S1-9:** Diversity parameters

Contents Law 11/2018	Section of the report	ESRS Standard
3. Human rights • Implementation of human rights due diligence procedures • Preventing risks of human rights violations • Complaints for human rights violations • Promotion and enforcement of ILO provisions on the right to collective bargaining, child labour and forced labour	Respect for Human Rights and Due Diligence:	**GOV-4:** Due diligence statement **MDR-A:** Actions and resources in relation to material sustainability matters **S1-17:** Serious human rights-related incidents, complaints and claims
4. Corruption and bribery • Measures taken to prevent corruption and bribery • Measures to combat money laundering	Regulatory framework and corporate culture: Procedures for detecting, reporting and investigating unlawful behaviour or behaviour contrary to the code of conduct, including corruption and bribery. y Fighting corruption and bribery	**MDR-A:** Actions and resources in relation to material sustainability matters **MDR-M:** Parameters in relation to material sustainability matters **G1-3:** Preventing and detecting corruption and bribery **G1-4:** Confirmed cases of corruption or bribery
• Contributions to foundations and non-profit organisations 5. Society a) Company commitments to sustainable development	Support to local communities and social engagement	**MDR-A:** Actions and resources in relation to material sustainability matters **MDR-M:** Parameters in relation to material sustainability matters
b) Subcontracting and suppliers • Inclusion of social and environmental issues in procurement policy • Monitoring systems and audits and their results	Responsible supply chain management	**MDR-A:** Actions and resources in relation to material sustainability matters **MDR-M:** Parameters in relation to material sustainability matters **G1-2:** Management of supplier relations **G1-6:** Payment practices

Contents Law 11/2018	Section of the report	ESRS Standard
c) Consumers • Consumer health and safety measures • Complaint systems, complaints received and resolution	Patient care	**MDR-A:** Actions and resources in relation to material sustainability matters **MDR-M:** Parameters in relation to material sustainability matters **S4-1:** Consumer and end-user policies **S4-2:** Processes for engaging with consumers and end-users on incidents **S4-3:** Processes for redressing negative incidents and channels for consumers and end-users to voice their concerns
d) Tax information • Profits earned on a country-by-country basis. Taxes on profits paid • Public subsidies received	Research and Development and Tax Information	**MDR-A:** Actions and resources in relation to material sustainability matters **MDR-M:** Parameters in relation to material sustainability matters
6. Other significant information		
a) Materiality analysis	Materiality analysis	**IRO-1**: Description of the processes for identifying and assessing material impacts, risks and opportunities
b) Corporate governance	Administrative, Management and Supervisory Bodies Sustainability issues addressed by the entity's administrative, management and supervisory bodies Integration of sustainability-related performance into incentive schemes.	**GOV-1:** The role of the management bodies, management and supervisory bodies **GOV-2**: Information provided to, and sustainability issues addressed by, the company's management bodies, directors and supervisory bodies. **GOV-3:** Integrating sustainability-related performance into incentive schemes

Contents Law 11/2018	Section of the report	ESRS Standard
c) Stakeholder engagement	Stakeholder relations	**SBM-2:** Stakeholder interests and opinions **S1-3:** Processes for redressing negative incidents and channels for workers to voice their concerns **S4-3:** Processes for redressing negative incidents and channels for consumers and end-users to voice their concerns **S4-4:** Adoption of measures related to material impacts on consumers and end-users, approaches to mitigate material risks and exploit material opportunities related to consumers and end-users and the effectiveness of such actions
d) Other useful information on the preparation of the document	About this report	**BP-1:** General basis for the elaboration of the sustainability statement
Sustainable Finance Taxonomy	Environmental issues - European taxonomy	

European taxonomy

The Key Performance Indicators applicable to non-financial companies, in line with the requirements of the European taxonomy, are presented below. These templates allow standardised disclosure of information on the alignment of business activities with the sustainability criteria defined by the European Union. However, in the case of Clínica Baviera, no eligible activities or activities aligned with the taxonomy are identified.

Revenue

				Substantial contribution criteria						No significant injury criteria								
Economic activities	Code	Revenue (€)	Income share (%)	Climate Change Mitigation (Y; N; N/EL)	Adaptation to climate change (Y; N; N/EL)	Water (Y; N; N/EL)	Pollution (Y;N; N/EL)	Circular economy (Y; N; N/EL)	Biodiversity (Y; N; N/EL)	Climate change mitigation (Y/N)	Adaptation to climate change (Y/N)	Water (Y/N)	Circular economy (Y/N)	Biodiversity (Y/N)	Minimum guarantees (Y/N)	Proportion of income to be adjusted to Taxonomy (A.1) or eligible (A.2) 2023	Activity facilitator category (F)	Transition activity category (T)
A. Eligible activities according to the taxonomy																		
A.1. Environmentally sustainable activities (conforming to taxonomy)																		
Eligible and aligned activities	CNAE 8622	0	0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	- %		
Total A.1.		0	0	- %	- %	- %	- %	- %	- %	N	N	N	N	N	N	- %		
Of which: facilitators		- %	- %	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	- %		
Of which: transitional		- %	- %	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	- %		
A.2. Activities eligible according to the taxonomy but not environmentally sustainable (activities that do not conform to the taxonomy)																		
Eligible but non-aligned activities	CNAE 8622	0	0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	- %		
Total A.2.		0	0															
Total (A.1+A.2)		0	0															
B. Ineligible activities according to the taxonomy																		
Income from ineligible activities	CNAE 8622	262,648,149	100 %															
TOTAL (A+B)		262,648,149																

Capex

				Substantial contribution criteria						No significant injury criteria								
Economic activities	Code	Capex (€)	Capex ratio (%)	Climate change mitigation (Y; N; N/EL)	Adaptation to climate change (Y; N; N/EL)	Water (Y; N; N/EL)	Pollution (Y;N; N/EL)	Circular economy (Y; N; N/EL)	Biodiversity (Y; N; N/EL)	Climate change mitigation (Y/N)	Adaptation to climate change (Y/N)	Water (Y/N)	Circular economy (Y/N)	Biodiversity (Y/N)	Minimum guarantees (Y/N)	Proportion of Capex to be adjusted to Taxonomy (A.1) or eligible (A.2) 2023	Activity facilitator category (F)	Transition activity category (T)
A. Eligible activities according to the taxonomy																		
A.1. Environmentally sustainable activities (conforming to taxonomy)																		
Eligible and aligned activities	CNAE 8622	0	0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	- %		
Total A.1.		0	0	- %	- %	- %	- %	- %	- %	N	N	N	N	N	N	- %		
Of which: facilitators		- %	- %	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	- %		
Of which: transitional		- %	- %	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	- %		
A.2. Activities eligible according to the taxonomy but not environmentally sustainable (activities that do not conform to the taxonomy)																		
Eligible but non-aligned activities	CNAE 8622	0	0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	- %		
Total A.2.		0	0															
Total (A.1+A.2)		0	0															
B. Ineligible activities according to the taxonomy																		
Capex of non-eligible activities	CNAE 8622	41,313,877	100 %															
TOTAL (A+B)		41,313,877																

Opex

Economic activities	Code	Capex (€)	Capex ratio (%)	Substantial contribution criteria: Climate change mitigation (Y; N; N/EL)	Adaptation to climate change (Y; N; N/EL)	Water (Y; N; N/EL)	Pollution (Y;N; N/EL)	Circular economy (Y; N; N/EL)	Biodiversity (Y; N; N/EL)	No significant injury criteria: Climate change mitigation (Y/N)	Adaptation to climate change (Y/N)	Water (Y/N)	Circular economy (Y/N)	Biodiversity (Y/N)	Minimum guarantees (Y/N)	Proportion of Capex to be adjusted to Taxonomy (A.1) or eligible (A.2) 2023	Activity facilitator category (F)	Transition activity category (T)
A. Eligible activities according to the taxonomy																		
A.1. Environmentally sustainable activities (conforming to taxonomy)																		
Eligible and aligned activities	CNAE 8622	0	0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	- %		
Total A.1.		0	0	- %	- %	- %	- %	- %	- %	N	N	N	N	N	N	- %		
Of which: facilitators		- %	- %	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	- %		
Of which: transitional		- %	- %	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	- %		
A.2. Activities eligible according to the taxonomy but not environmentally sustainable (activities that do not conform to the taxonomy)																		
Eligible but non-aligned activities	CNAE 8622	0	0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	- %		
Total A.2.		0	0															
Total (A.1+A.2)		0	0															
B. Ineligible activities according to the taxonomy																		
Opex of non-eligible activities	CNAE 8622	8,445,871	100 %															
TOTAL (A+B)		8,445,871																

CLÍNICA BAVIERA, S.A.

STATEMENT OF RESPONSIBILITY OF THE DIRECTORS FOR THE PURPOSES OF THE PROVISIONS OF ART. 8.1.b) OF ROYAL DECREE 1362/2007, OF 19 OCTOBER, IMPLEMENTING LAW 24/1988, OF 28 JULY, ON THE SECURITIES MARKET, REGARDING THE CONTENT OF THE ANNUAL FINANCIAL REPORT.

The members of the Board of Directors of Clínica Baviera, S.A. declare that, to the best of their knowledge, the individual and consolidated Financial Statements, prepared by the Board of Directors in meeting held on March 28, 2025, have been elaborated under applicable accounting principles, offer the true and fair view of equity, financial position and results of Clínica Baviera, S.A. and of the companies included in the consolidation taken as a whole, and that the approved individual and consolidated management reports include a faithful analysis of the business evolution and results and the position of Clínica Baviera, S.A. and of the companies included in the consolidation taken as a whole, together with the description of the main risks and uncertainties faced by them.

And, in witness whereof, this document is signed in Madrid, on 28 March 2025

Bang Chen
Chair of the Board of Directors

Eduardo Baviera Sabater
Managing Director

Li Li
Director

Yongmei Zhang
Director

Shijun Wu
Director

Emilio Moraleda Martínez
Director

Carolina Martínez Caro
Director