





Commercial Registry Office of Valongo
Share Capital: 10,000,000 euros
Corporate Taxpayer No.: 500 070 210
Building Permit No.: 568



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MESSAGE FROM THE CHAIRWOMAN OF THE BOARD OF DIRECTORS



Dear Shareholders,

In 2023, we said goodbye to Amorim Martins, the mentor and creator of Conduril's business culture, and Chairman of the Board of Directors between 1970 and 2023.

Amorim Martins dedicated more than 50 years of his life to Conduril, leaving a mark for the future of rigour, honesty and social responsibility at the company.

I had the privilege and tremendous responsibility of continuing his legacy, an incomparable business project. For this, the support and cohesion of the entire Board of Directors, as well as the support of all employees, was decisive, which I acknowledge.

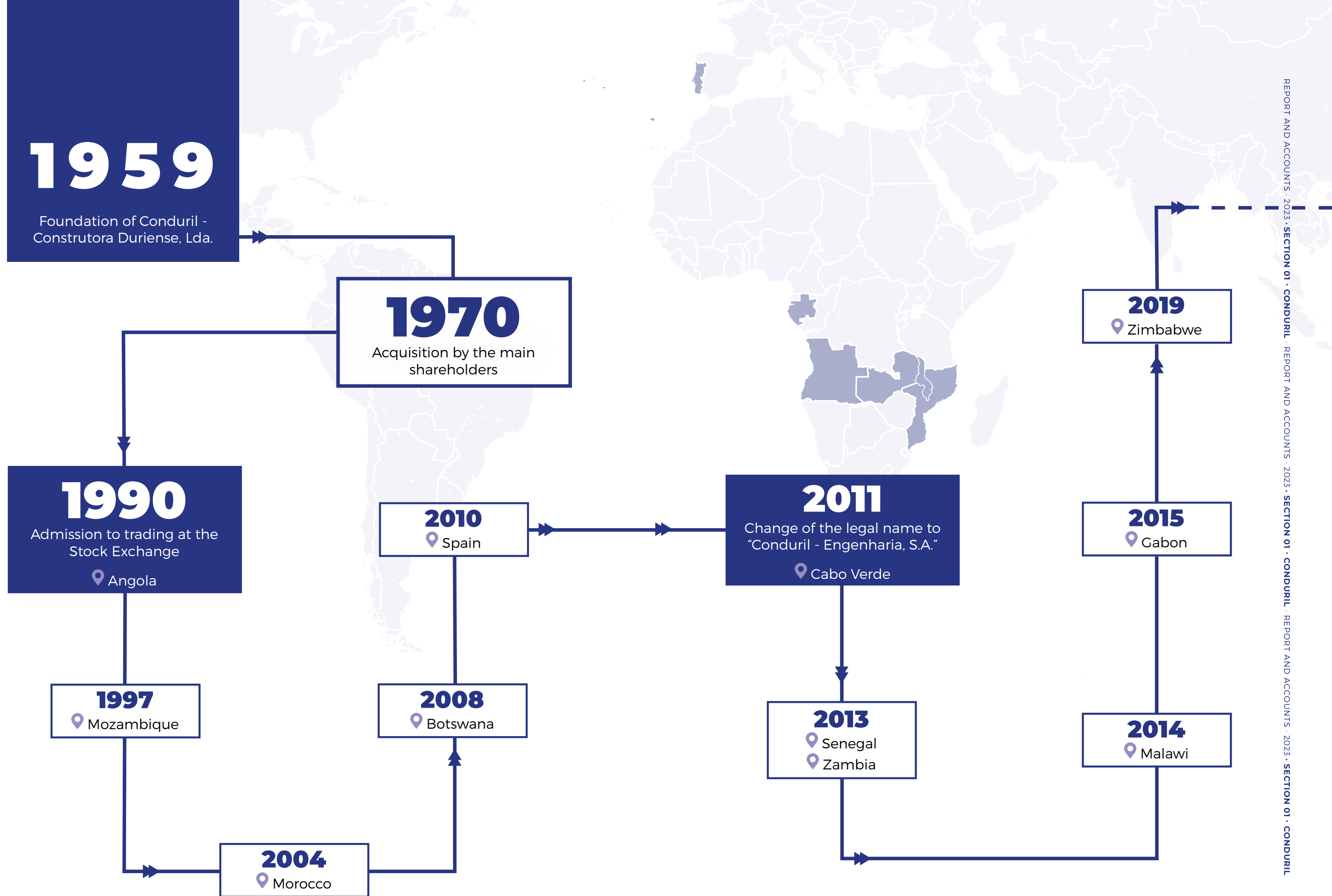
In 2023, we did not witness the expected increase of public works related to the Recovery and Resilience Plan (RRP) in Portugal, and we continue to see enormous competition and low prices in tenders.

In its proposals, Conduril maintained a conciliation strategy of operational goals with its sustainability and social responsibility commitment, with a consequent slight decrease of its turnover compared to 2022.

We face 2024 with caution, especially in the domestic market, awaiting the beginning of important projects in Angola and Mozambique. This is also the year in which we fulfil another historic milestone at Conduril: 65 years of existence, which make us proud and motivated to continue building the future.

Lastly, a word of acknowledgment to our clients, suppliers and partners for the ongoing trust.

Benedita Amorim Martins
Chairwoman of the Board of Directors



AWARDS/DISTINCTIONS



2023
Iberdrola Global Supplier
of the Year Awards
Sustainability
Iberdrola



2013
2013 Export Award
1st Place – Services Large Company
BES + Jornal Negócios (newspaper)

2017

Engineers' Society of
Western Pennsylvania
International Bridge Conference

**2010**

Best Companies to Work
**1st Place – Construction Sector/
4th Place – Large Companies**
Exame magazine



2017
Excellence Index
**1st Place – Sector of Construction,
Infrastructure, Transport and Logistics**
Neves de Almeida, HR Consulting, INDEC-ISCTE,
Human Resources Portugal and Executive Digest



2010
500 Best & Largest Companies
1st Place – Construction Sector
Exame magazine

2015

500 Best & Largest Companies
1st Place – Construction Sector
Exame magazine

**2009**

500 Best & Largest Companies
**Company of the Year + 1st Place
– Construction Sector**
Exame magazine



2015
Merit for the work developed
in the Education area
UNESCO Special Mention

**2008**

500 Best & Largest Companies
1st Place – Construction Sector
Exame magazine

2014

500 Best & Largest Companies
1st Place – Construction Sector
Exame magazine

MANAGEMENT BODIES

Board of the General Meeting

Crisóstomo Aquino de Barros (President)
Amadeu Augusto Vinhas
Filipa Bastos Pinho Ferreira Lemos

Board of Directors

Maria Benedita Andrade de Amorim Martins (Chair)
Maria Luísa Andrade Amorim Martins (Vice-chair)
António Baraças Andrade Miragaia
António Emanuel Lemos Catarino
Jorge Lúcio Teixeira de Castro
Miguel José Alves Montenegro de Andrade
Ricardo Nuno Araújo Abreu Vaz Guimarães

Executive Committee

Maria Benedita Andrade de Amorim Martins (CEO)
Maria Luísa Andrade Amorim Martins (Vice-CEO and CFO)
António Baraças Andrade Miragaia
António Emanuel Lemos Catarino
Jorge Lúcio Teixeira de Castro
Miguel José Alves Montenegro de Andrade
Ricardo Nuno Araújo Abreu Vaz Guimarães

Statutory Audit Board

Júlio Gales Ferreira Pinto (President)
Deolinda Paula Baptista Nunes
Jorge Manuel Silva Tavares
Alberto Luciano Costa Santos Rolo (Alternate)

Statutory Auditor

Crowe & Associados, SROC, Lda.
Represented by
Ana Raquel B. L. Esperança Sismeiro
João Miguel Neiva de Oliveira Coelho Pires (Alternate)



Portugal

7.

The Board of Directors of Conduril - Engenharia, S.A., in compliance with the by-laws and applicable legal provisions, presents and submits to the General Meeting of Shareholders, the management report, the accounts for the period and other financial statements, for the financial year 2023.

Repercussions were felt by all in general and, in particular, by the less developed economies, where the shortage of several basic necessities, alongside with the high poverty rate, were notably worsened by the high inflation rates – in many cases, with amounts higher than 2 figures – and by the reduction of the investment projects and external financing.

GROWTH RATE OF REAL OUTPUT

Year	World economy	Portugal	Angola	Mozambique	Zambia	Malawi	Gabon
2020	-3.5	-9.0	-6.0	-1.0	1.0	1.0	0.0
2021	5.5	2.5	1.5	2.5	4.5	2.5	1.5
2022	2.5	6.5	1.5	4.5	4.5	1.0	2.5
2023	2.5	2.5	1.5	4.5	3.5	1.5	2.5
2024	2.5	1.5	2.5	5.5	3.5	2.5	2.5
2025	2.5	2.5	4.5	6.5	4.5	3.5	2.5

INFLATION RATE

Year	World economy	Portugal	Angola	Mozambique	Zambia	Malawi	Gabon
2020	1.0	0.0	22.0	3.0	16.0	8.0	0.0
2021	1.0	0.0	25.0	5.0	22.0	9.0	0.0
2022	4.0	8.0	21.0	9.0	11.0	21.0	4.0
2023	4.0	7.0	25.0	7.0	12.0	27.0	4.0
2024	3.0	3.0	26.0	7.0	12.0	22.0	3.0
2025	3.0	3.0	25.0	7.0	13.0	10.0	2.0

Source: World Economic Situation and Prospects 2024 – United Nations

➤ in Portugal: public tenders in the amount of 6,000 million euros were launched (which represents an increase of 65% compared to the previous year), and work contracts in the amount of 3,700 million euros were awarded. We also assisted to the beginning of a set of projects related to green energies, aligned with the public policies for energy transition. However, apart from the fact that the volume of public works still does not reflect the volume announced in the Recovery and Resilience Plan (RRP), we continue to witness a fierce competition in terms of pricing in tender processes and, later, in terms of increase of the number of claims with court proceedings;

► in Africa: the local authorities keep holding the investment in infrastructures due to the difficulty in obtaining financing for those projects. The reduced amount of projects has increased competition, with the occurrence of anti-competitive policies from the different players, a situation that has been reflecting a reduction in the quality of the projects and other damaging consequences that, sooner or later, will affect the majority of the economic agents.

2.

Aware of the difficulties the market is facing, Conduril maintained a cautious strategy, sacrificing its turnover, which presents a 17% reduction compared to the previous year, but without jeopardising its financial solvency.

The Portuguese market took the lead in the Company's activity, representing 64%, despite the reinforcement demonstrated by the African market.

In Portugal, 2023 was marked by the completion of the main activities in two major reference projects performed over the last years – the Alto Tâmega dam and hydroelectric power plant and the 3rd extension phase of the eastern pier of the Sines port –, but also by the beginning of the works at the Galp project related to green hydrogen, in Sines. In turn, a significant set of projects was acquired in Africa, namely in Angola and Mozambique, due to start in 2024, maintaining also in progress the projects previously started in Zambia, Gabon and Malawi.

Conduril's main economic and financial indicators, shown in the table below, reflect the performance of the Company over the last three years, highlighting the continuous commitment and its capacity to adapt to the demanding conditions which it has encountered:

INDICATORS	2023	2022	2021
Assets (€)	364,098,018	387,663,603	382,189,454
Liabilities (€)	185,337,530	179,705,445	186,892,964
Equity (€)	178,760,488	207,958,158	195,296,491
Net debt (€)	24,815,230	991,561	-4,041,067
Turnover (€)	168,081,164	202,141,846	144,821,851
GAV (€)	59,363,611	75,480,240	58,774,773
EBITDA (€)	13,660,864	26,068,762	17,370,648
Net income for the period (€)	2,260,381	7,238,296	5,782,682
Financial autonomy	49%	54%	51%
General liquidity	180%	210%	191%
Solvency ratio	96%	116%	104%

The depreciation of the currencies of African economies where Conduril develops its activity had a pernicious effect on its equity position, due to the currency conversion of the respective assets and liabilities.

Likewise, the delay in the beginning of some work contracts and in the formalisation of the decisions of some employers, whether in terms of the works executed and to be executed, or in terms of the owed financial recovery, were also damaging to the Company's profitability and liquidity.

3.

Throughout its entire and demanding production process, Conduril always seeks to combine its business goals with its high excellence and commitment standards, ensuring a harmonious and sustainable articulation with its entire environment, namely:

► meeting the needs of its clients, ensuring the scrupulous compliance with the contractual obligations and high levels of technical skills, based on the requirements of the ISO 9001 standard – Quality Management System, duly certified by APCER (Portuguese Association of Certification) in Portugal, Angola and Mozambique, and also reinforced by the accreditation by IPAC (Portuguese Institute for Accreditation) to perform tests in soils, aggregates and concrete, in accordance with the EN ISO/IEC 17025 standard;

► ensuring the best working conditions for its 2,500 employees and for those who work for the entities that cooperate with it in different work fronts, aiming to efficiently manage the unique risks of its activity. Within this scope, Conduril is certified by APCER in Portugal, Angola and Mozambique, in accordance with the ISO 45001 standard – Occupational Health and Safety Management System.

Conduril's commitment to provide its employees with high levels of performance, satisfaction and professional fulfilment has been materialised in the award of different privileges and benefits: the reinforcement of the economic stability during retirement through the Conduril Pension Fund, which is fully funded by the Company, and which amounted to 11.1 million euros at the end of 2023; the concern with medical assistance through a health insurance policy; the support to the family in case of death and/or disability through a life insurance; the acknowledgment of every worker who completes 25 or 40 years of work at the Company; and, last but not least, the promotion of training and development of skills, a role performed in Angola and Mozambique by the Conduril Academy, which, in 2023, was materialised in more than 22,700 training hours, as well as the scholarship programme for higher education for the children of its employees, which currently benefits 30 scholarship holders and already has 8 graduates since the beginning of the programme.

► preserving information security against the growing demands and risks in this area, through the certification obtained from APCER in accordance with the ISO 27001 standard – Information Security Management System;

► safeguarding an environmental impact as balanced as possible, going beyond the legal and contractual requirements, namely by developing its performance in accordance with the principles of the ISO 14001 standard – Environmental Management System, which is duly certified by APCER in Portugal, Angola and Mozambique;

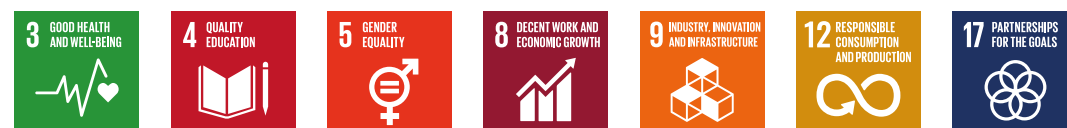
► implementing internal mechanisms, which ensure the scrupulous compliance with the applicable legislation and regulations, particularly in the scope of prevention, detection and sanctioning of acts of corruption and related infractions, having, therefore, created the Compliance Program in matters of Prevention and Fight Against Corruption;



Portugal

- ensuring a relationship of communication and information transparency with its shareholders and investors, through different channels, offering a specialised support service under the responsibility of the Company's representative for market relationships.

These are just some of the principles of social responsibility that guide the Company's performance and whose commitment is declared and public in the Conduril Corporate Social Responsibility Policy. Its willingness to go further also led Conduril to integrate, in its business strategy, the Sustainable Development Goals (SDGs) which are in line with those determined by the United Nations, having identified seven SDGs that it considers a priority and whose follow-up and monitoring may be evaluated through the Sustainability Report 2023:



Conduril's performance was recognised by Iberdrola, with the grant of the award in the Sustainability category, within the "Global Supplier of the Year 2023 Awards", where the ability of the Company to meet demanding deadlines, the quality of the work performed, the promotion of local employment and the high ESG score (Environmental, Social e Corporate Governance criteria), mainly in the environmental area, was highlighted, based on Iberdrola's evaluation model, in the construction of the Alto Tâmega dam and power plant.

4.

The intrinsic complexity of the construction sector is aggravated by the geographical dispersion of Conduril's operation, which entails the exposure to multiple risks, not always predictable, and imposes a cautious internal risk management policy of continuous monitoring, assessment and intervention whenever necessary.

The performance in different countries, with diverse currencies, generates a constant challenge that requires a permanent management that strikes a balance between the assets and liabilities expressed in each currency, maintaining, whenever possible, the funds in the strong currencies, in order to mitigate the exchange rate risk.

The safeguard, through legal mechanisms foreseen in the contracts concluded, which allow the reduction of the exposure of its contracts to price fluctuation is also a constant concern, seeking that guarantee through an efficient procurement management policy.

The Company's activity requires a strict management of all its resources, whether these are people or equipment, since these resources are limited and the works take place not only in different countries, but also in multiple locations in the same country.

At the same time, there is a constant concern in terms of the Company's cash flow, focusing its activity on projects whose clients have the capacity to meet their contractual obligations and, whenever possible, funded by international lines of credit, on the one hand, and ensuring lines of credit with banks to safeguard potential cash flow needs, on the other.

5.

The most recent economic forecasts do not foresee 2024 as a particularly easy year, with an expected slowdown of the global economy growth, which contrasts with the predictable acceleration in developing countries, especially in Africa. However, the macroeconomic changeability may generate significant changes in the environment and go against these expectations.

The business strategy that Conduril has been working on entailed the acquisition of some important new projects, which are internationally funded, especially in Angola, such as the Chicomba dam, the supply and assembly of 186 Acrow metal bridges in 18 provinces of this country, the building of the water supply system in the agro-pastoral region of Porto Amboim, and the construction of a road with an extension of 105 km in the Bengo province; and, in Mozambique, with two lots for the rehabilitation of roads in the Zambézia province.

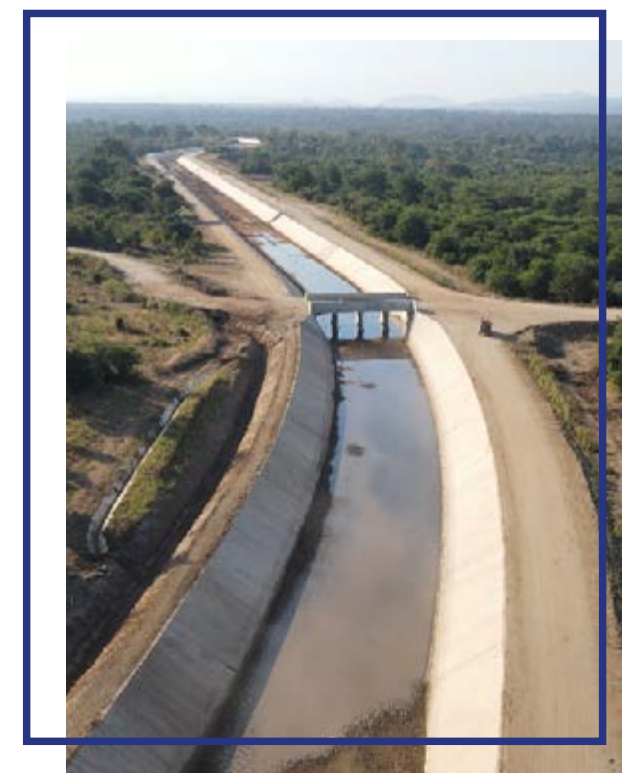
With the most recent work contracts, the Company's portfolio of works reached its highest amount, exceeding 900 million euros, and with growth expectations throughout 2024.

In turn, in Portugal, a significant increase of new tenders is expected, with a highlight on the high-speed railway line, whose first section, Porto-Oiã, is in tendering until the end of the first semester of 2024, with Conduril strongly committed to reinforce its portfolio of works.

6.

Other information:

- a)** Conduril has branches in Angola, Mozambique, Cabo Verde, Zambia, Malawi and Morocco.
- b)** There are no overdue debts to the State or any other public entities, including the Social Security.
- c)** The share capital is fully subscribed and paid-in, and is composed of 2,000,000 ordinary shares with a nominal value of 5 euros each.
- d)** According to the resolutions approved in the General Meeting of Shareholders on 20 April 2022, Conduril had increased its share capital in September 2023, through the incorporation of reserves, to 10,000,000 euros, by issuing 200,000 new shares. After this issue, Conduril now holds 200,009 own shares.
- e)** Regarding the arbitration proceeding of the participated company, RAL - Rodovias do Algarve Litoral, S.A., concessionary of the road sub-concession of Algarve Litoral, since 2019, there are no significant developments concerning the recognition of acknowledgement of its right to withdraw from the existing labour contract with IP - Infraestruturas de Portugal, S.A. and the reimbursement of the



Malawi

investment made up to that date (a claim for compensation that amounts to 445 million euros), after relevant changes to the original contract being denied by the Portuguese Court of Auditors in 2018. In 2023, the president of the arbitral tribunal ceased functions, and the process for the appointment of the new president is now ongoing, with Conduril maintaining its confidence in a favourable decision.

f) In accordance with the provisions of article 447 of the Portuguese Companies Code, the securities issued by Conduril - Engenharia, S.A., held by members of the management bodies were the following at 31 December 2023:

MEMBERS	MANAGEMENT BODY	NO. OF SHARES
Maria Benedita Andrade de Amorim Martins	Board of Directors	^(a) 413,557
Maria Luísa Andrade Amorim Martins	Board of Directors	^(b) 306,533
António Baraças Andrade Miragaia	Board of Directors	7,444
António Emanuel Lemos Catarino	Board of Directors	5,857
Jorge Lúcio Teixeira de Castro	Board of Directors	55
Ricardo Nuno Araújo Abreu Vaz Guimarães	Board of Directors	22,230

(a) 198,925 shares indirectly owned through the company dominated by Conduril, Geonorte - Geotecnia e Fundações Especiais, Lda.
(b) 74,696 shares indirectly owned through the company dominated by Conduril, Quinta do Javali, Lda.

Regarding these securities, there was no disposal of shares. Only the following acquisitions took place during 2023:

- the shareholder Maria Benedita Andrade de Amorim Martins acquired 3 shares for the unit value of 26 euros, on 12 October;



Mozambique

- the shareholder Maria Luísa Andrade Amorim Martins acquired 9,341 shares for the unit value of 27.20 euros, on 3 July, and 8 shares for the unit value of 26 euros, on 12 October;
- the shareholder Ricardo Nuno Araújo Abreu Vaz Guimarães acquired 7 shares for the unit value of 26 euros, on 12 October.

g) Business or operations between the Company or any other entity controlled by it and the members of its management and supervisory bodies are non-existent or take the nature of transactions without special economic meaning for any of the parties involved and are performed in the scope of the current activity of the Group, under normal market conditions for similar operations. If they exist, the same are subject to the authorisation by deliberation of the Board of Directors, respecting the provisions of the Portuguese Companies Code.

7.

The Board of Directors proposes that the net income for the 2023 period, in the amount of 2,260,381 euros, has the following distribution:

- Dividends: 899,996 euros, corresponding to 0.5 euros per share;
- Other reserves: 1,360,385 euros.

8.

The Board of Directors expresses its acknowledgement and gratitude to all employees, clients, suppliers, banks, management bodies and other stakeholders who have been cooperating with Conduril during these 65 years of existence.

The growth, stability and success achieved are only possible thanks to everyone's commitment, support and partnership.

Ermesinde, 8 March 2024
The Board of Directors



Portugal

BALANCE SHEET

AS AT 31 DECEMBER 2023 AND 2022

Amounts expressed in EURO

	NOTES	2023	2022
ASSETS			
NON-CURRENT ASSET			
Property, plant and equipment	3;7	81,314,447	82,759,721
Intangible assets	3;6	5,356,325	5,315,205
Permanent participations (equity method)	3;9	4,040,796	7,828,075
Other financial investments	3;9;18	45,747,409	40,514,770
Deferred tax assets	3;17	1,885,348	1,834,480
Subtotal		138,344,325	138,252,251
CURRENT ASSET			
Inventories	3;10	14,764,261	18,653,715
Clients	3;18	112,304,179	124,407,646
Clients with retention payments	3;18	7,737,325	6,615,747
State and other public bodies	20	19,183,033	21,868,838
Other accounts receivable	3;20	47,001,557	32,772,125
Deferrals	3;20	819,431	770,564
Financial assets held for trading	3;18	2,633,217	19,307,548
Cash and bank deposits	3;4	21,310,691	25,015,171
Subtotal		225,753,693	249,411,353
TOTAL ASSETS		364,098,018	387,663,604
SHAREHOLDERS' FUNDS AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Paid-in capital	18	10,000,000	9,000,000
Own shares	3;18	(5,220,000)	(5,220,000)
Legal reserves	18	2,094,492	3,094,492
Other reserves		215,277,311	209,659,015
Retained profit		374,580	616,458
Revaluation surpluses		2,514,769	2,564,723
Adjustments/Other changes in equity		(48,541,045)	(18,994,825)
Subtotal		176,500,107	200,719,863
Net income for the period		2,260,381	7,238,296
TOTAL SHAREHOLDERS' FUNDS	3	178,760,488	207,958,159
LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions	3;13	12,934,982	14,790,569
Financing obtained	3;8;18	45,314,696	44,427,228
Deferred tax liabilities	3;17	1,629,725	2,404,730
Subtotal		59,879,403	61,622,527
CURRENT LIABILITIES			
Trade creditors	3	47,103,943	49,485,277
Advanced payments from clients	3	17,846,402	12,894,693
State and other public bodies	20	11,754,566	14,379,041
Financing obtained	3;8;18	32,468,084	24,718,431
Other accounts payable	3;20	11,233,604	13,882,151
Deferrals	3;11;20	5,051,528	2,723,326
Subtotal		125,458,127	118,082,918
TOTAL LIABILITIES		185,337,530	179,705,445
TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES		364,098,018	387,663,604

The Management,

The Chartered Accountant,

PROFIT AND LOSS ACCOUNT BY NATURE

AS AT 31 DECEMBER 2023 AND 2022

Amounts expressed in EURO

INCOME AND EXPENSES	NOTES	2023	2022
Sales and services provided	3;12;20;21	168,081,164	202,141,846
Gains/losses allocated to subsidiaries, associated companies and joint ventures	3;9	646,312	1,765,517
Variation of inventories in production	3;10	-	(129,375)
Own work capitalised	3	304,087	560,818
Cost of goods sold and materials consumed	10	(44,142,595)	(62,014,987)
External supplies and services	20	(75,063,372)	(75,729,833)
Personnel expenses	3;19;20	(45,702,746)	(49,411,478)
Impairment of inventories (losses/reversals)	3;10	27,473	-
Impairment of doubtful debts (losses/reversals)	3;18	-	1,402,744
Provisions (increases/reductions)	3;13	1,721,535	(3,233,567)
Other income	14;20	15,255,089	16,801,509
Other expenses	14;20	(5,717,074)	(7,915,254)
Operating income before depreciations, financing costs and taxes		15,409,873	24,237,939
Depreciation and amortisation expenses/reversals	3;6;7	(6,807,249)	(6,833,377)
Net operating income (before financing costs and taxes)		8,602,624	17,404,562
Interests and similar expenses supported	3;20	(5,025,835)	(4,869,854)
Income before taxation		3,576,789	12,534,708
Income taxes	3;17	(1,316,409)	(5,296,412)
NET INCOME FOR THE PERIOD		2,260,381	7,238,296
Income of discontinued operations (net of tax) inc. in the net income for the period		-	-
NET INCOME FOR THE PERIOD ATTRIBUTABLE:			
Holders of equity of the parent entity		2,260,381	7,238,296
Non-controlling interests		-	-
Subtotal		2,260,381	7,238,296
EARNINGS PER SHARE (BASIC)		1.26	4.47

The Management,

The Chartered Accountant,

CASH FLOW STATEMENT

AS AT 31 DECEMBER 2023 AND 2022

Amounts expressed in EURO			
ITEMS	NOTES	2023	2022
OPERATING ACTIVITIES FLOW			
Cash receipts from clients		132,487,367	177,482,662
Payments to suppliers		(126,386,443)	(145,943,059)
Payments to employees		(41,302,674)	(43,356,399)
Cash flow generated by operations		(35,201,749)	(11,816,796)
Payment/Receipt of income taxes		(571,187)	(2,386,400)
Other cash receipts/payments		19,857,846	13,997,574
OPERATING ACTIVITIES FLOW (1)		(15,915,090)	(205,622)
INVESTMENT ACTIVITIES FLOW			
CASH PAYMENTS ARISING FROM:			
Property, plant and equipment		(1,227,856)	(2,348,180)
Intangible assets		-	-
Financial investments		(20,072)	(41,357)
Other assets		(8,542,334)	(24,131,242)
CASH RECEIPTS ARISING FROM:			
Property, plant and equipment		738,000	-
Financial investments		26,920	-
Other assets		19,430,393	55,338,293
Interest and similar income		3,822,566	6,411,269
Dividends		393,687	320,416
INVESTMENT ACTIVITIES FLOW (2)		14,621,304	35,549,199
FINANCING ACTIVITIES FLOW			
CASH RECEIPTS ARISING FROM:			
Financing obtained		175,449,104	149,382,702
Capital increases and other equity instruments		-	-
Other financing operations	-	-	-
CASH PAYMENTS ARISING FROM:			
Financing obtained		(154,703,071)	(153,162,151)
Leasing financing		(9,781,206)	(8,770,370)
Interests and similar expenses		(3,555,553)	(1,392,290)
Dividends		(1,620,000)	(1,800,000)
Capital decreases and other equity instruments		-	(5,220,000)
Other financing operations		-	-
FINANCING ACTIVITIES FLOW (3)		5,789,275	(20,962,109)
Net increase/decrease in cash and cash equivalents (1 + 2 + 3)		4,495,488	14,381,469
Effects of foreign exchange rate		(8,199,968)	(484,330)
Cash and cash equivalents at the beginning of the period		25,015,171	11,118,032
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	21,310,691	25,015,171

The Management,

The Chartered Accountant,

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDING ON 31 DECEMBER 2023

SHAREHOLDERS' FUNDS ATTRIBUTED TO HOLDERS OF EQUITY OF THE PARENT ENTITY												Amounts expressed in EUR
	NOTES	PAID-IN CAPITAL	OWN SHARES	LEGAL RESERVES	OTHER RESERVES	RETAINED PROFIT	REVALUATION SURPLUSES	ADJUSTMENTS/ OTHER CHANGES IN EQUITY	NET INCOME FOR THE PERIOD	TOTAL	NON-CONTROLLING INTERESTS	TOTAL SHAREHOLDERS' FUNDS
POSITION AS AT 1 JANUARY 2023												
Application of the income for the period												
	Position as at 1 January 2023 after application of income	9,000,000	(5,220,000)	3,094,492	209,659,015	616,458	2,564,723	(18,994,825)	7,238,296 (7,238,296)	-	-	-
CHANGES IN THE PERIOD:												
First adoption of the new accounting framework												
Changes in accounting policies												
	Differences in the translation of financial statements							(26,461,643)		(26,461,643)		(26,461,643)
	Realisability of the revaluation surpluses					57,914	(57,914)			-	-	-
	Revaluation surpluses									-	-	-
	Adjustments by deferred taxes					(7,960)	7,960			-	-	-
	Application of the equity method							(4,307,606)		(4,307,606)		(4,307,606)
	Remeasurements of post-employment benefit plans							1,289,740		1,289,740		1,289,740
	Other recognised changes in equity					(291,832)		(66,712)		(358,543)		(358,543)
		-	-	-	-	(241,878)	(49,954)	(29,546,220)	-	(29,838,051)	-	(29,838,051)
Net income for the period												
	OVERALL RESULT								2,260,381 2,260,381	2,260,381 (27,577,671)	-	2,260,381 (27,577,671)
OPERATIONS WITH EQUITY HOLDERS IN THE PERIOD												
	Capital subscriptions	1,000,000			-1,000,000					-		-
	Subscriptions of share issuance premiums									-		-
	Distributions									(1,620,000)		(1,620,000)
	Contributions to cover losses									-		-
	Other operations									-		-
		1,000,000	-		(1,000,000)	(1,620,000)	-	-	-	(1,620,000)	-	(1,620,000)
	POSITION AT THE END OF DECEMBER 2023	3	10,000,000	(5,220,000)	2,094,492	215,277,311	374,580	2,514,769	(48,541,045)	2,260,381	-	178,760,488

The Management,

The Chartered Accountant,

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD

ENDING ON 31 DECEMBER 2022

SHAREHOLDERS' FUNDS ATTRIBUTED TO HOLDERS OF EQUITY OF THE PARENT ENTITY											Amounts expressed in EURO	
	NOTES	PAID-IN CAPITAL	OWN SHARES	LEGAL RESERVES	OTHER RESERVES	RETAINED PROFIT	REVALUATION SURPLUSES	ADJUSTMENTS/ OTHER CHANGES IN EQUITY	NET INCOME FOR THE PERIOD	TOTAL	NON-CONTROLLING INTERESTS	TOTAL SHAREHOLDERS' FUNDS
POSITION AS AT 1 JANUARY 2022		10,000,000	(950,000)	3,044,492	205,676,333	1,295,414	1,885,767	(31,438,197)	5,782,682	195,296,491	-	195,296,491
Application of the income for the period					5,782,682				(5,782,682)	-		-
Position as at 1 January 2022 after application of income		10,000,000	(950,000)	3,044,492	211,459,015	1,295,414	1,885,767	(31,438,197)	-	195,296,491	-	195,296,491
CHANGES IN THE PERIOD:												
First adoption of the new accounting framework										-		-
Changes in accounting policies										-		-
Differences in the translation of financial statements								7,879,552		7,879,552		7,879,552
Realisability of the revaluation surpluses						(678,956)	678,956			-		-
Revaluation surpluses										-		-
Adjustments by deferred taxes										-		-
Application of the equity method								978,206		978,206		978,206
Remeasurements of post-employment benefit plans								3,585,614		3,585,614		3,585,614
		-	-	-	-	(678,956)	678,956	12,443,372	-	12,443,372	-	12,443,372
Net income for the period									7,238,296	7,238,296		7,238,296
OVERALL RESULT									7,238,296	19,681,668	-	19,681,668
OPERATIONS WITH EQUITY HOLDERS IN THE PERIOD												
Capital subscriptions										-		-
Subscriptions of share issuance premiums										-		-
Distributions					(1,800,000)					(1,800,000)		(1,800,000)
Contributions to cover losses										-		-
Other operations		(1,000,000)	(4,270,000)	50,000						(5,220,000)		(5,220,000)
		(1,000,000)	(4,270,000)	50,000	(1,800,000)	-	-	-	-	(7,020,000)	-	(7,020,000)
POSITION AT THE END OF DECEMBER 2022	3	9,000,000	(5,220,000)	3,094,492	209,659,015	616,458	2,564,723	(18,994,825)	7,238,296	207,958,159	-	207,958,159

The Management,

The Chartered Accountant,

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

1. INTRODUCTORY NOTE

> ACTIVITY

Conduril - Engenharia, S.A. ("Conduril" or "Company"), is a company founded in 1959 and transformed in a company limited by shares in 1976, with registered office at Av. Eng.º Duarte Pacheco, 1835, 4445-416 Ermesinde – Valongo, Portugal, whose main activity is civil engineering contracts and all other works related to the exercise of this activity.

The Board of Directors believes that these financial statements are a true and proper representation of the Company's operations, as well as its financial position and performance and cash flows.

The Board of Directors will closely follow every development related to the national and international economic situation, namely those arising from the war in Ukraine. This event has had significant impacts on the current economic environment, being seen with high uncertainty, namely regarding the regular operation of the supply chains of products, both in terms of availability and prices, so it is not possible to estimate, with a reasonable degree of confidence, the possible impacts on the Company's activity.

The individual and consolidated financial statements are filed in the Company's registered office.

All amounts expressed in these notes are presented in euros, rounded to the nearest unit.

2. ACCOUNTING FRAMEWORK FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

2.1. These financial statements have been prepared bearing in mind the continuation of the Company's operations, from the accounting records of the Company and in accordance with the rules of the Accounting Standardisation System, governed by the following legislation:

- Decree-law no. 158/2009, of 13 July, as amended by Decree-law no. 98/2015, of 2 June (Accounting Standardisation System);
- Decree Order no. 220/2015, of 24 July (Financial Statements Models);
- Notice no. 8254/2015, of 29 July (Framework);
- Notice no. 8256/2015, of 29 July (Accounting Standards and Financial Reporting);
- Decree Order no. 218/2015, of 23 July (Code of Accounts);
- Notice no. 8258/2015, of 29 July (Interpretation Standards).

These financial statements reflect only the individual accounts of the Company, prepared in accordance with the law. Although the financial investments have been registered by the equity method, which is in accordance with the generally accepted accounting principles, these financial statements do not include the effect of the full consolidation at the level of assets, liabilities, income and expenses. The Company prepares and presents consolidated financial statements separately.

2.2. Indication and comment on the balance sheet and the income statement whose contents are not comparable with those of the previous financial year:

The amounts presented for comparison purposes are comparable and presented in accordance with the model resulting from the amendments introduced by the legislation mentioned in the previous paragraph.

3.

SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the attached financial statements are the following:

3.1. Measurement bases used in the preparation of the financial statements

The attached financial statements have been prepared bearing in mind the continuation of the Company's operations, from the accounting books and records of the Company, maintained in accordance with the Accounting Standards and Financial Reporting (NCRF).

The Board of Directors assessed the capacity of the Company, its subsidiaries and associated companies to continuously operate, based on relevant information, facts and circumstances of financial, commercial or other nature, including subsequent events to the reference date of the financial statements, available regarding the future. As a result of the assessment performed, the Board of Directors concluded that Conduril has the necessary resources to maintain its activities, with no intention of ceasing those activities in the short-term, so it considered adequate to assume the continuity of the operations in the preparation of the financial statements.

A) INTANGIBLE ASSETS

The intangible assets, which essentially comprise development rights and computer programmes, are registered at acquisition cost, net of eventual impairment losses and accumulated amortisation. These assets are written down from the moment in which the underlying assets are completed or in use, by the straight-line method, for a period of 60 and 6 years, respectively.

The intangible assets are only recognised when it is probable that they derive future economic benefits for the Company, are controllable by the Company and that they can be measured reliably.

The development costs for which the Company demonstrates ability to complete their development and start their marketing and/or use, and for which it is probable that their

created asset will generate future economic benefits, are capitalised. The development costs that do not meet these criteria are registered as expense in the period in which they are incurred.

The gains or losses arising from the sale or write-off of these assets are determined as the difference between the sale price and the accounting net value at the date of sale/write-off, and are registered by the net value in the income statement, as "Other income" or "Other expenses".

B) PROPERTY, PLANT AND EQUIPMENT

The property, plant and equipment acquired up to 1 January 2009, are registered at their considered cost, which corresponds to the acquisition cost or the revaluated acquisition cost in accordance with the generally accepted principles in Portugal until that date, net of accumulated depreciation and impairment losses.

The property, plant and equipment acquired after that date, are registered at acquisition cost, net of the corresponding depreciation and accumulated impairment losses.

Depreciations are calculated after the beginning of use of the assets, by the straight-line method, on an annual basis.

The depreciation rates used in the present period correspond to the following estimated useful lives:

	YEARS
Buildings and other constructions	4 - 50
Machinery and other equipment	3 - 30
Transport equipment	4 - 12
Office equipment	3 - 25
Other property, plant and equipment	4 - 20

Maintenance and repair costs, which do not increase the useful life of these fixed assets are registered as expenses in the period in which they occur. The costs of major repairs and renovations are included in the accounting value of the asset whenever it is expected that this would involve additional future economic benefits.

Property, plant and equipment in progress represent assets still in the construction phase or in transit, and are registered at acquisition cost net of eventual impairment losses. These assets are depreciated from the moment they are in a state of use.

The gains or losses arising from the sale or write-off of these assets are determined as the difference between the sale price and the accounting net value at the date of sale/write-off, and are registered by the net value in the income statement, as "Other income" or "Other expenses".

C) GOODWILL

Goodwill represents the excess of the acquisition cost over the fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiaries at the date of acquisition.

The differences between the acquisition cost of investments in subsidiaries and associated companies, and the fair value of the identifiable assets and liabilities of these companies at the date of their acquisition, when negative, are recognised as income at the date of acquisition, after reassessment of the fair value of the identifiable assets and liabilities.

At the balance sheet date, an evaluation of the recoverable amount of the net value of the goodwill is made, and the respective impairment losses recognised whenever the accounting value of goodwill exceeds its recoverable amount. The gain or loss on disposal of an entity includes the accounting value of goodwill related to the entity sold, unless the business to which that goodwill is related is maintained generating benefits to the Company. Impairment losses related to goodwill cannot be reversed.

D) LEASES

Classification of leases as financial or operating is made based on the substance and not on the form of the contract. The lease agreements in which the Company acts as lessee are classified as finance leases, if the risks and rewards incident to ownership lie with the lessee, and as operating leases, if the risks and rewards incident to ownership do not lie with the lessee.

In accordance with the financial method, the cost of the asset is registered as an asset, the corresponding responsibility is registered as a liability, in the item "Financing obtained", and the interests included in the value of rentals and the assets reintegration are registered as costs in the income statement for the concerning period.

Operating lease instalments are recognised as expenses in the income statement, on a straight-line basis, over the rental period.

E) FINANCIAL INVESTMENTS

Financial investments in subsidiaries, associated companies and jointly controlled entities are registered by the equity method, with the participations initially accounted for at the acquisition cost, which is adjusted proportionally to the participation in the corresponding equity, at the date of acquisition or at the date of the first adoption of the equity method.

Under the equity method, permanent participations are adjusted annually by the amount corresponding to the participation in the net profit/loss of the subsidiaries and associated companies as opposed to income or expenses in the period. The participations are also adjusted by the value corresponding to the participation in other variations in the equity of these companies, as opposed to the item "Adjustments in financial assets". Furthermore, the dividends received from these companies are registered as a decrease in investments.

The remaining investments are registered at acquisition cost or, in the case of financing granted, at nominal value (there are situations where the nominal value differs from the fair value at the date of acquisition). An assessment of the investments in associated companies is made whenever there are indications that the asset may be impaired, with the impairment losses that are shown to exist being registered as costs. Income obtained from financial investments (dividends or profit distributed) are registered in the income statement for the period in which distribution is decided and announced.

F) INTEGRATION OF BRANCHES

The accounting information of the branches where the Company develops its activity, namely Angola, Mozambique, Morocco, Cabo Verde, Zambia and Malawi, is included in accounting every month. The balances and transactions occurred in the period between the registered office and the branches are eliminated.

When the functional currency of the branch is different from the reporting currency of the Company, the process of integration is performed through the translation of the variations of assets and liabilities, income and expenses at the exchange rate in force on the date of each monthly integration. On the reporting date, the exchange differences resulting from monetary assets and liabilities are calculated and registered on a monthly basis as changes in equity.

In the accounting information of the branches are mainly used accounting policies in force in Portugal. To guarantee the uniformity of the accounting policies, whenever the local legislation is different from the laws in force in Portugal, the proper adjustments are made.

G) IMPAIRMENT OF NON-CURRENT ASSETS (EXCEPT FOR GOODWILL)

Whenever an event or change in circumstances is identified that would indicate that the amount by which the asset is registered cannot be recovered, an assessment of impairment is performed with reference at the end of each period.

Whenever the amount by which the asset is registered is higher than its recoverable amount, an impairment loss is recognised, registered as an expense in the item "Impairment of depreciable/amortisable investments (losses/reversals)". The recoverable amount is the highest between the assets' net selling price and the use value. The net selling price is the amount that would have been achieved with the disposal of the asset in a transaction between independent and knowledgeable entities, deducted from the costs directly attributable to the disposal. The use value is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if this is not possible, for the cash-generating unit to which the asset belongs.

After the recognition of an impairment loss, the expense with the amortisation/depreciation of an asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

The reversal of impairment loss recognised in previous periods is registered when it is concluded that the recognised impairment losses no longer exist or have decreased. This assessment is made whenever it is believed that impairment losses previously recognised have been reversed. The reversal of impairment losses is recognised as income in the income statement. However, the reversal of the impairment loss is performed up to the limit of the amount that would be recognised (net of amortisation or depreciation), if the impairment loss had not been registered in previous periods.

H) COSTS OF FINANCING OBTAINED

Costs related to financing are recognised as an expense on an accrual basis, even in cases where these costs are directly attributable to the acquisition, construction or production of an asset whose period of time to get ready for its intended use is substantial, in which case it could be capitalised until the moment in which all the activities necessary to prepare the asset eligible for its use or sale are complete.

I) INVENTORIES

Goods and raw, subsidiary and consumable materials are stated at acquisition cost or at market price, whichever is lower (using the average cost as a costing method). Market price means the net realisable value or the replacement cost.

Finished or semi-finished products, by-products and products and work in progress are valued at production cost (which includes the cost of raw materials, labour and production overheads) or at market price in case this is lower. Market price means the net realisable value.

In cases where the market price is lower than the acquisition cost, impairment losses are recognised.

J) FINANCIAL INSTRUMENTS**i. Debtors**

Debtors are initially registered at their fair value and presented at the balance sheet net of eventual impairment losses, recognised in the item "Impairment of doubtful debts (losses/reversals)", in order to reflect their net realisable value. There are no situations where the nominal value differs from the fair value and, therefore, where the debt should be measured using the effective interest method.

Impairment losses are recognised if there is objective and measurable evidence that, as a result of one or more events which occurred, the outstanding balance will not be fully or partially received. For that, the Company takes into consideration market information showing that the client is insolvent along with historical data of overdue and not paid amounts.

Recognised impairment losses correspond to the difference between the carrying amount and the present value of the estimated cash flows, discounted at the original effective interest rate, which is null whenever payment is expected to occur within less than one year.

ii. Financing

Financing is registered as liabilities at its amortised cost. Financial expenses are calculated based on the effective interest rate and are registered in the income statement for the period on an accruals basis.

There are no situations where the application of the amortised cost method has a materially relevant impact on the measurement, when compared to the nominal value.

iii. Trade creditors

Trade creditors and other creditors are initially recognised at fair value, and subsequently at amortised cost, which does not differ from its nominal value, since the effect of the use of the effective interest method is considered immaterial.

iv. Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified based upon their contractual substance, regardless of the legal form they assume.

An instrument is classified as a financial liability when there is a contractual obligation for its settlement to be effected through the delivery of cash or another financial asset, regardless of its legal form. Financial liabilities are recognised initially at fair value net of transaction costs incurred, and subsequently at amortised cost, using the effective interest rate method.

An instrument is classified as an equity instrument when there is no contractual obligation for its settlement to be effected through the delivery of cash or another financial asset,

regardless of its legal form, which evidence a residual interest in the assets of an entity after deducting all of its liabilities.

The costs directly attributable to the issuance of equity instruments are recognised in equity as a deduction to the amount issued. Amounts paid or received related to purchases or sales of equity instruments are registered in equity, net of transaction costs.

The distributions made of an equity instrument are deducted to equity as dividends, when declared.

v. Own shares

Own shares are accounted for at the acquisition cost as an allowance to equity. Gains or losses arising from disposal of own shares are registered in the item "Other reserves", not affecting the profit/loss of the period.

vi. Discounted bills and accounts receivable in factoring

The Company derecognises financial assets in its financial statements, only when the contractual rights to the cash flows inherent to those assets have already expired, or when the Company substantially transfers all the risks and benefits inherent to the ownership of those assets to a third entity. If the Company substantially retains the risks and benefits inherent to the ownership of those assets, it continues to recognise them in its financial statements, by registering in liabilities, in the item "Financing obtained", the monetary consideration for the assets transferred.

Consequently, accounts receivable in factoring as at the balance sheet date, with the exception of operations of "Factoring without resource", are recognised in the financial statements of the Company, in liabilities, until they are collected.

vii. Cash and cash equivalents

The amounts included in the item "Cash and cash equivalents" correspond to cash on hand, bank deposits, term deposits and other treasury applications, which mature in less than three months and are subject to insignificant risk of change in value.

K) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised only when the Company has a present obligation (legal or constructive) as result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of that obligation. Provisions are reviewed at each balance sheet date and are adjusted to reflect the best estimate at that date. Provisions for restructuring costs are recognised whenever a formal and detailed restructuring plan exists and that plan has been communicated to the parties involved.

Contingent liabilities are defined by the Company as: (i) possible obligations arising from past events and whose existence will only be confirmed by the occurrence, or not, of one or more uncertain future events not under full control of the Company, or (ii) present obligations arising from past events, but which are not recognised because it is unlikely that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Company. The Company does not recognise the contingent assets in its financial statements; it only proceeds to its disclosure if it considers that the economic benefits which may result from there to the Company are likely. When the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

L) ECONOMIC PERIODS

Income and expenses are registered in the period to which they relate, regardless of the corresponding payment or receipt, on an accruals basis. Differences between the amounts received or paid and the corresponding income and expenses are registered in the items "Other accounts receivable", "Other accounts payable" or "Deferrals".

M) INCOME TAXES

The income taxes registered in profit/loss include the effects of current taxes and deferred taxes. The current income tax is determined based on the taxable profit of the Company, in accordance with the tax rules in force.

The Company is subject to the Special Taxation Regime for Company Groups (RETGS), under the terms of article 69 of the Portuguese Corporate Income Tax Code, from which it is, since 1 January 2022, the dominant company.

Deferred taxes refer to the temporary differences between the amounts of the assets and liabilities for the purposes of accounting records and the respective amounts for the purposes of taxation, as well as those arising from the tax benefits obtained and the temporary differences between the tax and accounting results. The tax is recognised in the income statement, except when related with items, which are moved in equity, a fact that implies their recognition in equity.

Deferred tax assets and liabilities are calculated and periodically evaluated using the taxation rates, which are expected to be in force on the date of reversal of temporary differences.

Deferred taxes refer to temporary differences between the accounting values of the assets and liabilities and their tax base, using the tax rates approved or substantially approved, at the balance sheet date, in each jurisdiction and which are expected to be applied when the temporary differences are reversed.

Deferred tax liabilities are recognised for all taxable temporary differences (except for goodwill not deductible for tax purposes), differences arising on initial recognition of assets and liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Deferred tax assets are recognised to the extent when it is probable that future taxable profits will be available to absorb deductible temporary differences for tax purposes.

Deferred tax assets are registered only when there are reasonable expectations of sufficient taxable profits for them to be used. Every year, a revaluation of the temporary differences underlying to the deferred tax assets is made, with the purpose of recognising or adjust them according to the present expectation of their future recovery.

N) NON-CURRENT ASSETS HELD FOR SALE

Non-current assets are classified as held for sale if the balance sheet value is realisable through a sales transaction, rather than through its continuing use. This situation is only verified when: (i) the sale is probable and the assets are available for immediate sale in the present conditions; (ii) the management is committed with a sales plan; and (iii) the sale is expectable to occur within twelve months.

Non-current assets classified as held for sale are measured at the lower value between the carrying amount and fair value net of expectable expenses with its sale.

O) GOVERNMENT AND OTHER PUBLIC ENTITIES SUBSIDIES

Subsidies for vocational training programmes or exploration subsidies are registered in the item "Grants received as compensation for expenses" of the income statement for the period in which these programmes are carried out, independently of when they are received, unless it becomes receivable in a later period, in which it will be income for the period when it was received.

Non-reimbursable subsidies related to the assets are registered in the balance sheet as "Other changes in equity" and recognised in the income statement proportionally to the reintegrations of the subsidised assets, in each period.

P) RETIREMENT COMPLEMENTS

The Company has assumed the commitment of attributing a number of pecuniary benefits to its employees at complementary title of retirement pensions for old age or disability. To cover those responsibilities, the Company created a defined benefit Pension Fund in 1989, exclusive to its employees, whose annual charges, determined according to actuarial calculations, are registered in accordance with the NCRF 28 - "Employee benefits".

The actuarial responsibilities are calculated according to the "Projected Unit Credit Method", by using the actuarial and financial assumptions considered appropriate.

Q) REVENUE

The Company recognises the income of works, contract by contract, in accordance with the NCRF 19 - "Construction contracts" under the percentage of completion method, which is understood as the relation between costs incurred in each work until a certain date and the sum of those costs with the costs estimated for the work completion. The differences between the values resulting from the application of the level of completion to the estimated income and the invoiced values are included in the items "Other accounts receivable" and "Deferrals".

Variations in works in the amount of revenue agreed in the contract are recognised in the income for the period when it is highly possible that the client will approve the amount of revenue arising from the variation, and that this can be reliably measured.

Claims for reimbursement of costs not included in the contract price are included in contract revenue when negotiations are at an advanced stage and it is probable that the client will accept the claim, and that it will be reliably measurable.

To meet the costs incurred during the warranty period of the works, the Company recognises every year liabilities to fulfil this legal obligation, which is calculated taking into account the annual production volume and the costs incurred in the past with works in warranty period. When it is probable that total costs foreseen in the construction contract will exceed its defined income, the expected loss shall be immediately recognised in the income statement for the period.

Dividends from participations registered at cost are recognised as income in the income statement for the period in which its attribution is decided.

R) EXPENSES WITH THE PREPARATION OF PROPOSALS

The expenses made with the preparation of proposals for several tenders are recognised in the income statement for the period in which they are incurred.

S) OWN WORK CAPITALISED

Own work capitalised corresponds to construction and improvement works carried out by the Company itself, as well as the major repairs of equipment and include expenses with materials, direct labour and general expenses.

Those expenses are object of capitalisation only when fulfilled the following requirements:

- The assets developed are identifiable;
- There is a strong probability of the assets generating future economic benefits; and
- They can be reliably measured.

T) SUBSEQUENT EVENTS

Events that occur after the balance sheet date that provide evidence or additional information on conditions existing at the balance sheet date ("adjusting events"), are reflected in the financial statements of the Company. Events after the balance sheet date that provide information on conditions arising after the balance sheet date ("non-adjusting events"), when material, are disclosed in the notes to the financial statements.

U) JUDGEMENTS AND ESTIMATES

The preparation of the financial statements was based on best knowledge and experience of past and/or present events, considering assumptions relating to future events.

The most significant accounting estimates reflected in the financial statements for the periods ending on 31 December 2023 and 2022 include:

- Useful lives of tangible assets;
- Record of provisions and impairment losses;
- Recognition of revenue in works in progress;
- Recognition of the present value of responsibilities with retirement benefits; and
- Calculation of fair value of the financial instruments.

The estimates were determined based on the best information available at the preparation date of the financial statements. However, situations may occur in subsequent periods that, not being foreseeable at the date, have no impact on the estimates. Changes to the estimates that occur after the date of the financial statements, will be corrected in profit/loss, using a prospective method, in accordance with NCRF 4.

3.2. Other relevant accounting policies**A) EARNINGS PER SHARE**

Basic earnings per share are calculated by dividing the net profit attributable to the shareholders of the Company by the weighted average number of ordinary shares in circulation during the period, excluding the number of own shares held.

B) FOREIGN CURRENCY

On initial recognition, transactions in foreign currency (a currency other than the functional currency) are registered at the exchange rates on the dates of the transactions. All assets and liabilities expressed in foreign currency have been converted into the functional presentation currency, using the exchange rates in force at the reporting date. Exchange gains and losses resulting from differences between the exchange rates in force on the date of the transactions and those in force on the dates of collection, payments or the balance sheet date, are recognised as income and expenses in the income statement for the period. The non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Exchange differences related to accounts receivable/payable whose maturity is not defined, are registered in the income statement for the period when those accounts receivable/payable are depreciated/disposed/liquidated. Financial statements of participated companies and branches expressed in foreign currency are translated into euros.

The exchange rates used to convert to euros were as follows:

CURRENCY	TRANSACTION CURRENCY	2023		2022	
		31 DECEMBER	EXCHANGE RATE	31 DECEMBER	EXCHANGE RATE
US dollar	Euro	0.90498	n/a	0.93756	n/a
Moroccan dirham	Euro	0.09137	0.09126	0.08961	0.09334
Metical	Euro	0.01416	0.01452	0.01566	0.01500
Cabo Verde escudo	Euro	0.00907	0.00907	0.00907	0.00907
CFA franc	Euro	0.00152	0.00152	0.00152	0.00152
Zambian kwacha	Euro	0.03520	0.04491	0.05181	0.05581
Malawian kwacha	Euro	0.00052	0.00077	0.00089	0.00098
Kwanza	Euro	0.00108	0.00131	0.00184	0.00203
Zimbabwe dollar	Euro	0.00015	0.00025	0.00140	0.00245

3.3. Judgements on the application process of the accounting policies and which had greater impact in the amounts recognised in the financial statements

In the preparation of the financial statements according with NCRF (equivalent to GAAP), the Company uses estimates and assumptions that affect the application of the policies and amounts reported. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances on which the estimate was based, or as a result of new information or more experience.

3.4. Main assumptions concerning the future

The attached financial statements have been prepared bearing in mind the continuation of the Company's operations, from the accounting books and records of the Company, maintained in accordance with the accounting principles generally accepted in Portugal.

Events that occur after the balance sheet date that affect the value of the existing assets and liabilities at the balance sheet date are considered when preparing the financial statements for the period. Those events are disclosed in the notes to the financial statements, if material.

3.5. Major sources of uncertainty

The present note makes reference to the major assumptions for the future adopted in the preparation of the attached financial statements, which may involve a significant risk of material adjustments to the valuation of assets and liabilities in the following financial period.

A) IMPAIRMENT OF ASSETS

The determination of the impairment of assets requires an estimate of the present value of the future cash flows associated to those assets. In this calculation, the assumptions are adopted based on the Company's historical experience, as well as on future expectations. The Company considers that there is a controlled risk of these assumptions not taking place.

B) USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The expected useful lives of property, plant and equipment and intangible assets are reviewed on each reporting date. The useful lives of the assets depend on various factors related to both their use and their location.

C) REVENUE AND CONSTRUCTION CONTRACTS

The revenue of the ongoing construction contracts is recognised under the percentage of completion method of the contract. The stage of completion is translated into a relevant estimate based on the prediction of the costs incurred until the contract completion. This process is based on technical analyses performed by technicians.

D) PROVISIONS FOR OTHER RISKS AND COSTS

Provisions are recognised after the technical analyses, in order to determine the existence of a present obligation as a result of a past event, a probable outflow of resources. This estimate is equally supported by the opinion of the Company's lawyers and advisers.

E) RECOGNITION OF THE PRESENT VALUE OF RESPONSIBILITIES WITH RETIREMENT BENEFITS

The responsibilities with retirement pensions are estimated based on the actuarial assessments performed by external experts. In the establishment of the responsibility, financial and actuarial assumptions are included, namely the discount rate, mortality and invalidity tables, growth rate of pensions and wages, among others.

In light of the above, relevant changes are not foreseen to the estimates made and, consequently, material variations in registered assets and liabilities based on those estimates are also not expected.

4. CASH FLOWS

4.1. Management's comment about the amount of significant balances of cash and cash equivalents, which are not available for use

The balance amount of "Cash and cash equivalents" is fully available.

4.2. Breakdown of the amounts registered in "Cash and bank deposits"

The cash and bank deposits balance is the following:

	31.12.2023	31.12.2022
Cash	26,853	68,171
Demand deposits	11,995,320	19,065,535
Term deposits	9,288,518	5,881,465
TOTAL CASH AND BANK DEPOSITS	21,310,691	25,015,171

5. RELATED PARTIES

5.1. Remunerations of the key management personnel

A) TOTAL REMUNERATIONS: 1,720,105 euros (2022: 1,788,311 euros).

5.2. Transactions between related parties

A) NATURE OF THE RELATED PARTY RELATIONSHIP:

	COUNTRY	DIRECT %	TOTAL %
BRANCHES:			
Angola	-	-	-
Mozambique	-	-	-
Morocco	-	-	-
Cabo Verde	-	-	-
Zambia	-	-	-
Malawi	-	-	-
SUBSIDIARIES:			
Conduril - Gestão de Concessões de Infraestruturas, S.A.	Portugal	100.00	100.00
Edirio - Construções, S.A.	Portugal	100.00	100.00
Métis Engenharia, Lda.	Angola	99.00	99.00
ENOP - Engenharia e Obras Públicas, Lda.	Mozambique	100.00	100.00
Urano, Lda.	Angola	99.00	99.99
Conduril Engenharia - Açores, S.A.	Portugal	100.00	100.00
Esquénio - Estudos e Projetos de Engenharia, S.A.	Portugal	100.00	100.00
Conduril Construction Zimbabwe (PVT) LTD	Zimbabwe	100.00	100.00
Conduril Engenharia Gabon, S.A.	Gabon	100.00	100.00
JOINTLY CONTROLLED ENTITIES:			
Groupement Adriano, Jaime Ribeiro, Conduril - Construção, ACE	Morocco	33.33	33.33
Groupement CJA / Lot 3 - Construção ACE	Morocco	33.33	33.33
Groupement Túnel de Nador, Construção ACE	Morocco	50.00	50.00
RAL - Rodovias do Algarve Litoral, ACE	Portugal	16.67	16.67
RBA - Rodovias do Baixo Alentejo, ACE	Portugal	17.86	17.86
UTE Alcántara - Garrovillas	Spain	15.00	15.00
ASSOCIATED COMPANIES:			
Rotas do Algarve Litoral, S.A.	Portugal	21.64	23.64
Marestrada - Operação e Manutenção Rodoviária, S.A.	Portugal	33.33	33.33
KEY MANAGEMENT PERSONNEL:			
BOARD OF DIRECTORS:			
Maria Benedita Andrade de Amorim Martins (Chair of the Board of Directors and President of the Executive Committee)			
Maria Luísa Andrade Amorim Martins (Vice-chair of the Board of Directors and Vice-president of the Executive Committee)			
António Baraças Andrade Miragaia			
António Emanuel Lemos Catarino			
Jorge Lúcio Teixeira de Castro			
Miguel José Alves Montenegro de Andrade			
Ricardo Nuno Araújo Abreu Vaz Guimarães			
OTHER RELATED PARTIES:			
Geonorte - Geotecnia e Fundações Especiais, Lda.	Portugal	-	-
Quinta do Javali, Lda.	Portugal	-	-
Mugige Vinhos, Lda.	Angola	-	-

B) TRANSACTIONS AND OUTSTANDING BALANCES:

As at 31 December 2023 and 2022, the Company presented the following transactions and balances in what concerns the related entities:

As at 31 December 2023:

RELATED PARTIES	OUTSTANDING BALANCES - ASSETS	OUTSTANDING BALANCES - LIABILITIES	ACCUMULATED IMPAIRMENT LOSSES	PROVISIONS
ENTITIES WITH JOINT CONTROL OR SIGNIFICANT INFLUENCE:				
Groupement Adriano, Jaime Ribeiro, Conduril - Construção, ACE	7,184,023	-	-	6,206,764
Groupement Túnel de Nador, Construção ACE	1,641,839	100,966	-	538,480
Groupement CJA / Lot 3 - Construção ACE	831,397	-	-	-
RAL - Rodovias do Algarve Litoral, ACE	242,666	24,462	-	-
RBA - Rodovias do Baixo Alentejo, ACE	922,851	338,373	-	542,714
	10,822,776	463,801	-	7,287,958
SUBSIDIARIES:				
Conduril - Gestão de Concessões de Infraestruturas, S.A.	3,094,756	-	336,000	643,148
Edirio - Construções, S.A.	5,140,907	1,088,341	758,167	-
Métis Engenharia, Lda.	4,065,399	3,343,045	-	-
ENOP - Engenharia e Obras Públicas, Lda.	7,717,683	6,319,657	-	-
Urano, Lda.	2,163,289	2,437,397	-	-
Conduril Engenharia - Açores, S.A.	999,604	241,518	-	-
Esquénio - Estudos e Projetos de Engenharia, S.A.	143,602	248,127	-	-
Conduril Construction Zimbabwe (PVT) LTD	111,799	296,999	-	-
Conduril Engenharia Gabon, S.A.	5,906,805	1,228,576	-	116,450
	29,343,845	15,203,658	1,094,167	759,599
ASSOCIATED COMPANIES:				
Rotas do Algarve Litoral, S.A.	11,412,786	-	40,000	-
	11,412,786	-	40,000	-
OTHER RELATED PARTIES:				
UTE Alcántara - Garrovillas	1,219,788	-	-	-
Geonorte - Geotecnia e Fundações Especiais, Lda.	64,904	1,005,175	-	-
Geonorte - Geotecnia e Fundações Especiais, Lda. - Angola branch	509,386	154,297	-	-
Mugige Vinhos, Lda.	2,744,765	356	-	-
	4,538,844	1,159,829	-	-

RELATED PARTIES	INCOME	EXPENSES
ENTITIES WITH JOINT CONTROL OR SIGNIFICANT INFLUENCE:		
RAL - Rodovias do Algarve Litoral, ACE	92,464	-
RBA - Rodovias do Baixo Alentejo, ACE	79,082	-
	171,545	-
SUBSIDIARIES:		
Edirio - Construções, S.A.	270,177	2,311,188
Métis Engenharia, Lda.	875,337	615,628
ENOP - Engenharia e Obras Públicas, Lda.	381,298	1,296,244
Urano, Lda.	131,383	767,505
Conduril Engenharia - Açores, S.A.	68,330	-
Esquénio - Estudos e Projetos de Engenharia, S.A.	13,810	334,893
Conduril Engenharia Gabon, S.A.	10,945	-
	1,751,281	5,325,458
OTHER RELATED PARTIES:		
Geonorte - Geotecnia e Fundações Especiais, Lda.	230,230	3,103,010
Geonorte - Geotecnia e Fundações Especiais, Lda. - Angola branch	232,744	-
Quinta do Javali, Lda.	-	98,178
Mugige Vinhos, Lda.	-	1,252
	462,974	3,202,440

The financing granted to the related parties, registered in other financial investments, are detailed in Note 9.2.

As at 31 December 2022:

RELATED PARTIES	OUTSTANDING BALANCES - ASSETS	OUTSTANDING BALANCES - LIABILITIES	ACCUMULATED IMPAIRMENT LOSSES	PROVISIONS
ENTITIES WITH JOINT CONTROL OR SIGNIFICANT INFLUENCE:				
Groupement Adriano, Jaime Ribeiro, Conduril - Construção, ACE	7,165,075	-	-	6,206,764
Groupement Túnel de Nador, Construção ACE	1,634,567	100,966	-	538,480
Groupement CJA / Lot 3 - Construção ACE	829,708	-	-	-
RAL - Rodovias do Algarve Litoral, ACE	138,092	24,462	-	-
RBA - Rodovias do Baixo Alentejo, ACE	831,694	338,373	-	510,431
	10,599,136	463,801	-	7,255,675
SUBSIDIARIES:				
Conduril - Gestão de Concessões de Infraestruturas, S.A.	3,094,151	-	336,000	640,564
Edirio - Construções, S.A.	4,112,097	471,402	807,058	-
Métis Engenharia, Lda.	3,432,352	4,729,015	-	-
ENOP - Engenharia e Obras Públicas, Lda.	7,451,911	6,212,064	-	-
Urano, Lda.	2,602,552	3,800,660	-	-
Conduril Engenharia - Açores, S.A.	613,135	241,518	-	-
Esquénio - Estudos e Projetos de Engenharia, S.A.	94,229	199,424	-	-
Conduril Construction Zimbabwe (PVT) LTD	700,371	632,471	-	54,207
Conduril Engenharia Gabon, S.A.	7,722,763	1,228,576	-	118,832
	29,823,561	17,515,130	1,143,058	813,603
ASSOCIATED COMPANIES:				
Rotas do Algarve Litoral, S.A.	11,412,786	-	40,000	-
	11,412,786	-	40,000	-
OTHER RELATED PARTIES:				
UTE Alcântara - Garrovillas	1,219,788	-	-	-
Geonorte - Geotecnia e Fundações Especiais, Lda.	72,880	1,257,222	-	-
Geonorte - Geotecnia e Fundações Especiais, Lda. - Angola branch	531,086	342,321	-	-
Mugige Vinhos, Lda.	4,897,540	202,665	-	-
	6,721,294	1,802,208	-	-

RELATED PARTIES	INCOME	EXPENSES
ENTITIES WITH JOINT CONTROL OR SIGNIFICANT INFLUENCE:		
RBA - Rodovias do Baixo Alentejo, ACE	60,000	-
	60,000	-
SUBSIDIARIES:		
Edirio - Construções, S.A.	273,969	3,556,109
Métis Engenharia, Lda.	1,347,454	2,484,629
ENOP - Engenharia e Obras Públicas, Lda.	593,118	700,100
Urano, Lda.	48,200	802,793
Conduril Engenharia - Açores, S.A.	126,762	-
Esquénio - Estudos e Projetos de Engenharia, S.A.	14,097	320,261
Conduril Construction Zimbabwe (PVT) LTD	2,507	-
Conduril Engenharia Gabon, S.A.	10,971	274,839
	2,417,078	8,138,731
OTHER RELATED PARTIES:		
Geonorte - Geotecnia e Fundações Especiais, Lda.	107,979	2,538,014
Geonorte - Geotecnia e Fundações Especiais, Lda. - Angola branch	151,747	71,058
Quinta do Javali, Lda.	334	278,528
Mugige Vinhos, Lda.	-	223,759
	260,060	3,111,359

The financing granted to the related parties, registered in other financial investments, are detailed in Note 9.2.

6. INTANGIBLE ASSETS

6.1. Disclosure for each class of intangible assets, distinguishing between internally generated intangible assets and other intangible assets

A) DEPRECIATIONS FOR THE PERIOD ARE CALCULATED TAKING INTO ACCOUNT THE FOLLOWING AVERAGE USEFUL LIVES AND AMORTISATION RATES FOR EACH ITEM:

INTANGIBLE ASSETS	USEFUL LIFE	AMORTISATION RATE
Research and development	6	16.67%
Development rights	60	1.66%
Computer programmes	6	16.67%
Other intangible assets	6	16.67%

B) ELEMENTS OF INTANGIBLE ASSETS ARE DEPRECIATED BY THE STRAIGHT-LINE METHOD, BASED ON THEIR EXPECTED USEFUL LIFE.

C) THE INTANGIBLE ASSETS ARE THE FOLLOWING:

INTANGIBLE ASSETS	31.12.2023		31.12.2022	
	GROSS ASSETS	AMORTISATIONS AND IMPAIRMENT LOSSES	GROSS ASSETS	AMORTISATIONS AND IMPAIRMENT LOSSES
Research and development	27,740	15,441	27,740	10,817
Development rights	5,829,975	655,866	5,829,975	647,259
Computer programmes	194,001	127,333	155,884	114,223
Industrial property	47,121	-	47,121	-
Other intangible assets	207	207	2,006	2,006
Intangible assets in progress	56,128	-	26,784	-
TOTAL	6,155,172	798,847	6,089,510	774,305

D) THE VALUE OF AMORTISATIONS RELATED TO INTANGIBLE ASSETS INCLUDED IN THE ITEM “DEPRECIATION AND AMORTISATION EXPENSES/REVERSALS” OF THE INCOME STATEMENT IS THE FOLLOWING:

INTANGIBLE ASSETS	AMORTISATIONS FOR THE PERIOD	
	31.12.2023	31.12.2022
Research and development	4,624	4,623
Development rights	8,614	12,839
Computer programmes	13,104	9,915
TOTAL	26,342	27,377

E) THE MOVEMENTS IN THE ITEM “INTANGIBLE ASSETS” DURING 2023 AND 2022 ARE THE FOLLOWING:

	2023						
	RESEARCH AND DEVELOPMENT	DEVELOPMENT RIGHTS	COMPUTER PROGRAMMES	INDUSTRIAL PROPERTY	OTHER INTANGIBLE ASSETS	INTANGIBLE ASSETS IN PROGRESS	TOTAL
GROSS ASSETS:							
Balance as at 31.12.2022	27,740	5,829,975	155,884	47,121	2,006	26,784	6,089,510
Additions	-	-	38,117	-	-	29,344	67,461
Transfers and write-offs	-	-	-	-	(1,799)		(1,799)
Balance as at 31.12.2023	27,740	5,829,975	194,001	47,121	207	56,128	6,155,172
ACCUMULATED AMORTISATION:							
Balance as at 31.12.2022	10,817	647,252	114,229	-	2,006	-	774,304
Additions	4,624	8,614	13,104	-	-	-	26,342
Transfers and write-offs	-	-	-	-	(1,799)	-	(1,799)
Balance as at 31.12.2023	15,441	655,866	127,333	-	207	-	798,847
NET VALUE	12,299	5,174,109	66,668	47,121	-	56,128	5,356,325

	2022						
	RESEARCH AND DEVELOPMENT	DEVELOPMENT RIGHTS	COMPUTER PROGRAMMES	INDUSTRIAL PROPERTY	OTHER INTANGIBLE ASSETS	INTANGIBLE ASSETS IN PROGRESS	TOTAL
GROSS ASSETS:							
Balance as at 31.12.2021	27,740	5,829,975	149,860	47,121	2,006	-	6,056,702
Additions	-	-	6,024	-	-	26,784	32,808
Balance as at 31.12.2022	27,740	5,829,975	155,884	47,121	2,006	26,784	6,089,510
ACCUMULATED AMORTISATION:							
Balance as at 31.12.2021	6,194	634,420	104,308	-	2,006	-	746,928
Additions	4,623	12,839	9,915	-	-	-	27,377
Balance as at 31.12.2022	10,817	647,259	114,223	-	2,006	-	774,305
NET VALUE	16,923	5,182,716	41,661	47,121	-	26,784	5,315,205

7. TANGIBLE ASSETS

7.1. Disclosure on property, plant and equipment

A) MEASUREMENT BASES:

Tangible assets are valued according to the cost model, to which an item of property, plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

B) DEPRECIATION METHOD USED:

The Company amortises its property, plant and equipment assets according to the straight-line method. In accordance to this method, depreciation is constant during the useful life of the assets if its residual value does not change.

C) USEFUL LIVES AND DEPRECIATION RATES USED:

Depreciations for the period are calculated taking into account the following average useful lives and amortisation rates for each item:

TANGIBLE ASSETS	USEFUL LIFE	DEPRECIATION RATE
Land and natural resources	-	-
Buildings and other constructions	4 – 50	2% – 25%
Machinery and other equipment	3 – 30	3.33% – 33.33%
Transport equipment	4 – 12	8.33% – 25%
Office equipment	3 – 25	4% – 33.33%
Other property, plant and equipment	4 – 20	5% – 25%

D/E. RECONCILIATION OF THE CARRYING AMOUNT AT THE BEGINNING AND END OF THE PERIOD:

	2023							
	LAND AND NATURAL RESOURCES	BUILDINGS AND OTHER CONSTRUCTIONS	MACHINERY AND OTHER EQUIPMENT	TRANSPORT EQUIPMENT	OFFICE EQUIPMENT	OTHER PROPERTY, PLANT AND EQUIPMENT	INVESTMENTS IN PROGRESS	TOTAL
GROSS ASSETS:								
Balance as at 31.12.2022	3,394,473	31,370,377	105,795,924	28,503,907	2,490,103	1,824,781	17,511,386	190,890,951
Additions	-	345,800	2,532,797	3,155,704	65,096	187,958	451,109	6,738,464
Disposals	-	(106,176)	(1,747,069)	(182,226)	-	-	-	(2,035,471)
Transfers and write-offs	-	(40,800)	(42,194)	(117,069)	(45,865)	(58)	(282,923)	(528,909)
Balance as at 31.12.2023	3,394,473	31,569,201	106,539,458	31,360,316	2,509,334	2,012,681	17,679,572	195,065,035
ACCUMULATED DEPRECIATION:								
Balance as at 31.12.2022	-	18,899,989	65,537,640	20,469,637	1,834,099	1,389,865	-	108,131,230
Additions	-	678,497	4,367,222	1,405,350	112,550	217,288	-	6,780,907
Disposals	-	(33,447)	(744,239)	(172,089)	-	-	-	(949,775)
Transfers and write-offs	-	(6,588)	(42,194)	(117,069)	(45,865)	(58)	-	(211,774)
Balance as at 31.12.2023	-	19,538,451	69,118,429	21,585,829	1,900,784	1,607,095	-	113,750,588
NET VALUE	3,394,473	12,030,750	37,421,029	9,774,487	608,550	405,586	17,679,572	81,314,447

	2022							
	LAND AND NATURAL RESOURCES	BUILDINGS AND OTHER CONSTRUCTIONS	MACHINERY AND OTHER EQUIPMENT	TRANSPORT EQUIPMENT	OFFICE EQUIPMENT	OTHER PROPERTY, PLANT AND EQUIPMENT	INVESTMENTS IN PROGRESS	TOTAL
GROSS ASSETS:								
Balance as at 31.12.2021	3,394,473	30,214,174	108,231,407	27,699,817	2,165,086	1,695,647	18,004,867	191,405,471
Additions	-	106,175	1,722,198	1,022,124	325,017	129,611	659,920	3,965,045
Disposals	-	-	(4,104,103)	(162,078)	-	(477)	-	(4,266,658)
Transfers and write-offs	-	1,050,028	(53,578)	(55,956)	-	-	(1,153,401)	(212,907)
Balance as at 31.12.2022	3,394,473	31,370,377	105,795,924	28,503,907	2,490,103	1,824,781	17,511,386	190,890,951
ACCUMULATED DEPRECIATION:								
Balance as at 31.12.2021	-	18,242,423	65,027,738	19,340,081	1,728,070	1,215,900	-	105,554,212
Additions	-	657,567	4,555,717	1,312,245	106,030	174,441	-	6,806,000
Disposals	-	-	(3,992,161)	(127,652)	-	(477)	-	(4,120,290)
Transfers and write-offs	-	-	(53,654)	(55,038)	-	-	-	(108,692)
Balance as at 31.12.2022	-	18,899,990	65,537,640	20,469,636	1,834,100	1,389,864	-	108,131,230
NET VALUE	3,394,473	12,470,387	40,258,284	8,034,271	656,003	434,917	17,511,386	82,759,721

7.2. Amount of expenditures recognised in the carrying amount of fixed assets during its construction

TANGIBLE ASSETS	EXPENDITURES RECOGNISED DURING CONSTRUCTION	
	31.12.2023	31.12.2022
Buildings and other constructions	451,109	659,920
TOTAL	451,109	659,920

7.3. Depreciation recognised in profit/loss or as part of other assets costs during the period

TANGIBLE ASSETS	DEPRECIATION RECOGNISED IN PROFIT/LOSS	
	31.12.2023	31.12.2022
Buildings and other constructions	678,497	657,567
Machinery and other equipment	4,367,222	4,555,717
Transport equipment	1,405,350	1,312,245
Office equipment	112,550	106,030
Other property, plant and equipment	217,288	174,441
TOTAL	6,780,907	6,806,000

7.4. Accumulated depreciation at the end of the period

TANGIBLE ASSETS	ACCUMULATED DEPRECIATION	
	31.12.2023	31.12.2022
Buildings and other constructions	19,538,451	18,899,990
Machinery and other equipment	69,118,429	65,537,640
Transport equipment	21,585,829	20,469,636
Office equipment	1,900,784	1,834,100
Other property, plant and equipment	1,607,095	1,389,864
TOTAL	113,750,588	108,131,230

7.5. Items of fixed assets in progress

The most significant values included in the item “Investments in progress”, as at 31 December 2023 and 2022, refer to the following projects:

TANGIBLE ASSETS	INVESTMENTS IN PROGRESS	
	31.12.2023	31.12.2022
Buildings and other constructions	17,679,572	17,511,386
TOTAL	17,679,572	17,511,386

7.6. Property, plant and equipment by geographical location

31.12.2023	GROSS ASSETS	ACCUMULATED DEPRECIATION	NET AMOUNT
Portugal	79,117,280	41,557,731	37,559,549
Angola	86,040,142	52,933,436	33,106,706
Mozambique	13,419,491	7,691,698	5,727,793
Morocco	5,200	5,200	-
Cabo Verde	4,476	2,834	1,642
Zambia	11,438,531	8,154,230	3,284,301
Malawi	5,039,915	3,405,459	1,634,456
TOTAL	195,065,035	113,750,588	81,314,447

31.12.2022	GROSS ASSETS	ACCUMULATED DEPRECIATION	NET AMOUNT
Portugal	78,253,251	37,479,545	40,773,706
Angola	84,110,377	52,295,267	31,815,110
Mozambique	12,128,429	6,953,816	5,174,613
Morocco	60,664	60,664	-
Cabo Verde	4,476	2,834	1,642
Zambia	11,608,029	8,454,457	3,153,572
Malawi	4,725,725	2,884,647	1,841,078
TOTAL	190,890,951	108,131,230	82,759,721

8. LEASES

8.1. Finance leases – Lessees

A) NET CARRYING AMOUNT FOR EACH ASSET CATEGORY AT 31 DECEMBER 2023 AND 2022:

	31.12.2023	31.12.2022
Buildings and other constructions	204,870	235,711
Machinery and other equipment	14,785,752	19,660,301
Transport equipment	6,357,328	6,853,026
TOTAL	21,347,950	26,749,038

B) RECONCILIATION BETWEEN THE TOTAL OF THE FUTURE MINIMUM LEASE PAYMENTS AT 31 DECEMBER 2023 AND 2022 AND ITS PRESENT VALUE:

	31.12.2023	31.12.2022
Minimum payments up to 1 year	5,393,504	8,055,070
Minimum payments for more than 1 year and no more than 5 years	5,375,717	7,922,075
Minimum payments for more than 5 years	-	-
Total minimum payments	10,769,221	15,977,145
Future interest payments	803,617	259,998
PRESENT VALUE OF RESPONSIBILITIES	9,965,604	15,717,147

C) TOTAL OF THE FUTURE MINIMUM LEASE PAYMENTS AT THE BALANCE SHEET DATE AND ITS PRESENT VALUE:

	MINIMUM PAYMENTS		PRESENT VALUE	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
No more than 1 year	5,393,504	8,055,070	5,117,014	7,900,806
More than 1 year and no more than 5 years	5,375,717	7,922,075	4,848,590	7,816,341
More than 5 years	-	-	-	-
TOTAL	10,769,221	15,977,145	9,965,604	15,717,147

9.

INTERESTS IN JOINT VENTURES AND INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES

9.1. Breakdown of the amounts registered in “Permanent participations – equity method”

	31.12.2023	31.12.2022
Subsidiaries	3,495,674	7,242,393
Jointly controlled entities	50,881	91,441
Associated companies	494,241	494,241
TOTAL	4,040,796	7,828,075

9.2. Subsidiaries

A) LIST AND DESCRIPTION OF THE SUBSIDIARIES:

COMPANY	TYPE OF PARTICIPATION	METHOD USED
Conduril - Gestão de Concessões de Infraestruturas, S.A.	100.00%	Equity method
Edirio - Construções, S.A.	100.00%	Equity method
Métis Engenharia, Lda.	99.00%	Equity method
ENOP - Engenharia e Obras Públicas, Lda.	100.00%	Equity method
Urano, Lda.	99.00%	Equity method
Conduril Engenharia - Açores, S.A.	100.00%	Equity method
Esquénio - Estudos e Projetos de Engenharia, S.A.	100.00%	Equity method
Conduril Construction Zimbabwe (PVT) LTD	100.00%	Equity method
Conduril Engenharia Gabon, S.A.	100.00%	Equity method

B) CARRYING AMOUNT AND DATA ABOUT THE ENTITIES:

31.12.2023 COMPANY	CARRYING AMOUNT	TOTAL ASSETS	TOTAL SHAREHOLDERS' FUNDS	TOTAL PERIOD INCOME
Conduril - Gestão de Concessões de Infraestruturas, S.A.	-	2,119,673	(643,148)	(2,585)
Edirio - Construções, S.A.	-	6,377,576	454,333	48,891
Métis Engenharia, Lda.	1,556,944	5,767,365	4,622,569	3,910
ENOP - Engenharia e Obras Públicas, Lda.	251,642	14,734,719	251,643	(285,262)
Urano, Lda.	359,104	3,132,105	1,621,850	185,374
Conduril Engenharia - Açores, S.A.	1,111,310	2,878,786	1,193,310	580,313
Esquénio - Estudos e Projetos de Engenharia, S.A.	89,185	310,761	89,185	23,985
Conduril Construction Zimbabwe (PVT) LTD	127,489	316,211	127,489	115,665
Conduril Engenharia Gabon, S.A.	-	9,006,899	(116,450)	2,382
TOTAL	3,495,674			

31.12.2022 COMPANY	CARRYING AMOUNT	TOTAL ASSETS	TOTAL SHAREHOLDERS' FUNDS	TOTAL PERIOD INCOME
Conduril - Gestão de Concessões de Infraestruturas, S.A.	-	2,120,323	(640,564)	(2,477)
Edirio - Construções, S.A.	-	4,838,974	405,442	47,211
Métis Engenharia, Lda.	4,739,488	8,910,093	7,837,260	1,812,265
ENOP - Engenharia e Obras Públicas, Lda.	596,439	15,628,673	596,439	(393,402)
Urano, Lda.	1,310,074	4,946,683	2,582,426	122,257
Conduril Engenharia - Açores, S.A.	531,192	3,092,070	613,193	184,153
Esquénio - Estudos e Projetos de Engenharia, S.A.	65,200	251,729	65,200	4,578
Conduril Construction Zimbabwe (PVT) LTD	-	598,920	(54,207)	(121,145)
Conduril Engenharia Gabon, S.A.	-	10,577,691	135,385	(118,832)
TOTAL	7,242,393			

Related to these participations, in December 2023, in the item “Other financial investments” are registered the following amounts concerned to financing granted:

COMPANY	FINANCING GRANTED	ACCUMULATED IMPAIRMENT LOSSES
Conduril - Gestão de Concessões de Infraestruturas, S.A.	336,000	336,000
Edirio - Construções, S.A.	1,212,500	758,167
ENOP - Engenharia e Obras Públicas, Lda.	15,718	-
Métis Engenharia, Lda.	3,049,838	-
Urano, Lda.	1,259,119	-
Conduril Engenharia - Açores, S.A.	82,000	-
TOTAL	5,955,175	1,094,167

9.3. Joint ventures

A) LIST AND DESCRIPTION OF THE INTERESTS IN SIGNIFICANT JOINT VENTURES:

COMPANY	TYPE	OTHER PARTICIPANTS
Groupement Adriano, Jaime Ribeiro, Conduril - Construção, ACE	Jointly controlled entity	Elevation and Jaime Ribeiro e Filhos
Groupement CJA / Lot 3 - Construção ACE	Jointly controlled entity	Elevation and Jaime Ribeiro e Filhos
Groupement Túnel de Nador, Construção ACE	Jointly controlled entity	Jaime Ribeiro e Filhos
RAL - Rodovias do Algarve Litoral, ACE	Jointly controlled entity	Elevation and Tecnovia
RBA - Rodovias do Baixo Alentejo, ACE	Jointly controlled entity	Elevation and Tecnovia

B) PROPORTION OF OWNERSHIP INTEREST HELD AND DATA ABOUT THE ENTITIES:

31.12.2023 COMPANY	PROPORTION OF THE INTEREST HELD	CARRYING AMOUNT	TOTAL ASSETS	TOTAL SHAREHOLDERS' FUNDS	TOTAL PERIOD INCOME
Groupement Adriano, Jaime Ribeiro, Conduril - Construção, ACE	33.33%	-	12,721,238	(18,622,156)	n/a
Groupement CJA / Lot 3 - Construção ACE	33.33%	-	n/a	n/a	n/a
Groupement Túnel de Nador, Construção ACE	50.00%	-	8,818,385	(1,036,855)	n/a
RAL - Rodovias do Algarve Litoral, ACE	16.67%	50,881	2,096,779	304,223	(285,803)
RBA - Rodovias do Baixo Alentejo, ACE	17.86%	-	511,875	(3,040,977)	(183,483)
TOTAL		50,881			

31.12.2022 COMPANY	PROPORTION OF THE INTEREST HELD	CARRYING AMOUNT	TOTAL ASSETS	TOTAL SHAREHOLDERS' FUNDS	TOTAL PERIOD INCOME
Groupement Adriano, Jaime Ribeiro, Conduril - Construção, ACE	33.33%	-	12,721,238	(18,622,156)	300,046
Groupement CJA / Lot 3 - Construção ACE	33.33%	-	n/a	n/a	n/a
Groupement Túnel de Nador, Construção ACE	50.00%	-	8,818,385	(1,036,855)	(42,050)
RAL - Rodovias do Algarve Litoral, ACE	16.67%	91,441	2,056,844	593,111	(318,758)
RBA - Rodovias do Baixo Alentejo, ACE	17.86%	-	588,205	(2,857,958)	(153,358)
TOTAL		91,441			

At the preparation date of the financial statements, the financial statements of the group Groupement CJA / Lot 3 - Construção ACE, Groupement Adriano, Jaime Ribeiro, Conduril - Construção, ACE and Groupement Túnel de Nador, Construção ACE were not available. These groups do not have a significant activity; therefore, the Board of Directors considers that there are no substantial impacts regarding these participations.

C) METHOD USED IN THE RECOGNITION OF INTERESTS IN JOINT VENTURES:

The interests in jointly controlled companies were recognised in the financial statements by the equity method, from the date in which the control is shared. According to this method, investment is initially recognised by the cost, being the carrying amount adjusted by the corresponding value to the proportion held in net profit/loss, dividends received and variation in equity.

9.4. Associated companies

A) LIST AND DESCRIPTION OF THE ASSOCIATED COMPANIES:

COMPANY	PARTICIPATION	METHOD USED
Rotas do Algarve Litoral, S.A.	23.64%	Equity method
Marestrada - Operação e Manutenção Rodoviária, S.A.	33.33%	Equity method

B) CARRYING AMOUNT AND DATA ABOUT THE ENTITIES:

31.12.2023 COMPANY	CARRYING AMOUNT	TOTAL ASSETS	TOTAL SHAREHOLDERS' FUNDS	TOTAL PERIOD INCOME
Rotas do Algarve Litoral, S.A.	-	176,387,636	(31,729,840)	n/a
Marestrada - Operação e Manutenção Rodoviária, S.A.	494,241	5,897,572	745,453	n/a
TOTAL	494,241			

At the preparation date of the financial statements, the financial statements of Rotas do Algarve Litoral, S.A. and Marestrada - Operação e Manutenção Rodoviária, S.A. were not available.

31.12.2022 COMPANY	CARRYING AMOUNT	TOTAL ASSETS	TOTAL SHAREHOLDERS' FUNDS	TOTAL PERIOD INCOME
Rotas do Algarve Litoral, S.A.	-	176,387,636	(31,729,840)	(17,744,591)
Marestrada - Operação e Manutenção Rodoviária, S.A.	494,241	5,897,572	745,453	49,850
TOTAL	494,241			

Related to the participations in associated companies, in December 2023, in the item "Other financial investments" are registered the following amounts concerned to financing granted:

COMPANY	FINANCING GRANTED	ACCUMULATED IMPAIRMENT LOSSES
Rotas do Algarve Litoral, S.A.	11,412,786	40,000
TOTAL	11,412,786	40,000

9.5. Gains/Losses in subsidiaries and joint ventures

GAINS/LOSSES IN SUBSIDIARIES AND JOINT VENTURES	31.12.2023	31.12.2022
Expenses and losses in subsidiaries, associated companies and joint ventures	(332,821)	(200,043)
Income and gains in subsidiaries, associated companies and joint ventures	902,038	1,861,434
Elimination of the income related to the sales of property, plant and equipment to branches	55,374	77,451
Elimination of the expenses related to the sales of property, plant and equipment to branches	-	(888)
Provisions for losses in Group's companies (Note 13)	21,721	27,563
TOTAL	646,312	1,765,517

10. INVENTORIES

10.1. Accounting policies adopted in the measurement of inventories and cost formula used

Inventories are valued by cost or net realisable value, if this is lower. Cost includes purchase costs, conversion costs and other costs incurred in bringing the inventories to their present condition. The purchase costs comprise the purchase price, import duties and other taxes, transport expenses, handling, trade discounts, rebates and other similar items. The conversion costs include expenses directly related to units of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in finished goods. The allocation of fixed production overheads is based on the normal capacity of the production facilities.

The Company values its inventories by the weighted average cost formula, which assumes that the cost of each item is determined from the weighted average of the cost of similar items at the beginning of a period and the cost of similar items purchased or produced during the period.

10.2. Total carrying amount of inventories and carrying amount in appropriate classifications

The carrying amount of inventories is the following:

INVENTORIES	31.12.2023	31.12.2022
Raw, subsidiary and consumable materials	15,668,993	19,585,920
Goods	-	-
Finished and semi-finished products	-	-
Products and work in progress	-	-
	15,668,993	19,585,920
Impairment losses	(904,732)	(932,205)
TOTAL	14,764,261	18,653,715

10.3. Amount of inventories recognised as expense during the period

The amount of inventories recognised as expense during the period was the following:

	RAW, SUBSIDIARY AND CONSUMABLE MATERIALS	
	31.12.2023	31.12.2022
Initial inventory	18,653,715	14,148,204
Impairment losses in stocks	-	-
Purchases	40,253,141	66,520,498
Inventories adjustments and reclassification	-	-
Ending inventory	(14,764,261)	(18,653,715)
EXPENSES IN THE PERIOD	44,142,595	62,014,987

	FINISHED AND SEMI-FINISHED PRODUCTS	
	31.12.2023	31.12.2022
Initial inventory	-	129,375
Inventories adjustments and reclassification	-	-
Ending inventory	-	-
VARIATION OF INVENTORIES IN PRODUCTION	-	129,375

10.4. Amount of impairment losses in inventories recognised in the income for the period

The value of impairment losses recognised in the income for the period was the following:

IMPAIRMENT LOSSES IN INVENTORIES	31.12.2023	31.12.2022
Goods	-	-
Raw, subsidiary and consumable materials	(27,473)	-
Finished and semi-finished products	-	-
TOTAL	(27,473)	-

10.5. Movement during the period of impairment losses in inventories

	RAW, SUBSIDIARY AND CONSUMABLE MATERIALS
ACCUMULATED IMPAIRMENT LOSSES ON 31.12.2022	932,205
Increases	-
Reversal	27,473
Utilisations	-
ACCUMULATED IMPAIRMENT LOSSES ON 31.12.2023	904,732

	RAW, SUBSIDIARY AND CONSUMABLE MATERIALS
ACCUMULATED IMPAIRMENT LOSSES ON 31.12.2021	932,205
Increases	-
Reversal	-
Utilisations	-
ACCUMULATED IMPAIRMENT LOSSES ON 31.12.2022	932,205

11.

CONSTRUCTION CONTRACTS

11.1. Amount of contract revenue recognised as revenue in the period

The revenue of each construction contract includes the initial amount of revenue agreed, as well as variations in works, claims and incentive payments to the extent that it is probable that will result in revenue and are capable of being reliably measured. As at 31 December 2023 and 2022, the amount of revenue recognised as revenue in the period was the following:

WORK/CONTRACT	REVENUE IN THE 2023 PERIOD	REVENUE IN THE 2022 PERIOD
Construction contracts	166,077,193	200,683,421
TOTAL	166,077,193	200,683,421

11.2. Methods used to determine the contract revenue recognised in the period

The recognition of revenue in the period is made according to the percentage of completion method. Under this method, revenue is matched with the contract costs incurred when reaching the stage of completion. Contract revenue is recognised as revenue in the income statement in the accounting periods in which the work is performed. In the cases the outcome of the contracts cannot be estimated reliably, revenue shall be recognised only to the extent of contract costs incurred that it is probable to be recoverable.

11.3. Methods used to determine the stage of completion of ongoing contracts

In order to determine the stage of completion of a contract, it is used the method that most reliably measures the work performed. Depending on the nature of the contract, the method used to determine the stage of completion can vary as follows:

- The proportion that contract costs incurred for work performed to date bear to the estimated total contract costs (most used methodology);
- Survey of the work performed;
- Completion of a physical proportion of the work performed.

11.4. Information related to the ongoing construction contracts

31.12.2023	EXPENSES INCURRED	RECOGNISED INCOME	ADVANCES RECEIVED	RETENTION
Ongoing contracts	566,392,372	671,866,251	11,516,417	4,942,790
TOTAL	566,392,372	671,866,251	11,516,417	4,942,790

31.12.2022	EXPENSES INCURRED	RECOGNISED INCOME	ADVANCES RECEIVED	RETENTION
Ongoing contracts	443,878,879	534,801,552	6,293,902	2,703,212
TOTAL	443,878,879	534,801,552	6,293,902	2,703,212

12. REVENUE

12.1. Accounting policies adopted for the recognition of revenue, including the methods adopted to determine the stage of completion of transactions involving the provision of services

The Company recognises revenue according to the following criteria:

A) SALES – are recognised in the income statement when the risks and benefits inherent to the ownership have been transferred to the buyer, when there is not a continued management involvement to a degree usually associated with ownership, when the amount of revenue can be reasonably measured, when it is probable that the economic benefits associated with the transaction will flow to the entity, and when the expenses incurred or to be incurred with the transaction can be reliably measured.

B) PROVISION OF SERVICES – are recognised in the income statement with reference to the stage of completion of the provision of services at the balance sheet date.

C) INTEREST – is recognised using the effective interest method.

D) DIVIDENDS – are recognised from the moment in which is established the shareholder's right of receiving the payment.

12.2. Amount of each significant category of revenue recognised during the period, including the revenue from:

	31.12.2023	31.12.2022
Provision of services	168,081,164	202,141,846
Interest	4,161,082	6,098,356
Dividends	393,687	320,415
TOTAL	172,635,933	208,560,617

13. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

13.1. Provisions

The Company recognises a provision when, cumulatively, there is a present obligation as a result of a past event; it is likely that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

During the period ending on 31 December 2023, the movements relating to provisions occurred were the following:

PROVISIONS	OPENING BALANCE	INCREASES	REVERSAL	UTILISATIONS	CLOSING BALANCE
Guarantees to clients	3,637,748	282,423	(389,907)	-	3,530,264
Ongoing court proceedings	-	-	-	-	-
Construction contracts	2,803,667	-	(1,446,505)	-	1,357,162
Other provisions	279,876	-	(167,546)	(112,330)	-
	6,721,291	282,423	(2,003,958)	(112,330)	4,887,426
Financial assets (Note 9)	8,069,278	34,868	(56,590)	-	8,047,556
TOTAL	14,790,569	317,291	(2,060,548)	(112,330)	12,934,982

During the period ending on 31 December 2022, the movements relating to provisions occurred were the following:

PROVISIONS	OPENING BALANCE	INCREASES	REVERSAL	UTILISATIONS	CLOSING BALANCE
Guarantees to clients	3,477,517	479,976	(319,745)	-	3,637,748
Ongoing court proceedings	231,000	-	-	(231,000)	-
Construction contracts	10,207	2,793,460	-	-	2,803,667
Other provisions	-	284,162	(4,286)	-	279,876
	3,718,724	3,557,598	(324,031)	(231,000)	6,721,291
Financial assets (Note 9)	8,096,842	397,507	(425,071)	-	8,069,278
TOTAL	11,815,566	3,955,105	(749,102)	(231,000)	14,790,569

Provisions for financial investments refer to the subsidiaries in the scope of the application of the equity method, namely of Groupement Adriano, Jaime Ribeiro, Conduril - Construção, ACE, Conduril - Gestão de Concessões de Infraestruturas, S.A., Groupement Tunnel de Nador, Construção ACE, RBA - Rodovias do Baixo Alentejo, ACE and Conduril Engenharia Gabon, S.A.

13.2. Proceedings in litigation

Following the several ongoing proceedings in litigation, arising from business, the Company is convinced that the risk of losing these proceedings is unlikely and their outcome will not affect the material form of its financial position, a belief that is sustained by Conduril's internal legal office, as well as by its legal advisers.

Regarding the tax proceedings, there are proceedings arising from legal disputes filed by Conduril related to the additional settlements of IRC (Corporate Income Tax) (2011 and 2012), with the Company's opinion being, based on the opinions of its tax advisers, that the outcome will be favourable, and this is the reason why no provisions were registered in the financial statements.

13.3. Guarantees provided

As at 31 December 2023, the Company had assumed responsibilities for the guarantees provided in the amount of 86,167,621 euros (as at 31 December 2022, the amount was 91,496,434 euros).

The bank guarantees were essentially provided for the purpose of tenders, as a good performance guarantee of works and finance.

13.4. Management of financial risks

A) GENERAL PRINCIPLES

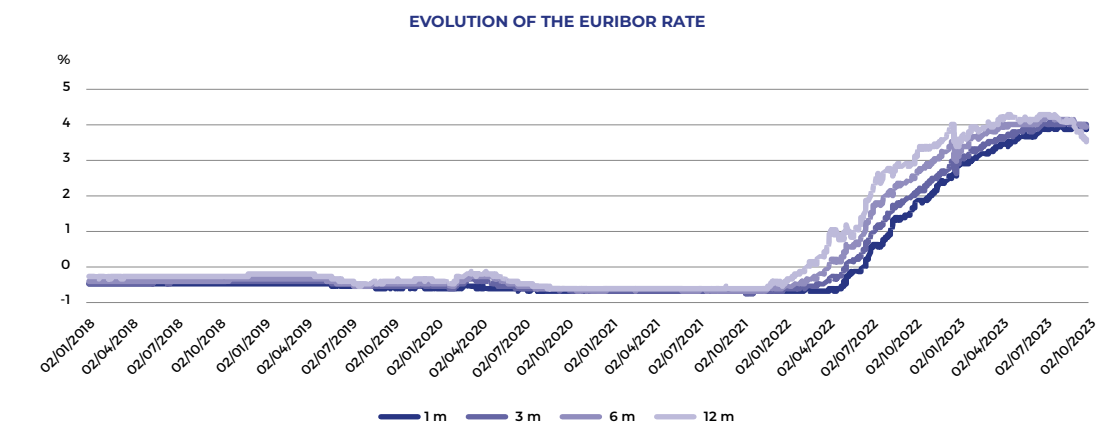
Among the several risks a company faces, the financial risks are those with the most direct impact on the cash flows and on its income statement. Conduril's activity is exposed to several financial risks, such as exchange rate risk, interest rate risk, credit risk and liquidity risk. These risks are the result of the uncertainty inherent to the financial markets, which is reflected in the capacity to estimate future cash flows and returns. The risk management policy of Conduril is a continuous process in constant development, applied to the implementation of its strategy, trying to minimise the adverse effects arising from these uncertainties, typical of financial markets.

B) EXCHANGE RATE RISK

Since Conduril's activity is mainly located in Portugal and Africa (Angola, Mozambique, Zambia, Malawi, Gabon and Zimbabwe), the Company is exposed to the exchange rate risk of the currencies in use in those countries. In order to address this risk, the contracts are celebrated in USD/EUR, whenever possible. The evolution of the kwanza, metical, Zambian kwacha, Malawian kwacha and Zimbabwe dollar currencies against the euro impact the financial statements, and the financial instruments used to hedge these currencies are limited or non-existent.

C) INTEREST RATE RISK

The interest rate risk essentially results from the indebtedness indexed to variable rates. Only a small percentage of the Company's indebtedness is indexed to an interest rate coverage, an issue that is being permanently monitored, in order to take, in good time, the necessary measures to reduce the impact of this variable on Conduril's financing.



D) CREDIT RISK

The exposure of Conduril to credit risk is mainly related to the accounts receivable resulting from the operating activities: sales debts and services provided to clients. The management of this risk aims to guarantee the recovery of the credits in the established deadlines, without affecting the financial balance of the Company. This risk is regularly monitored. The management of these risks aims to:

- i. evaluate the client in accordance with internal procedures that imply detailed analyses of the entities and the amounts involved. For this evaluation, we also resort to information entities and credit risk profiles available in the market;
- ii. limit the credit granted to clients, considering the deadline for receipt of each client;
- iii. monitor the evolution of the level of credit granted;
- iv. perform an impairment analysis of the amounts to receive on a regular basis.

E) LIQUIDITY RISK

Liquidity risk is defined as the risk of lack of ability to settle or fulfil its obligations on the stipulated deadline and at a reasonable price. An essential instrument for liquidity risk management is the annual and global liquidity plan, prepared based on the liquidity plans of each establishment. These plans are updated every month. The existence of liquidity implies the definition of parameters for the management of that liquidity, which allow to maximise the return obtained and minimise the costs of opportunity related to holding that liquidity safely and efficiently.

The risk management in Conduril aims at:

- Liquidity – guarantee the permanent and efficient access to enough funds to deal with current payments in the respective due dates;
- Safety – minimise the probability of default in terms of refund of any application of funds; and
- Financial efficiency – guarantee to minimise the cost of opportunity of the surplus liquidity holding at the short-term.

Conduril's policy is to reconcile the due dates of assets and liabilities, managing their maturities in a balanced way.

Managing its exposure to liquidity risk, Conduril's policy is to ensure the hiring of credit instruments of different natures and in amounts adjusted to the specificities of its needs, guaranteeing comfortable levels of liquidity. It is also a Company rule to contract those facilities without providing any guarantee.

14.

THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES

14.1. Exchange differences recognised in profit/loss

	31.12.2023	31.12.2022
Exchange losses		
- Other expenses	3,148,611	3,658,325
TOTAL	3,148,611	3,658,325
Exchange gains		
- Other income	5,259,458	4,848,106
TOTAL	5,259,458	4,848,106

14.2. Net exchange differences classified in a separate component of equity

	EXCHANGE DIFFERENCES IN EQUITY
BALANCE AS AT 31.12.2022	(22,859,763)
Exchange losses	(31,471,848)
Exchange gains	695,796
Balance as at 31.12.2023	(53,635,815)

	EXCHANGE DIFFERENCES IN EQUITY
BALANCE AS AT 31.12.2021	(31,777,590)
Exchange losses	(4,921,817)
Exchange gains	13,839,643
Balance as at 31.12.2022	(22,859,763)

15.

EVENTS AFTER THE BALANCE SHEET DATE

15.1. Disclosure updating about the conditions at the balance sheet date

Between the balance sheet date and the issuance of the financial statements, no information on the conditions that existed at the balance sheet date were received, so no adjustments in amounts recognised in the present financial statements were made.

15.2. Authorisation for the issue of financial statements

These financial statements were approved by the Board of Directors, in the meeting of 8 March 2024. The Board of Directors believes that these financial statements are a true and proper representation of the Company's operations, as well as its financial position and performance, and cash flows.

16.

ENVIRONMENTAL ISSUES

16.1. Description of the measurement bases adopted, as well as the methods used in the calculation of value adjustments

From its activity, the Company has a legal or contractual responsibility to prevent, reduce or repair environmental damage. To fulfil this obligation, the Company incurred in expenses that amounted to 331,836 euros (in 2022, they amounted to 395,997 euros) during the period ending on 31 December 2023.

To measure the environmental expenses incurred, the Company recognises the expenses effectively made in the period.

16.2. Environmental expenses allocated to profit/loss

All environmental expenses should be considered in profit/loss if they were expenses incurred in that period, i.e., if they do not aim to prevent future damage or provide future benefits.

Therefore, environmental expenses allocated to profit/loss refer to past or present activities, or restoration of environmental conditions in the state in which they were before contamination.

ENVIRONMENTAL EXPENSES	31.12.2023 AMOUNT ALLOCATED TO PROFIT/LOSS
Waste treatment	331,836
TOTAL	331,836

17. INCOME TAXES

17.1. Main components of tax expense and income

	31.12.2023	31.12.2022
Current tax and adjustments:		
Current tax for the period	2,173,149	2,495,112
	2,173,149	2,495,112
Deferred taxes:		
Deferred taxes related to temporary differences	(856,740)	2,801,300
	(856,740)	2,801,300
INCOME TAXES EXPENSE	1,316,409	5,296,412

Current tax and deferred tax shall be charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

During the period ending on 31 December 2023 and 2022, no debits/credits were made directly to equity related to the deferred taxes.

17.2. Relation between tax expense/income and accounting profit

RECONCILIATION OF THE EFFECTIVE TAX RATE	31.12.2023	31.12.2022
Income before taxation	3,576,789	12,534,708
Income taxes expense	1,316,409	5,296,412
Effective tax rate	36.80%	42.25%
Nominal tax rate (21% in Portugal, and 25% in Angola)	925,345	2,755,414
ADJUSTMENTS:		
Differentiated rates of taxation and effect of double taxation	1,403,482	584,781
Application of the equity method	(123,284)	22,090
Value adjustments of non-deductible assets	7,985	7,852
Expenses not accepted as tax cost	72,502	148,453
Provisions not accepted as expense	304,818	661,906
Reversal of untaxed provisions	-	(294,576)
Tax refund / Insufficiency of tax	(93,355)	13,221
Other untaxed income	(2,537,872)	(1,077,580)
Tax loss deduction for the period	-	(1,999,410)
Tax losses for the period	2,249,745	945,233
Autonomous taxation	335,456	338,517
Deferred taxes	(856,740)	2,801,300
Others	(371,673)	389,211
	391,064	2,540,998
INCOME TAXES EXPENSE	1,316,409	5,296,412

With reference to the period ending on 31 December 2023 and 2022, in accordance with article 54-A of the Portuguese IRC Code, the Company opted for the non-inclusion of the taxable profit allocated to the Angola branch.

17.3. Deferred taxes

As at 31 December 2023, deferred tax assets and liabilities are the following:

DEFERRED TAX ASSETS	OPENING BALANCE	OTHER VARIATIONS	INCREASES	REVERSAL	CLOSING BALANCE
Expenses not accepted	1,834,480	(128,164)	179,032	-	1,885,348
Tax losses	-	-	-	-	-
Others	-	-	-	-	-
TOTAL	1,834,480	(128,164)	179,032	-	1,885,348

DEFERRED TAX LIABILITIES	OPENING BALANCE	OTHER VARIATIONS	INCREASES	REVERSAL	CLOSING BALANCE
Revaluation surpluses	744,597	-	-	(23,825)	720,772
Taxable income	1,197,343	(164,633)	-	(233,160)	799,550
Depreciation not accepted	462,790	67,336	-	(420,723)	109,403
TOTAL	2,404,730	(97,297)	-	(677,708)	1,629,725

As at 31 December 2022, deferred tax assets and liabilities are the following:

DEFERRED TAX ASSETS	OPENING BALANCE	OTHER VARIATIONS	INCREASES	REVERSAL	CLOSING BALANCE
Expenses not accepted	3,229,868	209,109	321,218	(1,925,715)	1,834,480
Tax losses	800,123	-	-	(800,123)	-
Others	-	-	-	-	-
TOTAL	4,029,991	209,109	321,218	(2,725,838)	1,834,480

DEFERRED TAX LIABILITIES	OPENING BALANCE	OTHER VARIATIONS	INCREASES	REVERSAL	CLOSING BALANCE
Revaluation surpluses	730,364	47,724	-	(33,491)	744,597
Taxable income	1,229,963	-	597,308	(629,928)	1,197,343
Depreciation not accepted	-	-	462,790	-	462,790
TOTAL	1,960,327	47,724	1,060,098	(663,419)	2,404,730

18.

FINANCIAL INSTRUMENTS

18.1. Measurement bases

It is the Company's policy recognise an asset, a financial liability and an equity instrument only when it becomes a part of the contractual provisions of the instrument.

The Company measures, at cost or amortised cost less impairment loss, the financial instruments that have a defined maturity, which the returns have a fixed amount, with a fixed interest rate during the instrument's life or of variable rate which is a typical market indexing for financing operations (for example, Euribor), or that includes a spread on that indexing, which does not contain a contractual clause that can result to its holder in loss of nominal value and accrued interest (excluding the cases of credit risk).

The contracts to grant or take a loan in a net basis and the equity instruments that are not publicly negotiated and whose fair value cannot be obtained reliably, as well as contracts connected to those instruments that, if executed, result in the delivery of those instruments, are also measured at cost or amortised cost less impairment loss.

All financial instruments which are not measure at cost or amortised cost less any impairment loss are measured at fair value.

The Company does not include the transaction costs in the initial measurement of financial asset or liability, which is measured at the fair value as part of profit/loss.

As long as the Company holds a financial instrument, the measurement policy will not be affected.

18.2. Financial assets and liabilities

Financial assets with recognition of impairment:

	31.12.2023		31.12.2022	
	CARRYING AMOUNT	ACCUMULATED IMPAIRMENT	CARRYING AMOUNT	ACCUMULATED IMPAIRMENT
Trade accounts receivable	112,304,179	-	124,407,646	-
Clients with guarantees	7,737,325	-	6,615,747	-
Doubtful debtors	1,965,854	(1,965,854)	2,051,033	(2,051,033)
TOTAL	122,007,357	(1,965,854)	133,074,426	(2,051,033)

18.3. Financing obtained

As at 31 December 2023 and 2022, the item "Financing obtained" is the following:

FINANCING OBTAINED	31.12.2023	31.12.2022
Escrow accounts	19,869,622	10,370,976
Bank loans	16,943,120	15,763,893
Commercial paper	28,050,000	25,150,000
Factoring	-	1,302,417
Finance leases	9,965,604	15,717,147
Contracted bank overdrafts	2,954,434	841,226
TOTAL	77,782,780	69,145,659

In addition, the maturity on 31 December 2023 and 2022 is the following:

FINANCING OBTAINED IN 2023	CURRENT	NON-CURRENT
Escrow accounts	19,869,622	-
Bank loans	4,527,014	12,416,106
Commercial paper	-	28,050,000
Finance leases	5,117,014	4,848,590
Contracted bank overdrafts	2,954,434	-
TOTAL	32,468,084	45,314,696

FINANCING OBTAINED IN 2022	CURRENT	NON-CURRENT
Escrow accounts	10,370,976	-
Bank loans	4,304,643	11,459,251
Commercial paper	-	25,150,000
Finance leases	7,899,170	7,817,978
Factoring	1,302,417	-
Contracted bank overdrafts	841,224	-
TOTAL	24,718,430	44,427,228

18.4. Permanent participations registered at cost and other financial investments

Financial investments in subsidiaries, associated companies and jointly controlled entities are registered by the equity method (Note 9). The remaining investments are registered at acquisition cost or, in the case of financing granted, at nominal value. An assessment of the investments is made whenever there are indications that the asset may be impaired, with the impairment losses that are shown to exist being registered as expenses. Income obtained from financial investments (dividends or profit distributed) are registered in the income statement for the period in which distribution is decided and announced.

As at 31 December 2023 and 2022, the detail of permanent participations registered by the cost model and of other financial investments are the following:

	31.12.2023			31.12.2022		
	PERMANENT PARTICIPATION	LOANS GRANTED		PERMANENT PARTICIPATION	LOANS GRANTED	
		COST	ACCUMULATED IMPAIRMENT		COST	ACCUMULATED IMPAIRMENT
Rotas do Algarve Litoral, S.A.	-	11,412,786	(40,000)	-	11,412,786	(40,000)
Garval	1,682	-	-	1,682	-	-
Lisgarante	1,682	-	-	1,682	-	-
Norgarante	18,877	-	-	18,877	-	-
BAI - Banco Angolano de Investimentos, S.A.	341,375	-	-	341,375	-	-
Lusitânia Seguros	2,405	-	-	2,405	-	-
Edirio - Construções, S.A.	-	1,212,500	(758,167)	-	1,212,500	(807,058)
Conduril - Gestão de Concessões de Infraestruturas, S.A.	-	336,000	(336,000)	-	336,000	(336,000)
Métis Engenharia, Lda.	-	3,049,838	-	-	3,049,838	-
Urano, Lda.	-	1,259,118	-	-	1,259,118	-
Conduril Engenharia - Açores, S.A.	-	82,000	-	-	82,000	-
ENOP - Engenharia e Obras Públicas, Lda.	-	15,718	-	-	17,387	-
Public debt securities – non-current	-	-	-	4,487,960	-	-
Public debt securities – current	2,633,217	-	-	19,307,548	-	-
Treasury bonds – non-current	29,023,642	-	-	19,343,419	-	-
Other – FCT	123,953	-	-	130,800	-	-
TOTAL	32,146,832	17,367,960	(1,134,167)	43,635,748	17,369,628	(1,183,058)
Other non-current financial investments		45,747,409			40,514,770	
Other current financial investments		2,633,217			19,307,548	

The Angolan public debt securities include securities indexed to AKZ and present a maturity date in 2024.

The public debt securities of the Angolan State were received as a result of the debt settlement agreements.

The Angolan treasury bonds are in USD and present a maturity date in 2026, therefore the payment of interest and the return of principal are made in USD.

18.5. Total of interest income and expense for financial assets and liabilities

To calculate the amortised cost of a financial asset or a financial liability and allocate the interest income or interest expense during the period, the effective interest method was used. According to this method, the total of interest income for financial assets and the total of interest expenses for financial liabilities are the following:

A) INTEREST INCOME FOR FINANCIAL ASSETS:

FINANCIAL ASSETS	31.12.2023	31.12.2022
Bank deposits and securities	4,161,063	6,098,356
Others	19	-
TOTAL	4,161,082	6,098,356

B) INTEREST EXPENSES FOR FINANCIAL LIABILITIES:

FINANCIAL LIABILITIES	31.12.2023	31.12.2022
Financing	3,212,941	3,107,862
Finance leases	475,148	232,976
Others	88,393	31,242
TOTAL	3,776,482	3,372,080

18.6. Impairment losses in financial assets

For financial assets, which are not measured at fair value through the profit/loss and regarding which impairment is verified, the Company evaluated the respective impairment. From this evaluation, the Company was able to acquire objective evidence that the financial assets, shown in the following table, present impairment losses for the period:

FINANCIAL ASSETS	31.12.2023		
	INCREASES	REVERSALS	OTHER VARIATIONS
Clients	-	-	-
Other accounts receivable	-	-	-
Other financial assets	-	-	-
TOTAL	-	-	-

FINANCIAL ASSETS	31.12.2022		
	INCREASES	REVERSALS	OTHER VARIATIONS
Clients	-	(1,402,743)	(655)
Other accounts receivable	-	-	-
Other financial assets	-	-	-
TOTAL	-	(1,402,743)	(655)

18.7. Amount of share capital

As at 31 December 2023, the Company had a share capital of 10,000,000 euros, fully subscribed and paid-in. In September 2023, an increase of the share capital through the incorporation of reserves in the amount of 1,000,000 euros occurred.

18.8. Shares representing share capital

As at 31 December 2023, the share capital was composed of 2,000,000 shares, with a nominal value of 5 euros each.

18.9. Own shares

Own shares are accounted for at the acquisition cost as a reduction of equity in the item “Own shares”, and gains or losses arising from their disposal are registered in the item “Reserves”.

As at 31 December 2023, the Company holds 200,009 own shares. The amount registered in this item reflects the acquisition cost of the own shares acquired in 2022 and the impact of the increase of the share capital through the incorporation of reserves that occurred in 2023.

18.10. Legal reserves

The commercial legislation and the Company's by-laws establish that at least 5% of the net income for the period must be transferred to reinforce the legal reserve, until this reserve represents 20% of the share capital. This reserve cannot be distributed except in the event of the liquidation of the company, but it may be used to cover losses after all other reserves have been exhausted, or incorporated in the share capital.

As at 31 December 2023, the legal reserve was fully constituted, in accordance with the existing commercial legislation, amounting to 2,094,492 euros.

18.11. Application of the net income

By decision of the General Meeting of Shareholders, the net income for the 2022 period, in the amount of 7,238,296 euros, should have the following distribution: free reserves of 5,618,296 euros and dividends of 1,620,000 euros.

19. EMPLOYEE BENEFITS

19.1. Post-employment benefits

As at 31 December 2023, there were 127 employees enjoying post-employment benefits regarding benefit plans defined. As at 31 December 2023, the operations related to the period are the following:

PENSION COSTS	31.12.2023	31.12.2022
Cost of current services	416,755	604,836
Interest cost	523,554	214,773
Actuarial gains and losses	-	-
Net income of the fund deducted from net interest	(430,025)	(144,684)
Other variations	79,140	129,946
TOTAL	589,424	804,871

As at 31 December 2023, there was a deficit in the amount of past responsibilities regarding the value of the existing fund in the amount of 1,095,344 euros. This amount is registered in the item "Creditors by accrued expenses". The responsibilities with assets in the solvency scenario are fully financed.

In what concerns the accrued amounts of actuarial gains and losses, these are registered in the equity item "Adjustments/Other changes in equity", in the amount of 664,521 euros (2022: 1,954,261 euros).

Assumptions used in the actuarial study of 2023 and 2022:

	ASSUMPTIONS 2023	ASSUMPTIONS 2022
Mortality table	TV 88/90	TV 88/90
Invalidity table	Swiss Re 2001	Swiss Re 2001
Normal retirement age	66-70 years	66-70 years
Number of pensions in the year	13	13
Rate of return of assets	4.60%	4.10%
Growth rate of wages	2.00%	2.00%
Growth rate of pensions	0.00%	0.00%
Participants	512	456
Beneficiaries	127	123

19.2. Social benefits

As at 31 December 2023, the expenses related to the activity of the Conduril Academy (centre accredited by the bodies that are responsible for vocational training in the countries in which it operates), are fully financed by Conduril, and are the following:

EXPENSES WITH CONDURIL ACADEMY PROGRAMMES	31.12.2023	31.12.2022
PAAE (Literacy and School Acceleration Programme) and scholarships	117,563	119,321
Technical and vocational, human and cultural training	22,043	22,176
Process for recognition, validation and certification of professional skills	7,348	6,342
TOTAL	146,954	147,839

20. OTHER INFORMATION

20.1. State and other public bodies

The item "State and other public bodies" as at 31 December 2023 and 2022 is the following:

ASSETS	31.12.2023	31.12.2022
Personal Income Tax	75,542	-
Value Added Tax	12,058,000	12,774,220
Social Security Contributions	-	-
Business Income Tax	6,441,184	6,948,118
Other taxation	608,307	2,146,500
TOTAL	19,183,033	21,868,838

LIABILITIES	31.12.2023	31.12.2022
Personal Income Tax	677,207	667,365
Value Added Tax	8,766,865	11,320,604
Social Security Contributions	883,507	868,493
Business Income Tax	1,414,689	1,442,191
Other taxation	12,298	80,388
TOTAL	11,754,566	14,379,041

20.2. Turnover

The turnover as at 31 December 2023 and 2022 is distributed as follows:

	31.12.2023	31.12.2022
Internal market	108,235,414	133,405,899
External market	59,845,750	68,735,947
TOTAL	168,081,164	202,141,846

20.3. External supplies and services

The item "External supplies and services" is the following, for the period ending on 31 December 2023 and 2022:

	31.12.2023	31.12.2022
Subcontracts	49,263,585	49,864,388
Specialised services	11,639,459	12,737,069
Materials	803,264	935,208
Energy and fluids	1,994,259	2,294,750
Travel, accommodation and transport	5,373,980	4,721,248
Rentals and leases	3,261,272	2,710,828
Communication	231,911	319,219
Insurances	1,096,788	1,016,582
Legal and notary services	29,756	26,408
Representation expenses	65,713	52,001
Hygiene and comfort services	354,560	398,046
Other services	948,825	654,086
TOTAL	75,063,372	75,729,833

20.4. Personnel expenses

The item "Personnel expenses" is the following, for the period ending on 31 December 2023 and 2022:

	31.12.2023	31.12.2022
Remunerations of the management bodies	1,504,205	1,582,290
Personnel remunerations	34,272,767	36,534,410
Post-employment benefits (Note 19.1)	589,424	804,871
Compensations	90,663	88,460
Social charges	5,232,847	5,553,255
Insurance schemes for occupational accidents and diseases	1,177,548	1,124,130
Social welfare expenses	1,650,232	2,602,704
Others	1,185,060	1,121,358
TOTAL	45,702,746	49,411,478

During the period ending on 31 December 2023 and 2022, the average number of employees was of 2,072 and 2,389, respectively.

20.5. Other income

The item "Other income" is the following, for the period ending on 31 December 2023 and 2022:

	31.12.2023	31.12.2022
Additional income	3,802,102	3,380,086
Cash discounts obtained	79,032	22,592
Exchange gains	5,259,458	4,848,106
Gains in inventories	-	70,701
Income in the remaining financial investments	2,032	2,031
Income in non-financial investments	324,257	1,430,231
Interest received	4,161,082	6,098,356
Dividends earned	393,687	320,416
Corrections related to previous periods	21,630	48,880
Benefits from contractual penalties	200,997	185,401
Others	1,010,812	394,709
TOTAL	15,255,089	16,801,509

20.6. Other expenses

The item "Other expenses" is the following, for the period ending on 31 December 2023 and 2022:

	31.12.2023	31.12.2022
Taxes	1,940,649	3,196,766
Cash discounts given	1,668	53
Bad debts	-	25,288
Exchange losses	3,148,611	3,658,325
Expenses and losses in non-financial investments	299,805	134,426
Corrections related to previous periods	59,821	195,249
Others	266,520	705,147
TOTAL	5,717,074	7,915,254

20.7. Financial profit and loss account

The financial profit and loss are the following:

FINANCING EXPENSES AND LOSSES	31.12.2023	31.12.2022
Interest paid	3,688,089	3,340,838
Other financing expenses and losses	1,337,746	1,529,016
TOTAL	5,025,835	4,869,854

20.8. Deferrals

Deferred assets and deferred liabilities are the following:

DEFERRED ASSETS	31.12.2023	31.12.2022
Expenses to be recognised – insurances	791,608	712,789
Other deferrals	27,823	57,775
TOTAL	819,431	770,564

DEFERRED LIABILITIES	31.12.2023	31.12.2022
Income to be recognised – NCRF 19	5,039,122	2,655,546
Income to be recognised – internal operations profit	12,406	67,780
TOTAL	5,051,528	2,723,326

20.9. Other accounts payable and receivable

The item "Other accounts receivable" is the following, for the period ending on 31 December 2023 and 2022:

OTHER ACCOUNTS RECEIVABLE	31.12.2023	31.12.2022
Trade creditors – debit balances	520,312	613,678
Contract retentions	1,263,875	898,063
Other debtors – related parties	14,855,327	13,849,972
Debtors by accrued income	29,756,436	14,608,750
Payments on account	401,662	49,751
Personnel	8,889	27,314
Other debtors	195,056	2,724,597
TOTAL	47,001,557	32,772,125

The amount related to "Debtors by accrued income" essentially refers to the application of the percentage of completion method, according to the NCRF 19 – "Construction contracts".

The item "Other accounts payable" is the following, for the period ending on 31 December 2023 and 2022:

OTHER ACCOUNTS PAYABLE	31.12.2023	31.12.2022
Clients – credit balances	33,673	33,673
Personnel	1,393,512	1,426,529
Investment providers	87,955	258,535
Creditors by accrued expenses – remunerations	2,602,879	2,510,523
Creditors by accrued expenses – others	3,619,474	6,458,716
Other creditors – related parties	3,455,926	2,470,022
Other creditors	40,185	724,153
TOTAL	11,233,604	13,882,151

20.10. Proposal of application of net income

In compliance with the legal and statutory provisions, in continuation of the policy of fair return of the capital invested and increase of its solvency, the Board of Directors proposes that the net income for the period, in the amount of 2,260,381 euros, has the following distribution:

- Dividends: 899,996 euros, corresponding to 0.50 euros per share;
- Other reserves: 1,360,385 euros.

21.

DISCLOSURES REQUIRED BY LEGISLATION

The Company has no overdue debts to the Portuguese State, in accordance with the Decree-law no. 534/80, of 7 November.

Compliant with the Code of Contributory Regimes of the Social Security System, the Company paid its social security contributions within the stipulated time frames.

Additional disclosures for the entities referred to in article 2(1)(h) and article 9(4), of the Decree-law no. 158/2009, of 13 July, as amended by Decree-law no. 98/2015, of 2 June:

21.1. Net turnover broken down by geographical markets

	31.12.2023	31.12.2022
Portugal	109,347,675	134,601,782
Angola	16,544,574	34,079,797
Mozambique	12,690,951	9,109,552
Zambia	10,578,933	6,998,278
Malawi	18,919,031	17,352,437
TOTAL	168,081,164	202,141,846

21.2. Statutory Auditor fees

In 2023, the fees of the Statutory Auditor amounted to 27,750 euros (2022: 27,400 euros).

The Management,

The Chartered Accountant,



Angola

FINANCIAL YEAR OF 2023

Dear Shareholders:

In compliance with the legal provisions, the Statutory Audit Board submits its report and issues its opinion on the management report, balance sheet, accounts and proposal of application of net income, which were presented by the Board of Directors of Conduril - Engenharia, S.A., regarding the financial year ended on 31 December 2023.

REPORT

In the performance of its duties, the Statutory Audit Board had regular meetings accompanying the social activity and the evolution of Conduril - Engenharia, S.A. business, watched and ensured the fulfilment of the law and the by-laws, and it was informed of the acts carried out by the Board of Directors, which has always clarified any situation when requested.

Also in the performance of its duties, the Board carried out a careful analysis of the management report presented by the Board of Directors, the balance sheet, the income statement, the cash flows and the changes in equity for the financial year ended on 31 December 2023, and its annex with the explanatory notes. These documents are considered to be correct and offer a clear picture of the activity developed and the financial position.

Within the framework of its competence, the Board was informed of the works developed during the year by the Audit Firm, obtained from it the necessary information and clarifications, provided by its representative, required for the control of the official audit to the other financial statements, was informed of the conclusions and recommendations of the audit report sent to the Board of Directors, and proceeded to the analysis of the legal certification of accounts, whose contents deserve the agreement of the Board.

The Board, still in the framework of its competence, expresses its agreement regarding the accounting policies and the valuation criteria adopted.

As a result of the above, the Board considers that the management report, balance sheet, income statement, cash flows and changes in equity allow, in the whole, for a correct understanding of the financial situation of Conduril - Engenharia, S.A., on 31 December 2023, and the income statement for the financial year ended on that date, and, finally, it also considers that the legal and statutory provisions were respected.

As a conclusion, the Board also thanks, along with the Board of Directors, the Employees for their commitment and dedication.

Therefore, the Statutory Audit Board issues the

OPINION

1. that the management report, balance sheet, accounts and its notes for the financial year ended on 31 December 2023 are approved;
2. that the proposal of application of net income included in the management report, in the terms presented by the Board of Directors is approved.

Ermesinde, 19 March 2024

THE STATUTORY AUDIT BOARD

Júlio Gales Ferreira Pinto

Deolinda Paula Baptista Nunes

Jorge Manuel Silva Tavares



Portugal

2023 · RELATÓRIO E CONTAS · 2023 · **REPORT AND ACCOUNTS** · 2023

Opinion

In our opinion, the financial statements attached present a true and proper view, in all material aspects, of the financial position of Conduril - Engenharia, S.A. on 31 December 2023 and its financial performance and cash flows for the year ended on that date, in accordance with the Accounting Standards and Financial Reporting adopted in Portugal through the Accounting Standardisation System.

Our audit was performed in accordance with the International Standards on Auditing (ISAs) and further standards and technical and ethical guidelines of the Portuguese Institute of Statutory Auditors (OROC, Ordem dos Revisores Oficiais de Contas). Our responsibilities under those standards are described in the section “Auditor’s responsibilities for the audit of the financial statements” below. We are independent from the Entity under the law and we meet all other ethical requirements in accordance with the code of ethics of the Portuguese Institute of Statutory Auditors.

Responsibilities of the management body and the supervisory body for the financial statements

- > the preparation of the financial statements that present a true and proper view of the financial position, financial performance and cash flows of the Entity, in accordance with the Accounting Standards and Financial Reporting adopted in Portugal through the Accounting Standardisation System;
- > the preparation of the management report under the terms of the applicable rules and regulations;
- > the creation and maintenance of an appropriate internal control, to enable the preparation of financial statements free of material misstatements due to fraud or errors;
- > the adoption of accounting policies and criteria adequate to the circumstances; and
- > the assessment of the Entity's ability to maintain its continuity, disclosing, when applicable, the topics that could give rise to justifiable doubt about the continuity of the activities.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to obtain a reasonable assurance if the financial statements, as a whole, are free of material misstatements due to fraud or errors and issue a report where our opinion is expressed. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit performed in accordance with the ISAs will always detect a material misstatement when it exists. The misstatements may derive from fraud or errors, and they are considered material if, alone or together, they might reasonably be expected to influence the economic decisions made by the users based on those financial statements.

- identify and assess the risks of material misstatements of the financial statements, due to fraud or errors; prepare and perform audit procedures that address those risks; and obtain sufficient and appropriate audit evidence to provide a basis for our opinion.

The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to errors, since fraud can involve collusion, falsification, intentional omissions, false statements or overlap of the internal control;

- obtain an understanding of the internal control relevant to the audit, with the aim of preparing audit procedures that are appropriate in the circumstances, but not to express an opinion about the efficiency of the internal control of the Entity;
- evaluate the appropriateness of the accounting policies used and reasonableness of accounting estimates and respective disclosures made by the management body;
- concluded on the appropriateness of use, by the management body, of the going concern assumption and, based on the audit evidence obtained, if there is any material uncertainty related to events or conditions that could give rise to justifiable doubt about the Entity's ability to continue its activities. If we conclude that there is a material uncertainty, we should point out in our report the disclosures included in the financial statements or, if those disclosures are not appropriate, change our opinion. Our conclusions are based on the audit evidence obtained until the date of our report. However, events or future conditions may lead the Entity to discontinue its activities;
- evaluate the presentation, structure and global contents of the financial statements, including the disclosures, and if those financial statements represent the underlying transactions and events in order to achieve an appropriate presentation;
- communicate to the governance officers, among other subjects, the scope and planned schedule of the audit, and the relevant conclusions of the audit, including any significant gap of the internal control identified during the audit.

Our responsibility also includes the verification of compliance of the information in the management report with the financial statements.

REPORTING ON OTHER LEGAL RULES AND REGULATIONS

About the management report

Compliant with article 451(3)(e) of the Portuguese Companies Code, we believe that the management report was prepared in accordance with the applicable rules and regulations in force, its information is in line with the financial statements audited and, based on the knowledge and evaluation on the Entity, we did not identify material misstatements.

Porto, 18 March 2024

Crowe & Associados, SROC, Lda.
Represented by Ana Raquel Borges L. Esperança Sismeiro, ROC
Registration in OROC no. 1126
Registration in CMVM no. 20160738



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