

Report and Consolidated Accounts

HÁ MAIS DE 60 ANOS
A CONSTRUIR O AMANHÃ

CONDURIL.PT



2022





Commercial Registry Office of Valongo
Share Capital: 9,000,000 euros
Corporate Taxpayer No.: 500 070 210
Building Permit No. 568

**Em memória do
Senhor Engenheiro Amorim Martins,
Mestre e amigo**

*agora que o manto da eternidade
pelas mãos dos Deuses tricotado
repousa sobre o seu corpo sereno
ainda frágil e delicado*

*só seremos dignos de navegar
com confiança e com saudade
pelas águas livres do seu legado
se com a corajosa força de outrora
mantivermos o rumo traçado
aproveitando os ventos da tempestade
que acendem a noite em rósea Aurora*

Ricardo Guimarães

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Consolidated
Accounts
2022

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A photograph of a concrete bridge spanning a river, with a hillside in the background. The image is overlaid with a blue tint.

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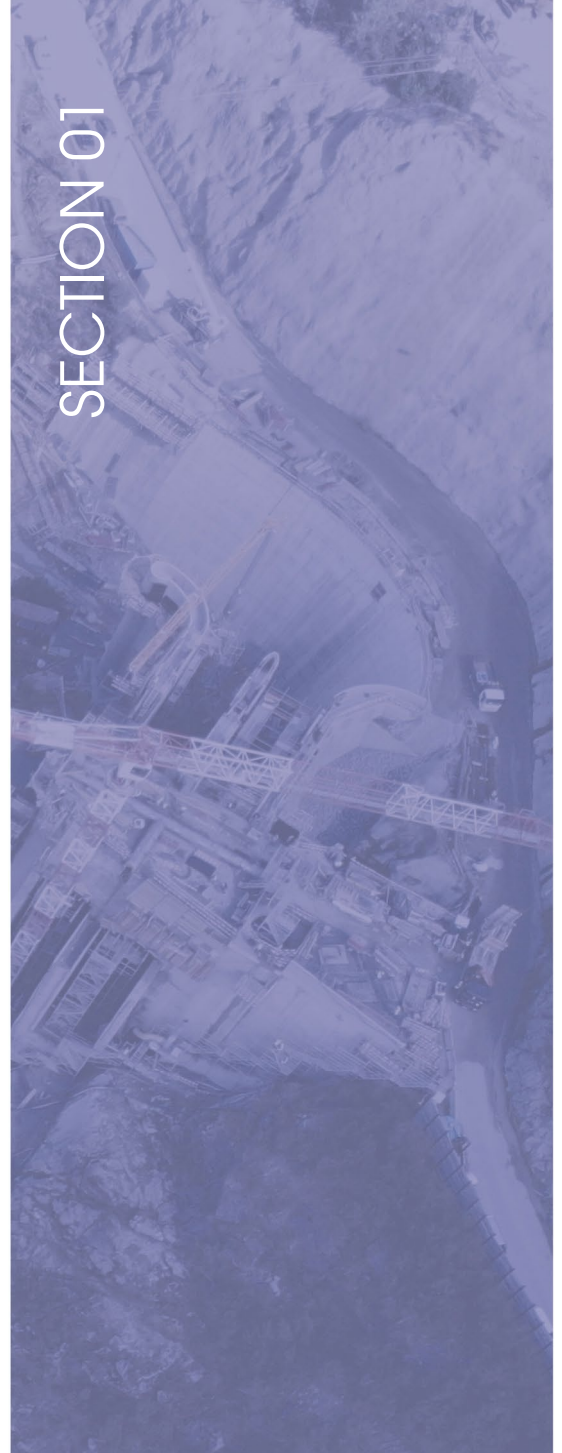
Legal Certification
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Portugal



Conduril



SECTION 01



“There are no
favourable
winds for
those who
do not know
where to go”
Seneca

Message from the President of the Executive Committee



Conduril is in mourning. The Chairman of the Board of Directors, António Luís Amorim Martins, who led Conduril since 1970, has passed away.

He dedicated 53 years of his life to the development of the Conduril Group, and he left a set of companies in the area of civil engineering strongly implemented in Portugal and Africa, with recognised credibility in the market.

He was a visionary leader, who will continue to be an outstanding figure in the sector and in the Portuguese business environment, being distinguished with the “Career – Businessman” AEP Award, in September 2022.

Our honest and deep gratitude for his teachings and work developed. We will continue carrying out our mission in harmony with the legacy he left.

Benedita Amorim Martins
President of the Executive Committee

Over 60 years building tomorrow

1959

Foundation
of Conduril
– Construtora
Duriense, Lda.

1974

Creation of
the Conduril's
Central
Laboratory

1990

Admission
to trading
at the Stock
Exchange

Angola

2004

Morocco

1997

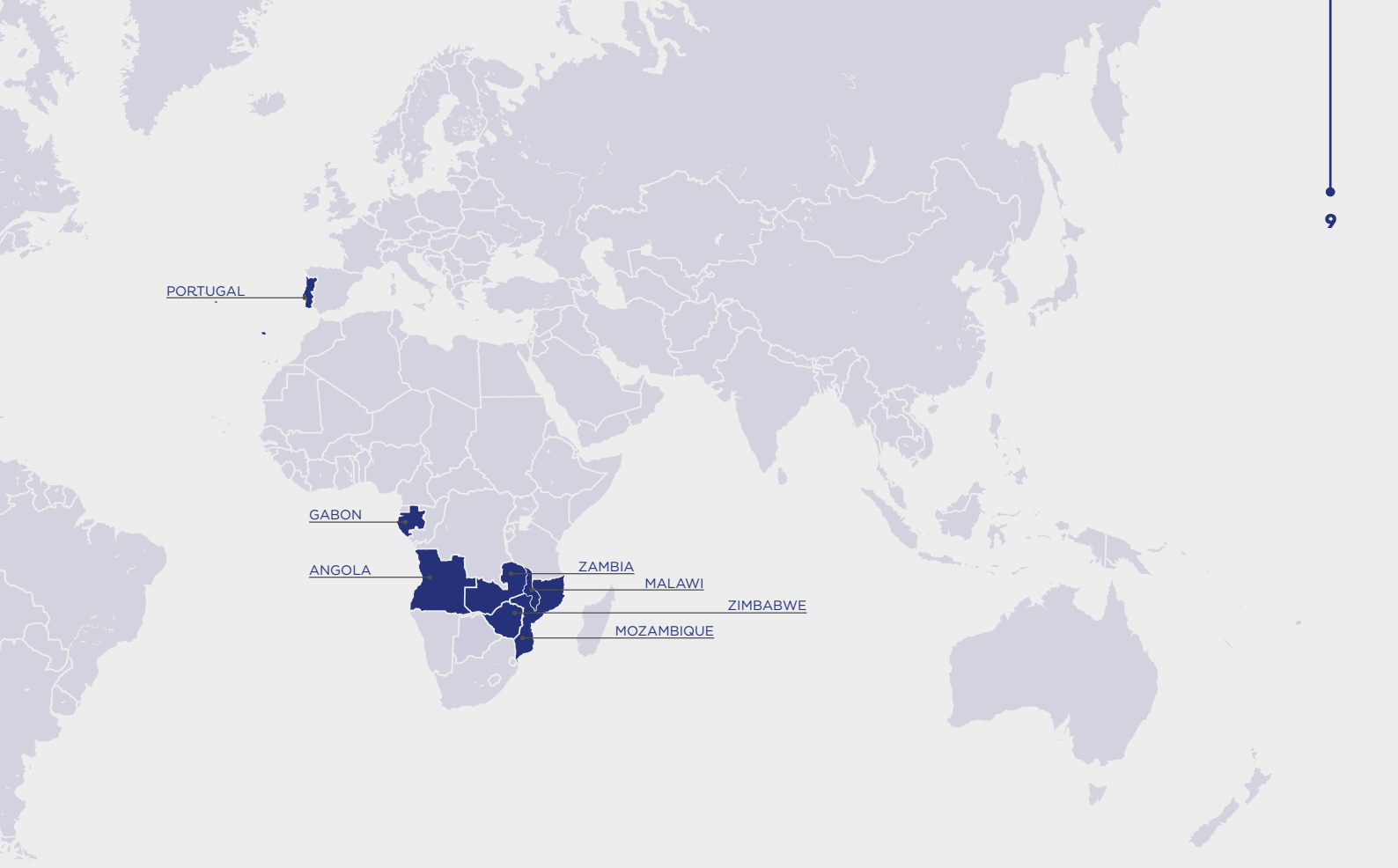
Mozambique

1976

Transformation
in a company
limited by
shares (S.A.R.L.)

1970

Acquisition
by the main
shareholders



2008

"Best Company in the Construction Sector"
(Exame magazine)

Botswana

2010

"Best Company in the Construction Sector"
(Exame magazine)

Spain

2013

Senegal and Zambia

2015

"Best Company in the Construction Sector"
(Exame magazine)

Gabon

2009

"Company of the Year"
(Exame magazine)

"Best Company in the Construction Sector"
(Exame magazine)

2011

Change of the legal name to "Conduril – Engenharia, S.A."

Cabo Verde

2014

"Best Company in the Construction Sector"
(Exame magazine)

Malawi

2019

Zimbabwe



Vision

Conduril develops its activity in the field of Civil Engineering and its main goal, in both technical and economic terms, is to become one of the best Portuguese engineering companies (and to be recognised by the market as such), and, at the same time, to possess the following characteristics:

- To be a great company at a national scale, both in technical and economic terms, capable of responding to any civil engineering work both in the domestic market and abroad.
- To be, in terms of the total number of active people, at a national level, a medium sized company, flexible and capable of responding to different market demands, and, with great technical ability be able to, above all else, have a solid base of support for its activities abroad.

Mission

Our mission is to create lasting wealth for our shareholders and the sustainability of the best working conditions for our employees, as well as their satisfaction, as the first vector of our social responsibility.

Exchange

We believe that we can only create value and wealth, that is, win in the right way. In other words: with honesty, confidence and accountability based on a culture of Integrity, which means: Honesty, Transparency, Justice and a strict adherence to the rules and regulations; these are our values and the foundations of all our principles.

Management Bodies

Board of the General Meeting

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

Board of Directors

António Luís Amorim Martins (Chairman)
Maria Benedita Andrade de Amorim Martins
Maria Luísa Andrade Amorim Martins
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)





SECTION 02



Consolidated
Management
Report





Consolidated Management Report

The Board of Directors of Conduril - Engenharia, S.A., in compliance with the articles of association and applicable legal provisions, presents and submits to the General Meeting of Shareholders, the consolidated management report, the consolidated accounts for the period and other consolidated financial statements, for the financial year 2022.

1.

Over recent years, the global context brought a very significant increase in terms of uncertainties and new realities which the economic agents had to face and to which they had to adapt. Therefore, 2022 was anticipated with great expectation, since it was considered a global turning and recovery point.

However, some of the trends felt since the last quarter of 2021 were even more exacerbated by the armed conflict triggered by the Russian invasion of Ukraine on 24 February 2022: a significant rise in prices, particularly in terms of energy and in most raw materials, due to the combination of several factors such as the shortage of raw materials, the disruption of the supply chains and the energy crisis.

In an attempt to limit domestic demand, in order to control the high inflation rates felt in the major economic areas of the world, the respective central banks have been adopting measures to increase the reference interest rates with direct consequences in financing costs.

Inevitably, the economic deceleration affecting the main economies and the relevant growth felt in 2022 was replaced by a strong slowdown which will continue in 2023.

Portugal was no exception and, after reaching the highest real GDP growth rate in the last 35 years, it had the highest inflation rate since 1992. A significant cooling of the economic activity is expected and the forecast of the growth rate of the Gross Domestic Product (GDP) will not exceed 1%.

In turn, the African continent was hit by a convergence of shocks: a lower external demand, high increase of the global inflation even further exacerbated due to weak national currencies against the dollar, higher financing costs and adverse weather events. Consequently, and in order to combat the increase of the interest cost and maintain the sustainability of their debts, these countries were forced to continue their processes of budgetary consolidation and the full recovery of the values that existed before the pandemic crisis remains compromised.

	REAL GDP GROWTH RATE			INFLATION RATE		
	2023 EXPECTED	2022 ESTIMATED	2021	2023 EXPECTED	2022 ESTIMATED	2021
World	1.9%	3.0%	5.8%			
Portugal	0.5%	6.6%	4.9%	6.2%	8.0%	0.9%
Angola	2.9%	2.9%	0.8%	11.8%	21.7%	25.8%
Mozambique	5.0%	4.0%	2.3%	8.9%	11.3%	5.7%
Malawi	2.8%	1.4%	3.6%	16.6%	18.4%	9.3%
Zambia	3.9%	2.6%	3.9%	9.7%	12.5%	22.0%
Zimbabwe	2.9%	3.0%	6.3%	204.8%	284.9%	98.5%
Gabon	3.4%	3.0%	1.5%	3.2%	3.5%	1.1%

Source: World Economic Situation and Prospects 2023 – United Nations

Notwithstanding all the constraints that have been transversally affecting the economic activity, construction has presented different behaviours in the geographic areas in which the Conduril Group operates:

- in Portugal, the construction sector has been considered an essential activity, and therefore has been demonstrating high resilience and a positive evolution. The sector benefitted from high volumes of work contracts in 2020 and 2021, with an even greater dynamism being expected in 2023 due to the investments foreseen in the Recovery and Resilience Plan (RRP) and in the Portugal 2020 programme, which is in its final phase;

→ over the last years, the African market has been characterised by a significant reduction of projects, a consequence of the low level of external and internal financing that supports the costs of the intended infrastructure transformation. By inference, the competition among companies (mainly foreign) has been increasingly strong due to the consequent sharp drop in prices, through the reduction of margins or even through cost sacrifices.

2.

The breath felt by the construction sector in Portugal was also felt by the Conduril Group. The domestic market had a turnover increase of 40% in comparison to the previous year, a similar growth to the one occurred in the African market, which represents 63% of the Company's activity.

The significant turnover increase, allied to a vast improvement of the economic and financial indicators, which demonstrates a sustainable growth and the soundness of the Company's financial muscle, is essential to face the challenging times we are living and to ensure the continuity of the Conduril Group.

INDICATORS	2022	2021	2020
Assets (€)	387,048,715	381,358,328	377,031,776
Liabilities (€)	179,022,019	186,030,240	198,739,064
Equity (€)	208,026,696	195,328,088	178,292,712
Net debt (€)	-894,932	-4,338,883	11,724,002
Turnover (€)	218,870,901	156,230,714	123,960,649
GAV (€)	82,457,168	63,009,471	49,573,427
EBITDA (€)	27,701,783	17,858,063	12,138,072
Net income for the period (€)	7,257,641	5,784,268	1,141,046
Financial autonomy	54%	51%	47%
General liquidity	206%	188%	157%
Solvency ratio	116%	105%	90%

In Portugal, regarding the major ongoing work contracts, we have reached fundamental phases: in the construction of the Alto Tâmega dam and hydroelectric power plant project, the dam crest was reached, while in the 3rd extension phase of the eastern pier of the Sines port, the structural execution of the pier was completed. It is also important to mention the new construction works acquired within the Sines 4.0 project, venture responsible for the construction of a mega data centre in Sines and the relevant pursuit of the railway works in progress.

2022 was an important inflection year in Angola, in terms of the recovery of the growth and stability path, although still tenuous. For that, the contribution of the election process that took place in August was important, which favoured the international credibility of the democratic system in this country. In this context, the Conduril Group acquired some new public works, namely for the Provincial Government of Benguela and for the Angolan Ministry of Public Works.



Portugal >

In turn, the Conduril Group's activity suffered a high stagnation in Mozambique, due to the difficulties the country has been experiencing. The terrorist instability felt in the north of the country caused the stoppage of the major natural gas project. The appeasement of this area is awaited with expectation in the short term.

The entrance of the International Monetary Fund (IMF) in Zambia calmed down markets and investors, which, alongside with the high prices of the raw materials, such as copper, foster encouraging prospects for the country and the Conduril Group. In 2022, a new work for the rehabilitation and extension of the water supply and sewage networks in Mufulira, with international financing, and the work for dam rehabilitation and closure, also in Mufulira, for the Zambian Ministry of Mines, were acquired, which strengthens the development and the presence in this market for the next years.

Although no new project was awarded to the Conduril Group in Malawi, the ongoing project, the construction of a part of the irrigation channel in the Shrive Valley, had a considerable production rate.

In Gabon, after the successful conclusion of the drainage project in Libreville, the Company consolidated its presence in this market with the execution of a water supply project, which is going as planned.

Before the shortage of projects and the economic instability Zimbabwe is facing, the Conduril Group reassessed its operation in this country and decided to close its activity.

3.

Since its foundation, the Conduril Group has established in its mission the commitment to the social responsibility of its employees and shareholders. However, in 2022, aware of its impact on the society and the environment, the Group decided to go further and, in line with the United Nations (UN) commitment regarding the ESG (Environmental, Social e Corporate Governance) indicators, established its Corporate Social Responsibility Policy and integrated, in its business strategy, the Sustainable Development Goals (SDGs), formalising its first Sustainability Report.

In order to fulfil the commitment made to guarantee the well-being of its 2,800 employees, the Group aims to practice a fair wage policy and the balance between the personal and professional life of each employee, promote a safe and healthy work environment, offer a health insurance with a comprehensive coverage, as well as maintain the crucial sustainability of its Pension Fund, which amounted to 10.3 million euros at the end of 2022.

It was also in 2022 that the implementation process of a continuous performance management tool was completed. This tool included more specific, more systematised and clearer parameters, which will enable the development of internal careers, actively promote the evolution of workers and offer them new opportunities, therefore contributing to the growth of the employees in the Conduril universe.

The performance of the Group in the promotion of the development of its employees always included investment in training. Although the training hours provided in 2022 do not entirely reflect this effort yet – there are still many limitations in Angola due to the COVID-19 pandemic –, more than 14,000 training hours were provided, which represented an investment of 148,000 euros. In turn, the contribution to the development of the region in which the Conduril Group is integrated, through university scholarship programmes, promoted by the Conduril Academy, allow the support of 25 scholarship holders, 3 of which graduated during 2022.

4.

In order to ensure that the performance policy is transversal to the different regions in which it operates, in 2022, the Conduril Group also ensured the certification of the Integrated Management System of Quality, Environment and Safety in the Azores.

With the continuous concern of safeguarding the improvement and security of its processes, the Conduril Group started, in 2022, the preparation for the certification in Information Security Management, in accordance with the ISO 27001 standard, whose process is expected to be completed during the 1st semester of 2023. Also in this scope, and in order to safeguard information, an essential asset for any company, information technology security audits were performed in the Conduril Group's different facilities and all efforts were made to mitigate the detection of eventual vulnerabilities.

The recognition of the quality of the existing processes at the Conduril Group was confirmed, in 2022, in terms of the Central Laboratory of Materials, in Mozambique, which, in addition to the APCER (Portuguese Association of Certification) audit, was accredited by IPAC (Portuguese Institute for Accreditation) in accordance with the NP EN ISO/IEC 17025 standard.



Angola >

Also, the policy of investment and reinforcement of the production capacity was not neglected and continuity was given to the relevant effort carried out in the last years: an investment close to 5 million euros in fixed assets performed in 2022 was added to more than 50 million euros invested in the previous three years.

5.

Within its performance and its corporate governance, the Conduril Group always strived to pursue the best practices possible.

In 2022, in articulation with the other internal instruments already in place, the Code of Business Conduct (Ethics and Good Practices) and Rules of Procedure, a Compliance Programme for Preventing and Combating Corruption was also implemented. The combined application of these resources will contribute to promote the full compliance with the applicable legislation and regulations, especially in the scope of the fight against unlawful conduct considered corruption or similar, but also the implementation of measures that impair such behaviour and that enable their report and the accountability of the transgressors, in accordance with the principles of ethics, rigour, transparency and responsibility that guide the Conduril Group's activity.

The increased exposure the Group has due to the multiplicity of regions in which it operates, requires greater attention to the multiple risks it faces, which are not always predictable. In this context, aware of the importance that the creation of a strong system to identify risks implies, which ensures their measurement, their monitoring and the implementation of measures to manage them, whether to mitigate, transfer or even accept them, the Conduril Group is committed to ensure the alignment and continuous convergence of its internal risk management policy with its strategic goals.

6.

The difficulties felt in the construction sector throughout its entire production chain will continue to be instigated in 2023, due to the lack of raw materials and labour, but also due to the generalised increase of prices and financing costs, and the challenge of searching for more sustainable models.

Nevertheless, 2023 also brings optimistic perspectives to the already existing order book, in the amount of 520 million euros:

- in Portugal, a record investment in terms of public and private infrastructures is expected. In the public sector, several work contracts will be launched, with the highlight going to the requalification of the IP3 and IP8 main routes, the Pisão dam, the Rubi line of the Porto Metro, and the Red and Violet lines of the Lisbon Metro, as well as other investments in water supply, agricultural and harbour infrastructures. In the last quarter, the procurement process of the public-private partnership for the high-speed line, although the procurement and beginning of the works will only take place in 2024. In the private context, the investment in the energy sector is the one that seems to be most relevant, with the beginning of the investments in lithium exploitation and in the production of green hydrogen, in addition to the continuous investment in the Sines data centre;
- in Africa, the desired political and economic stability is beginning to produce results, with an increase in public and private work tenders. The Conduril Group has very positive perspectives to continue acquiring new works and even reaching new markets, with guarantees of international financing, therefore foreseeing a growth of 20% in the turnover.

7.

Other information:

- a) Conduril has branches in Angola, Mozambique, Cabo Verde, Zambia, Malawi and Morocco. The Gabon branch was converted into a subsidiary during the 2nd semester of 2021.
- b) There are no overdue debts to the State or any other public entity, including the Social Security.
- c) The share capital is fully subscribed and paid-in, and is composed of 1,800,000 ordinary shares with a nominal value of 5 euros each.

d) Following the deliberations approved in the General Meeting of Shareholders on 20 April 2022, Conduril proceeded to the cancellation of 200,000 shares owned by the Company and to the acquisition of 180,000 own shares, in the stock exchange, in the Euronext Access market, for the unit price of 29 euros, which represent 10% of its share capital, in order to foster the underlying liquidity.

e) The securities issued by Conduril - Engenharia, S.A. held by members of the Board of Directors were maintained in relation to the previous financial year, except for the number of shares of the shareholder Jorge Lúcio Teixeira de Castro, who acquired, in the stock exchange, on 23 March, 50 shares for the unit value of 25 euros.

f) 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 Act.

8.

The Board of Directors proposes in its report and individual accounts that the net income for the 2022 period, in the amount of 7,238,296 euros, has the following distribution:

- Dividends: 1,620,000 euros, corresponding to 1.00 euro per share;
- Other reserves: 5,618,296 euros.

9.

The Board of Directors leaves a note of particular gratitude to all of those who, directly or indirectly, cooperated with the Company and who are committed to help achieve its goals: to our employees, whose commitment and dedication makes the difference in the Conduril brand; to our clients, suppliers and financial institutions for their evident cooperation; to our management bodies for their support and quality in their interventions; to our shareholders for the evident trust showed.

Ermesinde, 7 March 2023

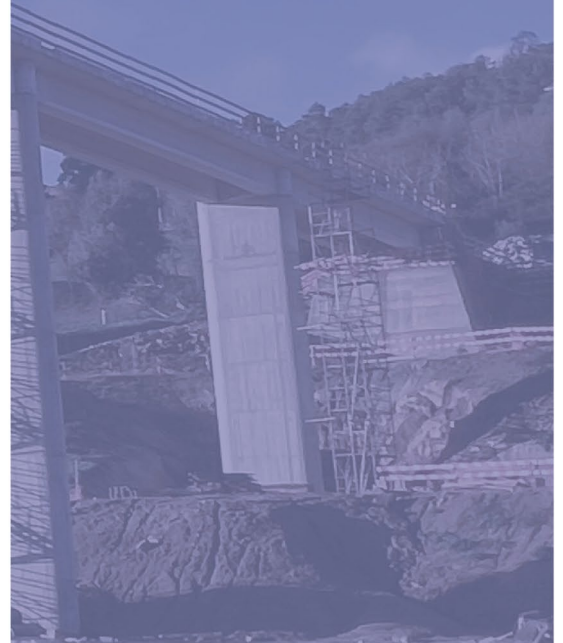
The Board of Directors



Portugal



SECTION 03



Consolidated
Financial
Statements
and Notes



Consolidated Balance Sheet

AS AT 31 DECEMBER 2022 AND 2021

Amounts expressed in EURO

	NOTES	2022	2021
ASSETS			
NON-CURRENT ASSET			
Property, plant and equipment	3:7	86,408,576	89,096,037
Intangible assets	3:6	5,397,153	5,594,997
Permanent participations (equity method)	3:9	494,241	494,241
Other financial investments	3:9;18	37,826,787	33,827,624
Deferred tax assets	3:17	3,352,383	7,889,897
Subtotal		133,479,140	136,902,796
CURRENT ASSET			
Inventories	3:10	20,692,395	16,788,209
Clients	3:18	123,603,465	105,193,170
Clients with retention payments	3:18	7,616,362	6,240,046
State and other public bodies	20	23,535,535	21,289,866
Shareholders		7,160	7,159
Other accounts receivable	3:20	28,805,333	35,162,721
Deferrals	3:20	1,771,795	1,484,510
Financial assets held for trading	3:18	19,307,548	45,410,058
Other financial assets	3:18	1,521	1,521
Cash and bank deposits	3:4	28,228,462	12,878,274
Subtotal		253,569,575	244,455,533
TOTAL ASSETS		387,048,715	381,358,328
SHAREHOLDERS' FUNDS AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Paid-in capital	18	9,000,000	10,000,000
Own shares	3:18	(5,220,000)	(950,000)
Legal reserves	18	3,525,817	3,470,856
Other reserves		209,717,121	205,679,034
Retained profit		4,914,600	5,719,711
Revaluation surpluses		2,564,723	1,885,767
Adjustments/Other changes in equity		(23,774,968)	(36,291,544)
Subtotal		200,727,293	189,513,824
Net income for the period		7,238,296	5,782,682
Subtotal		207,965,589	195,296,506
Non-controlling interests		61,107	31,582
TOTAL SHAREHOLDERS' FUNDS	3	208,026,696	195,328,088
LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions	3:13	7,032,038	4,029,471
Financing obtained	3:8;18	45,172,319	45,667,261
Deferred tax liabilities	3:17	3,990,582	5,743,386
Other accounts payable	3:20	-	286,115
Subtotal		56,194,939	55,726,233
CURRENT LIABILITIES			
Trade creditors	3	45,427,873	40,241,278
Advanced payments from clients	3	14,107,022	26,410,251
State and other public bodies	20	17,988,772	16,394,756
Shareholders		2,843,685	2,842,761
Financing obtained	3:8;18	25,300,138	28,162,770
Other accounts payable	3:20	14,099,995	14,745,527
Deferrals	3:11;20	3,059,597	1,506,663
Subtotal		122,827,081	130,304,007
TOTAL LIABILITIES		179,022,019	186,030,240
TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES		387,048,715	381,358,328

The Management,

The Chartered Accountant,

Consolidated Profit and Loss Account by Nature

AS AT 31 DECEMBER 2022 AND 2021

Amounts expressed in EURO

INCOME AND EXPENSES	NOTES	2022	2021
Sales and services provided	3;12;20;21	218,870,901	156,230,714
Grants received as compensation for expenses		-	-
Gains/losses allocated to subsidiaries, associated companies and joint ventures	3;9	-	447,798
Variation of inventories in production	3;10	(61,366)	12,104
Own work capitalised	3	618,243	1,182,367
Cost of goods sold and materials consumed	10	(66,546,582)	(50,860,303)
External supplies and services	20	(76,603,996)	(53,673,311)
Personnel expenses	3;19;20	(54,755,385)	(45,151,408)
Impairment of inventories (losses/reversals)	3;10	-	(59,096)
Impairment of doubtful debts (losses/reversals)	3;18	1,402,744	(1,433,772)
Provisions (increases/reductions)	3;13	(3,233,567)	(117,239)
Impairment of non-depreciable/amortisable investments (losses/reversals)		(87,180)	-
Increases/reductions of fair value		-	-
Other income	14;20	25,099,447	31,146,984
Other expenses	14;20	(18,919,479)	(21,476,882)
Operating income before depreciations, financing costs and taxes		25,783,780	16,247,955
Depreciation and amortisation expenses/reversals	3;6;7	(7,400,055)	(6,880,435)
Impairment of depreciable/amortisable investments (losses/reversals)		-	-
Net operating income (before financing costs and taxes)		18,383,725	9,367,520
Interests and similar income obtained		-	-
Interests and similar expenses supported	3;20	(4,931,874)	(3,371,724)
Income before taxation		13,451,851	5,995,796
Income taxes	3;17	(6,194,210)	(211,528)
NET INCOME FOR THE PERIOD		7,257,641	5,784,268
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		7,238,296	5,782,682
Non-controlling interests		19,345	1,586
Subtotal		7,257,641	5,784,268
EARNINGS PER SHARE (BASIC)		4,48	3,21

The Management,

The Chartered Accountant,

Consolidated Cash Flow Statement

AS AT 31 DECEMBER 2022 AND 2021

Amounts expressed in EURO

ITEMS	NOTES	2022	2021
OPERATING ACTIVITIES FLOW			
Cash receipts from clients		196,208,977	135,556,101
Payments to suppliers		(159,860,834)	(120,640,461)
Payments to employees		(48,189,888)	(40,597,914)
Cash flow generated by operations		(11,841,745)	(25,682,274)
Payment/Receipt of income taxes		(3,593,401)	(584,800)
Others cash receipts/payments		17,495,653	3,430,917
OPERATING ACTIVITIES FLOW (1)		2,060,507	(22,836,158)
INVESTMENT ACTIVITIES FLOW			
CASH PAYMENTS ARISING FROM:			
Property, plant and equipment		(2,814,557)	(4,035,198)
Intangible assets		-	-
Financial investments		(48,100)	(37,454)
Other assets		(24,131,242)	-
CASH RECEIPTS ARISING FROM:			
Property, plant and equipment		-	1,880
Financial investments		-	23,222,151
Other assets		55,338,293	-
Interest and similar income		6,411,269	4,174,803
Dividends		320,416	41,627
INVESTMENT ACTIVITIES FLOW (2)		35,076,079	23,367,809
FINANCING ACTIVITIES FLOW			
CASH RECEIPTS ARISING FROM:			
Financing obtained		149,432,702	127,170,859
Other financing operations		-	-
CASH PAYMENTS ARISING FROM:			
Financing obtained		(153,321,112)	(116,301,072)
Leasing financing		(8,899,272)	(4,811,322)
Interests and similar expenses		(1,438,269)	(2,369,839)
Dividends		(1,800,000)	(540,000)
Capital decreases and other equity instruments		(5,220,000)	-
Other financing operations		-	-
FINANCING ACTIVITIES FLOW (3)		(21,245,951)	3,148,626
Net increase/decrease in cash and cash equivalents (1 + 2 + 3)		15,890,636	3,680,277
Effects of foreign exchange rate		(540,448)	2,166,597
Cash and cash equivalents at the beginning of the period		12,878,274	7,031,400
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	28,228,462	12,878,274

The Management,

The Chartered Accountant,


Consolidated Statement of Changes in Equity for the Period ending on 31 December 2022

Amounts expressed in EURO

SHAREHOLDERS' FUNDS ATTRIBUTED TO HOLDERS OF EQUITY OF THE PARENT ENTITY												
	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												
Application of the income for the period												
Position as at 1 January 2022 after application of income												
CHANGES IN THE PERIOD:												
First adoption of the new accounting framework												
Changes in accounting policies												
Differences in the translation of financial statements												
Realisability of the revaluation surpluses												
Revaluation surpluses												
Adjustments by deferred taxes												
Actuarial changes of post-employment benefits												
Application of the equity method												
Other recognised changes in equity												
Net income for the period												
OVERALL RESULT												
OPERATIONS WITH EQUITY HOLDERS IN THE PERIOD												
Capital subscriptions												
Subscriptions of share issuance premiums												
Distributions												
Contributions to cover losses												
Other operations												
POSITION AT THE END OF DECEMBER 2022												
3												

The Management,

The Chartered Accountant,



Notes to the Consolidated Financial Statements as at 31 December 2022

1. Introductory Note

—● ACTIVITY

Conduril - Engenharia, S.A. (“Conduril” or “Company”), is a company founded in 1959 and transformed into a company limited by shares in 1976, with registered office at Av. Eng.º Duarte Pacheco, 1835, 4445-416 Ermesinde – Valongo, Portugal, and the participated companies (“Group”), 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 consolidated financial statements are a true and proper representation of the operations of the companies belonging to the Group, as well as their 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 Group's activity.

The 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.

The scope of consolidation of Conduril - Engenharia, S.A. includes the following entities:

FULL CONSOLIDATION	%
Conduril - Gestão de Concessões de Infraestruturas, S.A.	100.00
Edirio - Construções, S.A.	100.00
Métis Engenharia, Lda.	99.00
ENOP - Engenharia e Obras Públicas, Lda.	100.00
Urano, Lda.	99.00
Conduril Engenharia - Açores, S.A.	100.00
Esquénio - Estudos e Projetos de Engenharia, S.A.	100.00
Conduril Construction Zimbabwe (PVT) LTD	100.00
Conduril Engenharia Gabon, S.A.	100.00
Proportionate Consolidation:	
Groupement Adriano, Jaime Ribeiro, Conduril - Construção, ACE	33.33
Groupement Túnel de Nador, Construção ACE	50.00
RAL - Rodovias do Algarve Litoral, ACE	16.67
RBA - Rodovias do Baixo Alentejo, ACE	17.86
Equity Method:	
Rotas do Algarve Litoral, S.A.	21.64
Marestrada - Operação e Manutenção Rodoviária, S.A.	33.33

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 Group's operations, from the accounting records of the Group 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).

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 Group's operations, from the accounting books and records of the companies belonging to the Group, maintained in accordance with the Accounting Standards and Financial Reporting (NCRF).

— A. CONSOLIDATED PRINCIPLES

The consolidated principles adopted by the Group in the preparation of the consolidated financial statements are the following:

i. Investments in subsidiaries

Permanent participations in companies in which the Group owns, directly or indirectly, more than 50% of the voting rights at a General Meeting of Shareholders or is able to establish financial and operational policies (definition of control used by the Group), are included in the consolidated financial statements using the full consolidation method. Equity and net income of these companies corresponding to the shareholding of third parties in the subsidiary companies is shown separately in the consolidated balance sheet and in the consolidated profit and loss account in the item "Non-controlling interests".

When losses attributable to minority shareholders exceed the minority interest in a subsidiary's equity, then the Group absorbs this excess and any additional losses, except when the minority shareholders have a binding obligation and are able to cover such losses. If the subsidiary subsequently reports profits, then the Group appropriates all profits until the minority's share of losses absorbed has been recovered.

The results of subsidiaries acquired or sold during the period are included in the income statement from the effective date of acquisition or up to the effective date of sale, as appropriate.

Adjustments to the financial statements of subsidiaries are made whenever necessary to adjust them to the accounting policies used by the Group. Transactions, balances and dividends distributed between the Group's subsidiaries are eliminated on consolidation.

Whenever the Group has, in substance, control over other entities created for a specific purpose ("Special Purpose Entities"), even if no share capital interest is directly or indirectly held in those entities, these are consolidated by the full consolidation method.

ii. Investments in associated companies

Investments in associated companies (companies where the Group exercises significant influence, but does not have control or joint control through the participation in financial and operational policies – usually corresponding to holdings between 20% and 50% in a company's share capital) are registered by the equity method.

According to the equity method, investments in associated companies are initially accounted for at the acquisition cost, which is adjusted proportionally to the Group's share in the corresponding equity of those companies, at the date of acquisition or at the date of the first adoption of the equity method. Permanent participations are adjusted annually by the amount corresponding to the participation in the net profit/loss of the associated companies as opposed to income or expenses in the period. Furthermore, the dividends of these companies are registered as a decrease in investments, and the Group's share in the changes occurred in the associated company's equity is registered as a change in the Group's equity.

The differences between the acquisition cost and fair value of the assets and liabilities attributable to the associated company on the acquisition date, if positive, are recognised as goodwill. If those differences are negative, after reassessment of the estimated fair value, they are registered as gains for the period in the item "Other income".

An assessment of the investments in associated companies is performed whenever there are indications that the asset may be impaired, with the impairment losses that are shown to exist being registered as expenses. Impairment losses recognised in previous periods that are no longer justifiable are reversed.

When the Group's share of losses of the associated company exceeds the investment value, the investment is reported at null value, except to the extent of the Group's commitments to the associated company, setting up a provision to cover those obligations.

The Group's share in unrealised gains arising from transactions with associated companies is eliminated proportionately, against the investment in that associated company. Unrealised losses are eliminated, but only to the extent that there is no evidence of impairment of the asset transferred.

iii. Jointly controlled entities

The financial interests in jointly controlled companies/entities were consolidated in the attached financial statements by the proportionate consolidation method from the date in which the control is shared. According to this method, the assets, liabilities, income and expenses of these companies have been included in the consolidated financial statements, on a line-by-line basis, in proportion to the Group's participation in the companies.

The classification of the financial interests held in jointly controlled companies/entities is determined based on:

- shareholder agreements that regulate the joint control;
- effective percentage held;
- voting rights held.

Any change of consolidation generated by the acquisition of a jointly controlled company/entity is registered according to the accounting policies defined for subsidiaries. Transactions, balances and dividends distributed between the jointly controlled companies are eliminated in proportion to the Group's participation.

iv. Goodwill

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 goodwill value is not amortised. 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 Group. Impairment losses related to goodwill cannot be reversed and are registered in the income statement for the period, in the item "Impairment of non-depreciable/amortisable investments (losses/reversals)".

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

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 Group.

v. Translation of financial statements of foreign subsidiaries expressed in foreign currency

Assets and liabilities of foreign entities financial statements included on consolidation are translated into euros using the exchange rates at the balance sheet date, and income and expenses using the average exchange rates. The amount related to the exchange rate difference is registered in the equity item "Other changes in equity".

The goodwill value and fair value adjustments resulting from the acquisition of foreign entities are treated as assets and liabilities of those entities and translated into euros according to the exchange rate in force at the end of the period. Whenever a foreign company is sold, accumulated exchange rate differences are recognised in the income statement as a gain or loss on the disposal.

— B. 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 Group, are controllable by the Group and that they can be measured reliably.

The development costs for which the Group 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".

—● C. 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".

— 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 Group 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. INTEGRATION OF BRANCHES

The accounting information of the branches where the Group develops its activity, namely Angola, Mozambique, Morocco, Cabo Verde, Zambia, Malawi and Gabon (from 1 July 2021, the Gabon branch was transformed into a company limited by shares, thus integrating the subsidiaries), 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 Group, 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.

— F. 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.

—● G. 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.

—● H. 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.

—● I. FINANCIAL INSTRUMENTS

i. Investments

The investments on other companies are registered at acquisition cost or, in the case of loans granted, at nominal value. An assessment of these 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 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.

ii. 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 Group 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.

iii. 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.

iv. 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.

v. 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 initially recognised 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.

vi. 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.

vii. Discounted bills and accounts receivable in factoring

The Group derecognises financial assets in its consolidated financial statements, only when the contractual rights to the cash flows inherent to those assets have already expired, or when the Group substantially transfers all the risks and benefits inherent to the ownership of those assets to a third entity. If the Group 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 consolidated financial statements, in liabilities, until they are collected.

viii. 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.

— J. 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 Group 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 Group, 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 Group. The Group does not recognise the contingent assets in its consolidated financial statements; it only proceeds to its disclosure if it considers that the economic benefits which may result from there to the Group are likely. When the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

— K. 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”.

— L. 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 each company included on consolidation, 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.

— M. 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.

— N. 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.

—● O. RETIREMENT COMPLEMENTS

Conduril - Engenharia, S.A. 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 Conduril - Engenharia, S.A. 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.

—● P. REVENUE

The Group 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 Group 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.

—● Q. 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.

—● R. OWN WORK CAPITALISED

Own work capitalised corresponds to construction and improvement works carried out by any company of the Group, 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.

—● S. 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 consolidated financial statements. 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 consolidated financial statements.

—● T. JUDGEMENTS AND ESTIMATES

For the preparation of the consolidated financial statements, the Board of Directors of each company included on consolidation has been based on best knowledge of past and/or present events, considering assumptions related to future events.

The most significant accounting estimates reflected in the consolidated financial statements for the periods ending on 31 December 2022 and 2021 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 consolidated 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	2022		2021	
		31 DECEMBER	EXCHANGE RATE	31 DECEMBER	EXCHANGE RATE
US dollar	Euro	0.93756	n/a	0.88290	n/a
Moroccan dirham	Euro	0.08961	0.09334	0.09509	0.09398
Metical	Euro	0.01566	0.01500	0.01383	0.01298
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	0.05181	0.05581	0.05296	0.04287
Malawian kwacha	Euro	0.00089	0.00098	0.00108	0.00106
Kwanza	Euro	0.00184	0.00203	0.00157	0.00135
Zimbabwe dollar	Euro	0.00140	0.00245	0.00812	0.00946

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

In preparation of the consolidated financial statements according with NCRF (equivalent to GAAP), the Board of Directors of each company included on consolidation 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 consolidated financial statements have been prepared bearing in mind the continuation of the Group's operations, from the accounting books and records of the Group, 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 consolidated financial statements for the period. Those events are disclosed in the notes to the consolidated 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 historical experience of the companies belonging to the Group, as well as on future expectations. The Group 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 Group'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:

	31.12.2022	31.12.2021
Cash	165,798	257,048
Demand deposits	22,181,199	7,067,519
Term deposits	5,881,465	5,553,707
TOTAL CASH AND BANK DEPOSITS	28,228,462	12,878,274

5. Related Parties

5.1. Remunerations of the key management personnel

→ **A. TOTAL REMUNERATIONS:** 1,931,472 euros (2021: 1,339,235 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:			
António Luís Amorim Martins (President) – Chairman			
Maria Benedita Andrade de Amorim Martins (President of the Executive Committee) – CEO			
Maria Luísa Andrade Amorim Martins Mendes (Vice-President of the Executive Committee)			
António Baraças Andrade Miragaia			
António Emanuel Lemos Catarino			
Jorge Lúcio Teixeira Castro			
Miguel José Alves Montenegro Andrade			
Ricardo Nuno Araújo Abreu Vaz Guimarães			
OTHER RELATED PARTIES:			
Geonorte - Geotecnia e Fundações Especiais, Lda.	Portugal	-	-
Sociedade Agrícola da Quinta do Javali, Lda.	Portugal	-	-
Mugige Vinhos, Lda.	Angola	-	-

— B. TRANSACTIONS AND OUTSTANDING BALANCES:

As at 31 December 2022 and 2021, the Group presented the following transactions and balances in what concerns the related entities:

As at 31 December 2022:

RELATED PARTIES	OUTSTANDING BALANCES - ASSETS	OUTSTANDING BALANCES - LIABILITIES	ACCUMULATED IMPAIRMENT LOSSES
ENTITIES WITH JOINT CONTROL OR SIGNIFICANT INFLUENCE:			
Groupement CJA / Lot 3 - Construção ACE	829,542	-	-
	829,542	-	-
OTHER PARTICIPATIONS:			
Rotas do Algarve Litoral, S.A.	13,663,492	17,870	40,000
Marestrada - Operação e Manutenção Rodoviária, S.A.	-	-	-
	13,663,492	17,870	40,000
OTHER RELATED PARTIES:			
UTE Alcántara - Garrovillas	1,219,788	-	-
Geonorte - Geotecnia e Fundações Especiais, Lda.	73,770	1,257,222	-
Geonorte - Geotecnia e Fundações Especiais, Lda. - Angola branch	531,086	342,321	-
Sociedade Agrícola da Quinta do Javali, Lda.	-	-	-
Mugige Vinhos, Lda.	4,897,540	202,665	-
	6,722,184	1,802,208	-

RELATED PARTIES	INCOME	EXPENSES
OTHER RELATED PARTIES:		
UTE Alcántara - Garrovillas	-	-
Geonorte - Geotecnia e Fundações Especiais, Lda.	107,979	2,538,014
Geonorte - Geotecnia e Fundações Especiais, Lda. - Angola branch	151,747	71,058
Sociedade Agrícola da Quinta do Javali, Lda.	334	278,528
Mugige Vinhos, Lda.	-	223,759
	260,060	3,111,359

As at 31 December 2021:

RELATED PARTIES	OUTSTANDING BALANCES - ASSETS	OUTSTANDING BALANCES - LIABILITIES	ACCUMULATED IMPAIRMENT LOSSES
ENTITIES WITH JOINT CONTROL OR SIGNIFICANT INFLUENCE:			
Groupement CJA / Lot 3 - Construção ACE	829,542	-	-
	829,542	-	-
OTHER PARTICIPATIONS:			
Rotas do Algarve Litoral, S.A.	13,612,314	17,870	40,000
	13,612,314	17,870	40,000
OTHER RELATED PARTIES:			
UTE Alcántara - Garrovillas	1,219,788	-	-
Geonorte - Geotecnia e Fundações Especiais, Lda.	37,512	195,596	-
Geonorte - Geotecnia e Fundações Especiais, Lda. - Angola branch	332,375	255,223	-
Sociedade Agrícola da Quinta do Javali, Lda.	-	16,624	-
Mugige Vinhos, Lda.	3,882,672	-	-
	5,472,347	467,443	-

RELATED PARTIES	INCOME	EXPENSES
OTHER RELATED PARTIES:		
UTE Alcántara - Garrovillas	-	-
Geonorte - Geotecnia e Fundações Especiais, Lda.	95,082	478,165
Geonorte - Geotecnia e Fundações Especiais, Lda. - Angola branch	195,670	192,064
Sociedade Agrícola da Quinta do Javali, Lda.	-	283,018
Mugige Vinhos, Lda.	-	92,509
	290,752	1,045,756

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	31.12.2022		31.12.2021	
	GROSS ASSETS	AMORTISATIONS AND IMPAIRMENT LOSSES	GROSS ASSETS	AMORTISATIONS AND IMPAIRMENT LOSSES
Research and development	27,740	10,817	27,740	6,194
Development rights	5,885,521	651,525	5,877,514	637,279
Computer programmes	202,149	146,450	196,125	125,373
Industrial property	47,121	-	47,121	-
Other intangible assets	10,780	3,006	218,080	2,737
Intangible assets in progress	35,640	-	-	-
TOTAL	6,208,951	811,798	6,366,580	771,583

— **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:

AMORTISATIONS FOR THE PERIOD	31.12.2022	31.12.2021
Research and development	4,623	4,623
Development rights	13,892	9,266
Computer programmes	21,077	18,900
Other intangible assets	163	108
TOTAL	39,755	32,897

—● E. The movements in the item “Intangible assets” during 2022 and 2021 are the following:

	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	5,877,514	196,125	47,121	218,080	-	6,366,580
Additions	-	-	6,024	-	-	35,640	41,664
Other variations	-	8,007	-	-	(207,300)	-	(199,293)
Balance as at 31.12.2022	27,740	5,885,521	202,149	47,121	10,780	35,640	6,208,951
ACCUMULATED AMORTISATION:							
Balance as at 31.12.2021	6,194	637,279	125,373	-	2,737	-	771,583
Additions	4,623	13,892	21,077	-	163	-	39,755
Other variations	-	354	-	-	106	-	460
Balance as at 31.12.2022	10,817	651,525	146,450	-	3,006	-	811,798
NET VALUE	16,923	5,233,996	55,699	47,121	7,774	35,640	5,397,153

	2021					
	RESEARCH AND DEVELOPMENT	DEVELOPMENT RIGHTS	COMPUTER PROGRAMMES	INDUSTRIAL PROPERTY	OTHER INTANGIBLE ASSETS	TOTAL
GROSS ASSETS:						
Balance as at 31.12.2020	27,740	5,852,346	153,576	47,121	171,900	6,252,683
Additions	-	15,430	46,549	-	-	61,979
Other variations	-	9,738	(4,000)	-	46,180	51,918
Balance as at 31.12.2021	27,740	5,877,514	196,125	47,121	218,080	6,366,580
ACCUMULATED AMORTISATION:						
Balance as at 31.12.2020	1,571	625,756	106,370	-	2,488	736,185
Additions	4,623	9,266	18,900	-	108	32,897
Other variations	-	2,257	103	-	141	2,502
Balance as at 31.12.2021	6,194	637,279	125,373	-	2,737	771,583
NET VALUE	21,546	5,240,235	70,752	47,121	215,343	5,594,997

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 Group amortises its property, plant and equipment goods 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	AMORTISATION 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:

	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	3,717,725	33,293,488	120,612,045	29,332,029	2,422,959	1,811,440	18,210,041	209,399,727
Additions	-	118,350	2,365,121	1,221,862	327,084	129,611	659,920	4,821,948
Disposals	-	-	(4,110,780)	(162,078)	-	(477)	-	(4,273,335)
Other variations	-	343,404	343,738	46,363	20,028	(33,982)	-	719,551
Transfers and write-offs	-	1,050,028	(94,460)	(86,033)	-	-	(1,153,401)	(283,866)
Balance as at 31.12.2022	3,717,725	34,805,270	119,115,664	30,352,143	2,770,071	1,906,592	17,716,560	210,384,025
ACCUMULATED DEPRECIATION:								
Balance as at 31.12.2021	-	20,021,132	76,877,742	20,138,216	1,947,333	1,319,267	-	120,303,690
Additions	-	863,276	4,738,175	1,454,847	127,126	176,875	-	7,360,299
Disposals	-	-	(3,992,161)	(127,652)	-	(477)	-	(4,120,290)
Other variations	-	215,118	323,057	49,729	20,094	(30,409)	-	577,589
Transfers and write-offs	-	-	(64,136)	(81,703)	-	-	-	(145,839)
Balance as at 31.12.2022	-	21,099,526	77,882,677	21,433,437	2,094,553	1,465,256	-	123,975,449
NET VALUE	3,717,725	13,705,744	41,232,988	8,918,706	675,518	441,336	17,716,560	86,408,576

	2021							
	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 31.12.2020	2,918,326	28,659,726	117,408,461	27,461,803	2,273,752	1,738,467	20,422,688	200,883,223
Additions	799,399	703,959	4,610,572	2,278,987	143,930	62,194	1,278,300	9,877,341
Disposals	-	-	(1,417,506)	(315,855)	-	-	-	(1,733,361)
Other variations	-	438,856	465,193	88,867	31,729	14,152	-	1,038,797
Transfers and write-offs	-	3,490,947	(454,675)	(181,773)	(26,452)	(3,373)	(3,490,947)	(666,273)
Balance as at 31.12.2021	3,717,725	33,293,488	120,612,045	29,332,029	2,422,959	1,811,440	18,210,041	209,399,727
ACCUMULATED DEPRECIATION:								
Balance as at 31.12.2020	-	18,852,090	73,379,568	19,366,674	1,860,705	1,185,132	-	114,644,169
Additions	-	891,904	4,640,267	1,109,528	81,765	124,074	-	6,847,538
Disposals	-	-	(1,118,199)	(253,073)	-	-	-	(1,371,272)
Other variations	-	277,138	424,732	88,494	31,315	13,416	-	835,095
Transfers and write-offs	-	-	(448,626)	(173,407)	(26,452)	(3,355)	-	(651,840)
Balance as at 31.12.2021	-	20,021,132	76,877,742	20,138,216	1,947,333	1,319,267	-	120,303,690
NET VALUE	3,717,725	13,272,356	43,734,303	9,193,813	475,626	492,173	18,210,041	89,096,037

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

TANGIBLE ASSETS	EXPENDITURES RECOGNISED DURING CONSTRUCTION	
	31.12.2022	31.12.2021
Buildings and other constructions	659,920	1,278,300
Machinery and other equipment	-	-
Transport equipment	-	-
Other property, plant and equipment	-	-
TOTAL	659,920	1,278,300

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

TANGIBLE ASSETS	DEPRECIATION RECOGNISED IN PROFIT/LOSS	
	31.12.2022	31.12.2021
Buildings and other constructions	863,276	891,904
Machinery and other equipment	4,738,175	4,640,267
Transport equipment	1,454,847	1,109,528
Office equipment	127,126	81,765
Other property, plant and equipment	176,875	124,074
TOTAL	7,360,299	6,847,538

7.4. Accumulated depreciation at the end of the period

TANGIBLE ASSETS	ACCUMULATED DEPRECIATION	
	31.12.2022	31.12.2021
Buildings and other constructions	21,099,526	20,021,132
Machinery and other equipment	77,882,677	76,877,742
Transport equipment	21,433,437	20,138,216
Office equipment	2,094,553	1,947,333
Other property, plant and equipment	1,465,256	1,319,267
TOTAL	123,975,449	120,303,690

7.5. Items of fixed assets in progress

The most significant values included in the item "Investments in progress", as at 31 December 2022 and 2021, refer to the following projects:

TANGIBLE ASSETS	31.12.2022	31.12.2021
Buildings and other constructions	17,716,560	18,206,211
Machinery and other equipment	-	-
Transport equipment	-	-
Other property, plant and equipment	-	3,830
TOTAL	17,716,560	18,210,041

7.6. Property, plant and equipment by geographical location

31.12.2022	GROSS ASSETS	ACCUMULATED DEPRECIATION	NET AMOUNT
Portugal	80,593,790	38,147,732	42,446,058
Angola	92,912,338	60,364,658	32,547,680
Mozambique	17,234,014	11,867,440	5,366,574
Morocco	594,543	594,543	-
Cabo Verde	51,348	49,706	1,642
Zambia	11,608,029	8,454,457	3,153,572
Malawi	4,714,565	2,873,486	1,841,079
Gabon	2,668,172	1,618,546	1,049,626
Zimbabwe	7,226	4,881	2,345
TOTAL	210,384,025	123,975,449	86,408,576

31.12.2021	GROSS ASSETS	ACCUMULATED DEPRECIATION	NET AMOUNT
Portugal	82,534,516	37,765,781	44,768,735
Angola	90,961,628	59,059,398	31,902,230
Mozambique	16,943,018	10,847,635	6,095,383
Morocco	594,543	594,543	-
Cabo Verde	51,348	49,706	1,642
Zambia	11,205,183	8,285,547	2,919,636
Malawi	4,730,026	2,283,521	2,446,505
Gabon	2,337,484	1,399,407	938,077
Zimbabwe	41,981	18,152	23,829
TOTAL	209,399,727	120,303,690	89,096,037

8. Leases

8.1. Finance leases – Lessees

— A. Net carrying amount for each asset category at 31 December 2022 and 2021:

	31.12.2022	31.12.2021
Buildings and other constructions	235,711	141,750
Machinery and other equipment	19,735,324	17,816,643
Transport equipment	259,211	5,845,491
TOTAL	20,230,246	23,803,884

— B. Reconciliation between the total of the future minimum lease payments at 31 December 2022 and 2021 and its present value:

	31.12.2022	31.12.2021
Minimum payments up to 1 year	8,170,717	6,118,402
Minimum payments for more than 1 year and no more than 5 years	8,118,220	15,370,003
Minimum payments for more than 5 years	-	-
Total minimum payments	16,288,937	21,488,405
Future interest payments	269,627	445,065
PRESENT VALUE OF RESPONSIBILITIES	16,019,310	21,043,340

—● C. Total of the future minimum lease payments at the balance sheet date and its present value:

	MINIMUM PAYMENTS		PRESENT VALUE	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
No more than 1 year	8,170,717	6,118,402	8,012,375	5,898,900
More than 1 year and no more than 5 years	8,118,220	15,370,003	8,006,935	15,144,440
More than 5 years	-	-	-	-
TOTAL	16,288,937	21,488,405	16,019,310	21,043,340

9. Interests in Joint Ventures and Investments in Subsidiaries and Associated Companies

9.1. Subsidiaries

—● A. List and description of the subsidiaries:

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

9.2. 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:

COMPANY	PROPORTION OF THE INTEREST HELD	CONSOLIDATION METHOD
Groupement Adriano, Jaime Ribeiro, Conduril - Construção, ACE	33.33%	Proportionate method
Groupement CJA / Lot 3 - Construção ACE	33.33%	Cost
Groupement Túnel de Nador, Construção ACE	50%	Proportionate method
RAL - Rodovias do Algarve Litoral, ACE	16.67%	Proportionate method
RBA - Rodovias do Baixo Alentejo, ACE	17.86%	Proportionate method

At the preparation date of the financial statements, the financial statements of the group Groupement CJA / Lot 3 - Construção ACE were not available. This group does not have a significant activity; therefore, the Board of Directors considers that there are no relevant impacts regarding this participation.

—● **C. Method used in the recognition of interests in joint ventures:**

The interests in jointly controlled companies were recognised in the consolidated financial statements by the proportionate consolidation method, from the date in which the control is shared until the date it effectively ends. According to this method, the assets, liabilities, income and expenses of these companies have been included in the consolidated financial statements, on a line-by-line basis, in proportion to the Group's participation in the companies.

9.3. 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:**

31.12.2022 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			

31.12.2021 COMPANY	CARRYING AMOUNT	TOTAL ASSETS	TOTAL SHAREHOLDERS' FUNDS	TOTAL PERIOD INCOME
Rotas do Algarve Litoral, S.A.	-	175,122,964	(10,799,807)	(17,224,738)
Marestrada - Operação e Manutenção Rodoviária, S.A.	494,241	5,292,084	1,482,870	1,343,528
TOTAL	494,241			

Related to the participations in associated companies, in December 2022, in the item "Other financial investments" are registered the following amounts concerned to financing granted:

COMPANY	FINANCING GRANTED	
	31.12.2022	31.12.2021
Rotas do Algarve Litoral, S.A. (Note 18.4)	13,471,551	13,471,551
TOTAL	13,471,551	13,471,551

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 Group 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	31.12.2022	31.12.2021
Raw, subsidiary and consumable materials	21,271,934	17,309,011
Goods	-	-
Finished and semi-finished products	352,666	411,403
Products and work in progress	-	-
	21,624,600	17,720,414
Impairment losses	(932,205)	(932,205)
TOTAL	20,692,395	16,788,209

10.3. Amount of inventories recognised as expense during the period

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

	GOODS		RAW, SUBSIDIARY AND CONSUMABLE MATERIALS	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Initial inventory	-	-	16,376,806	13,261,962
Impairment losses in stocks	-	-	-	(59,096)
Purchases	-	-	70,434,415	53,931,453
Inventories adjustments and reclassification	-	-	75,090	102,790
Ending inventory	-	-	(20,339,729)	(16,376,806)
EXPENSES IN THE PERIOD	-	-	66,546,582	50,860,303

	FINISHED AND SEMI-FINISHED PRODUCTS		PRODUCTS AND WORK IN PROGRESS	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Initial inventory	411,403	385,710	-	-
Inventories adjustments and reclassification	2,629	13,589	-	-
Accumulated impairment losses	-	-	-	-
Ending inventory	(352,666)	(411,403)	-	-
VARIATION OF INVENTORIES IN PRODUCTION	61,366	(12,104)	-	-

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

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

IMPAIRMENT LOSSES IN INVENTORIES	31.12.2022	31.12.2021
Goods	-	-
Raw, subsidiary and consumable materials	-	59,096
Finished and semi-finished products	-	-
TOTAL	-	59,096

10.5. Movement during the period of impairment losses in inventories

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

RAW, SUBSIDIARY AND CONSUMABLE MATERIALS	
ACCUMULATED IMPAIRMENT LOSSES ON 31.12.2020	873,109
Increases	59,096
Reversal	-
Utilisations	-
Exchange variations	-
ACCUMULATED IMPAIRMENT LOSSES ON 31.12.2021	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 2022 and 2021, the amount of revenue recognised as revenue in the period was the following:

WORK/CONTRACT	REVENUE IN THE 2022 PERIOD	REVENUE IN THE 2021 PERIOD
Construction contracts	215,165,567	149,968,877
TOTAL	215,165,567	149,968,877

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

31.12.2022	EXPENSES INCURRED	RECOGNISED INCOME	ADVANCES RECEIVED	RETENTION
Ongoing contracts	492,235,446	586,650,638	7,082,382	3,471,863
TOTAL	492,235,446	586,650,638	7,082,382	3,471,863

31.12.2021	EXPENSES INCURRED	RECOGNISED INCOME	ADVANCES RECEIVED	RETENTION
Ongoing contracts	340,144,847	401,181,869	18,092,594	2,770,783
TOTAL	340,144,847	401,181,869	18,092,594	2,770,783

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 Group 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:

	31.12.2022	31.12.2021
Sales of goods	4,236,559	649,638
Provision of services	214,634,342	155,581,076
Interest	6,101,845	4,347,502
Dividends	320,416	41,627
TOTAL	225,293,162	160,619,843

13. Provisions, Contingent Liabilities and Contingent Assets

13.1. Provisions

The Group 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 2022, the movements relating to provisions occurred were the following:

PROVISIONS	OPENING BALANCE	INCREASES	OTHER MOVEMENTS	REVERSAL	CLOSING BALANCE
Guarantees to clients	3,760,802	479,975	-	(319,745)	3,921,032
Ongoing court proceedings	231,000	-	(231,000)	-	-
Other provisions	37,669	3,077,623	-	(4,285)	3,111,006
	4,029,471	3,557,598	(231,000)	(324,031)	7,032,038
Financial assets (Note 9)	-	-	-	-	-
TOTAL	4,029,471	3,557,598	(231,000)	(324,031)	7,032,038

During the period ending on 31 December 2021, the movements relating to provisions occurred were the following:

PROVISIONS	OPENING BALANCE	INCREASES	OTHER MOVEMENTS	REVERSAL	CLOSING BALANCE
Guarantees to clients	3,478,933	377,890	-	(96,021)	3,760,802
Ongoing court proceedings	-	231,000	-	-	231,000
Other provisions	433,299	10,207	-	(405,837)	37,669
	3,912,232	619,097	-	(501,858)	4,029,471
Financial assets (Note 9)	10,410	-	-	(10,410)	-
TOTAL	3,922,642	619,097	-	(512,268)	4,029,471

13.2. Proceedings in litigation

Following the several ongoing proceedings in litigation, the Group 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 consolidated financial statements.

13.3. Guarantees provided

As at 31 December 2022, the Group had assumed responsibilities for the guarantees provided in the amount of 91,992,828 euros (as at 31 December 2021, the amount was 115,658,143 euros).

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

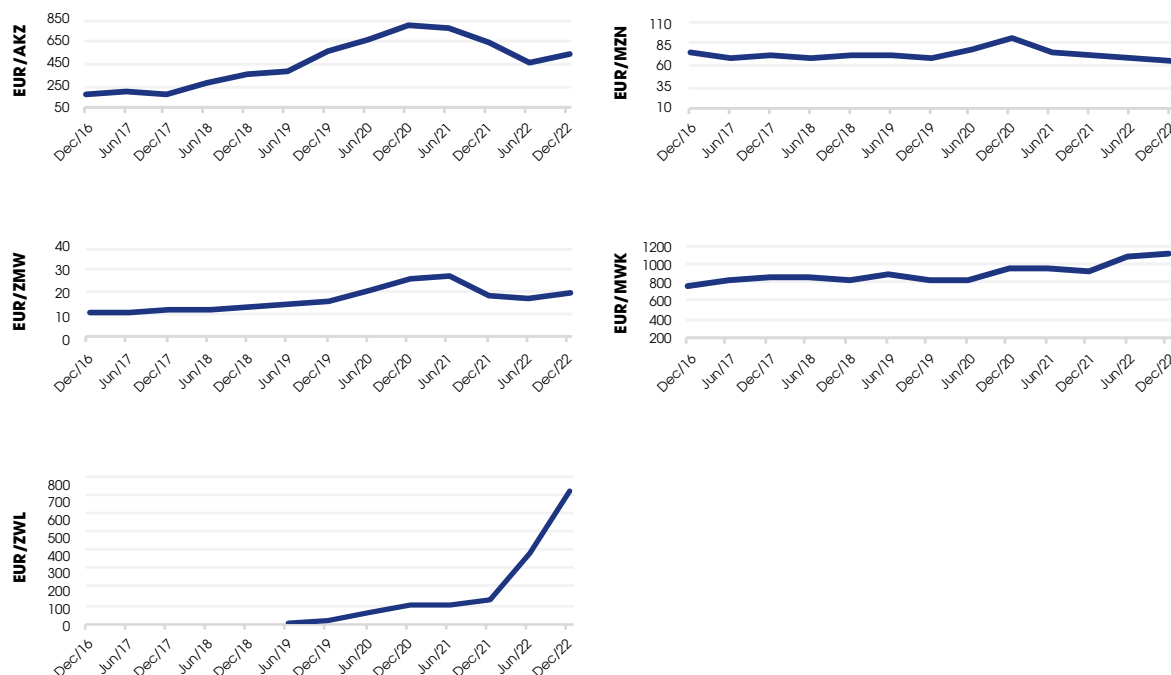
13.4. Management of financial risks

— 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. The Group'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 the Group 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

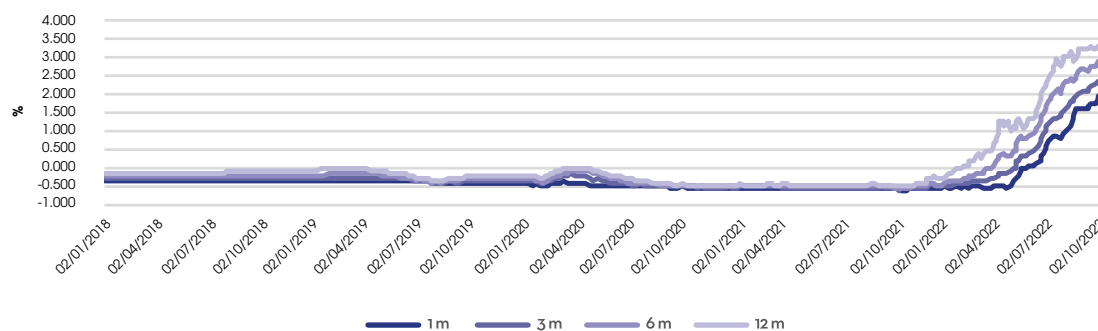
Since the Group's activity is mainly located in Portugal and Africa (Angola, Mozambique, Zambia, Malawi, Gabon and Zimbabwe), it is exposed to the exchange rate risk of the currencies in use in those countries. In order to address this risk, the contracts are celebrated in USD/EUR, whenever possible. 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 Group'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 its financing.

EVOLUTION OF EURIBOR RATE



—● D. CREDIT RISK

The exposure of the Group 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 Group. 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.

The Group'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, the Group'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 Group 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

	31.12.2022	31.12.2021
Exchange losses		
- Other expenses	14,066,281	16,515,102
TOTAL	14,066,281	16,515,102
Exchange gains		
- Other income	15,337,399	20,307,178
TOTAL	15,337,399	20,307,178

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

	EXCHANGE DIFFERENCES IN EQUITY
Balance as at 31.12.2021	(45,458,794)
Exchange gains	14,957,388
Exchange losses	(4,966,909)
BALANCE AS AT 31.12.2022	(35,468,315)

	EXCHANGE DIFFERENCES IN EQUITY
Balance as at 31.12.2020	(60,925,075)
Exchange gains	43,392,259
Exchange losses	(27,925,978)
BALANCE AS AT 31.12.2021	(45,458,794)

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 consolidated 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 7 March 2023. The Board of Directors believes that these consolidated financial statements are a true and proper representation of the operations of the companies belonging to the Group, as well as their 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 Group has a legal or contractual responsibility to prevent, reduce or repair environmental damage. To fulfil this obligation, the Group incurred in expenses that amounted to 395,997 euros (in 2021, they amounted to 250,244 euros) during the period ending on 31 December 2022.

To measure the environmental expenses incurred, the Group 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.

	AMOUNT ALLOCATED TO PROFIT/LOSS
Waste treatment	395,997
TOTAL	395,997

17. Income Taxes

17.1. Main components of tax expense and income

	31.12.2022	31.12.2021
Current tax and adjustments:		
Current tax for the period	3,293,588	1,695,635
	3,293,588	1,695,635
Deferred taxes:		
Deferred taxes related to temporary differences	2,900,622	(1,484,107)
	2,900,622	(1,484,107)
INCOME TAXES EXPENSE	6,194,210	211,528

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 2022 and 2021, 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	31.12.2022	31.12.2021
Income before taxation	13,451,851	5,995,796
Income taxes expense	6,194,210	211,528
Effective tax rate	46.05%	3.53%
Nominal tax rate (21% in Portugal, and 25% in Angola)	3,155,027	1,452,542
ADJUSTMENTS:		
Income deriving from the application of the equity method	169,757	(63,073)
Differentiated rates of taxation	474,567	791,891
Expenses not accepted as tax cost	519,938	819,697
Provisions not accepted as expense	661,906	23,848
Reversal of untaxed provisions	(294,576)	(142,688)
Tax refund	-	(14,978)
Other untaxed income	(1,433,135)	(1,317,499)
Tax loss deduction for the period	(2,024,252)	(1,539,276)
Tax losses for the period	1,049,861	519,182
Untaxed exchange differences	321,218	(629,930)
Autonomous taxation	348,451	261,985
Deferred taxes	2,900,622	(1,484,107)
Tax benefits	(12,803)	-
Others	357,629	1,533,934
	3,039,183	(1,241,014)
INCOME TAXES EXPENSE	6,194,210	211,528

With reference to the period ending on 31 December 2022 and 2021, 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 2022, deferred tax assets and liabilities are the following:

DEFERRED TAX ASSETS	OPENING BALANCE	OTHER VARIATIONS	INCREASES	REVERSAL	CLOSING BALANCE
Warranty of works	65,867	(2,127)	-	-	63,740
Expenses not accepted	6,990,029	535,961	321,218	(4,558,565)	3,288,643
Tax losses	834,001	(33,878)	-	(800,123)	-
TOTAL	7,889,897	499,956	321,218	(5,358,688)	3,352,383

DEFERRED TAX LIABILITIES	OPENING BALANCE	OTHER VARIATIONS	INCREASES	REVERSAL	CLOSING BALANCE
Revaluation surpluses	730,364	47,724	-	(33,490)	744,598
Taxable income	5,013,022	336,319	597,308	(3,163,455)	2,783,194
Depreciation not accepted	-	-	462,790	-	462,790
TOTAL	5,743,386	384,043	1,060,098	(3,196,945)	3,990,582

As at 31 December 2021, deferred tax assets and liabilities are the following:

DEFERRED TAX ASSETS	OPENING BALANCE	OTHER VARIATIONS	INCREASES	REVERSAL	CLOSING BALANCE
Warranty of works	65,867	-	-	-	65,867
Expenses not accepted	5,695,980	437,993	6,990,030	(6,133,974)	6,990,029
Tax losses	-	-	834,001	-	834,001
TOTAL	5,761,847	437,993	7,824,031	(6,133,974)	7,889,897

DEFERRED TAX LIABILITIES	OPENING BALANCE	OTHER VARIATIONS	INCREASES	REVERSAL	CLOSING BALANCE
Revaluation surpluses	742,325	-	-	(11,961)	730,364
Taxable income	4,803,705	92,651	3,783,059	(3,666,393)	5,013,022
Depreciation not accepted	285,723	107,124	-	(392,847)	-
TOTAL	5,831,753	199,775	3,783,059	(4,071,201)	5,743,386

18. Financial Instruments

18.1. Measurement bases

It is the Group'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 Group 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 a 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 Group 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 Group holds a financial instrument, the measurement policy will not be affected.

18.2. Financial assets and liabilities

Financial assets with recognition of impairment:

	31.12.2022		31.12.2021	
	CARRYING AMOUNT	ACCUMULATED IMPAIRMENT	CARRYING AMOUNT	ACCUMULATED IMPAIRMENT
Trade accounts receivable	123,603,465	-	106,626,942	(1,433,772)
Clients with guarantees	7,616,362	-	6,240,046	-
Doubtful debtors	3,237,812	(3,237,812)	2,887,602	(2,887,602)
TOTAL	134,457,639	(3,237,812)	115,754,590	(4,321,374)

18.3. Financing obtained

As at 31 December 2022 and 2021, the item "Financing obtained" is the following:

FINANCING OBTAINED	31.12.2022	31.12.2021
Escrow accounts	10,620,976	8,157,380
Bank loans	16,451,724	21,246,895
Commercial paper	25,150,000	20,000,000
Finance leases	16,019,310	21,043,340
Factoring	1,302,417	1,369,859
Contracted bank overdrafts	928,030	2,012,557
TOTAL	70,472,457	73,830,031

In addition, the maturity on 31 December 2022 and 2021 is the following:

FINANCING OBTAINED 2022	CURRENT	NON-CURRENT
Escrow accounts	10,620,976	-
Bank loans	4,437,976	12,013,748
Commercial paper	-	25,150,000
Finance leases	8,010,738	8,008,572
Factoring	1,302,417	-
Contracted bank overdrafts	928,031	-
TOTAL	25,300,138	45,172,319

FINANCING OBTAINED 2021	CURRENT	NON-CURRENT
Escrow accounts	8,157,380	-
Bank loans	10,724,074	10,522,821
Commercial paper	-	20,000,000
Finance leases	5,898,901	15,144,440
Factoring	1,369,859	-
Contracted bank overdrafts	2,012,556	-
TOTAL	28,162,770	45,667,261

18.4. Other financial investments and financial assets held for trading

Financial investments in 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 2022 and 2021, the detail of permanent participations registered by the cost model and of other financial investments are the following:

	31.12.2022			31.12.2021		
	INVESTMENT	LOANS GRANTED		INVESTMENT	LOANS GRANTED	
		COST	ACCUMULATED IMPAIRMENT		COST	ACCUMULATED IMPAIRMENT
Rotas do Algarve Litoral, S.A.	-	13,511,551	(40,000)	-	13,511,551	(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	-	-
Public debt securities – non-current	4,487,960	-	-	19,880,583	-	-
Public debt securities – current	19,307,548	-	-	45,410,058	-	-
Treasury bonds – non-current	19,343,419	-	-	-	-	-
Other – FCT	156,039	-	-	107,879	-	-
Others	1,797	-	-	1,590	-	-
TOTAL	43,662,784	13,511,551	(40,000)	65,766,131	13,511,551	(40,000)
Other non-current financial investments		37,826,787			33,827,624	
Other current financial investments		19,307,548			45,410,058	

The Angolan public debt securities include securities indexed to USD and AKZ, and present maturity dates in 2022, 2023 and 2026. The payment of interest and the return of principal of the securities indexed to USD are made in kwanza, but indexed to the USD exchange rate in force on the settlement date.

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	31.12.2022	31.12.2021
Bank deposits and securities	6,101,845	4,346,564
Others	-	938
TOTAL	6,101,845	4,347,502

— B. INTEREST EXPENSES FOR FINANCIAL LIABILITIES:

FINANCIAL LIABILITIES	31.12.2022	31.12.2021
Financing	3,147,508	2,207,365
Finance leases	237,164	237,327
Others	36,032	17,271
TOTAL	3,420,704	2,461,963

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 Group evaluated the respective impairment. From this evaluation, the Group was able to acquire objective evidence that the financial assets, shown in the following table, present impairment losses for the period:

FINANCIAL ASSETS	31.12.2022		
	INCREASES	REVERSALS	OTHER VARIATIONS
Clients	-	(1,402,744)	(655)
Other accounts receivable	-	-	-
Other financial assets	-	-	-
TOTAL	-	(1,402,744)	(655)

FINANCIAL ASSETS	31.12.2021		
	INCREASES	REVERSALS	OTHER VARIATIONS
Clients	1,433,772	-	36,815
Other accounts receivable	-	-	-
Other financial assets	-	-	-
TOTAL	1,433,772	-	36,815

18.7. Amount of share capital

As at 31 December 2022, the Company had a share capital of 9,000,000 euros, fully subscribed and paid-in. In May 2022, a reduction of the share capital due to the cancellation of own shares in the amount of 1,000,000 euros took place.

18.8. Shares representing share capital

As at 31 December 2022, the share capital was composed of 1,800,000 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".

In December 2022, the Company holds 180,000 own shares, which correspond to 10% of its share capital. The amount registered in this item reflects the acquisition cost of the own shares acquired in 2022.

18.10. Legal reserves

The commercial legislation and the Company's articles of association 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.

On 31 December 2022, the legal reserve was fully constituted, in accordance with the existing commercial legislation, amounting to 3,094,492 euros.

18.11. Application of the net income

By decision of the General Meeting of Shareholders, the net income for the 2021 period, in the amount of 5,782,682 euros, should have the following distribution: free reserves of 3,982,682 euros and dividends of 1,800,000 euros.

19. Employee Benefits

19.1. Post-employment benefits

As at 31 December 2022, there were 123 employees enjoying post-employment benefits regarding benefit plans defined. On 31 December 2022, the operations related to the period are the following:

PENSION COSTS	31.12.2022	31.12.2021
Cost of current services	604,836	442,116
Interest cost	214,773	310,142
Actuarial gains and losses	-	-
Net income of the fund deducted from net interest	(144,684)	(242,375)
Other variations	129,946	100,830
TOTAL	804,871	610,713

On 31 December 2022, there was a deficit in the amount of past responsibilities regarding the value of the existing fund in the amount of 2,295,660 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 1,954,261 euros (2021: 5,608,562 euros).

Assumptions used in the actuarial study of 2022 and 2021:

	ASSUMPTIONS 2022	ASSUMPTIONS 2021
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	4.10%	1.24%
Growth rate of wages	2.00%	2.00%
Growth rate of pensions	0.00%	0.00%
Participants	456	366
Beneficiaries	123	122

19.2. Social benefits

As at 31 December 2022, 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 THE CONDURIL ACADEMY PROGRAMMES	31.12.2022	31.12.2021
PAAE (Literacy and School Acceleration Programme) and scholarships	119,321	140,762
Technical and vocational, human and cultural training	22,176	26,393
Process for recognition, validation and certification of professional skills	6,342	8,798
TOTAL	147,839	175,953

20. Other Information

20.1. State and other public bodies

The item "State and other public bodies" as at 31 December 2022 and 2021 is the following:

ASSETS	31.12.2022	31.12.2021
Personal Income Tax	-	-
Value Added Tax	13,881,221	14,419,871
Social Security Contributions	-	-
Business Income Tax	7,504,073	5,050,287
Other taxation	2,150,241	1,819,708
TOTAL	23,535,535	21,289,866

LIABILITIES	31.12.2022	31.12.2021
Personal Income Tax	701,503	684,764
Value Added Tax	13,706,813	12,731,158
Social Security Contributions	1,018,949	924,707
Business Income Tax	2,081,853	1,453,879
Other taxation	479,654	600,248
TOTAL	17,988,772	16,394,756

20.2. Turnover

The turnover as at 31 December 2022 and 2021 is distributed as follows:

	31.12.2022	31.12.2021
Internal market	138,805,421	99,488,602
External market	80,065,480	56,742,112
TOTAL	218,870,901	156,230,714

20.3. External supplies and services

The item "External supplies and services" is the following, for the period ending on 31 December 2022 and 2021:

	31.12.2022	31.12.2021
Subcontracts	53,175,428	28,225,059
Specialised services	6,747,809	8,841,148
Materials	1,144,255	1,154,863
Energy and fluids	2,726,457	1,530,340
Travel, accommodation and transport	5,382,170	5,248,848
Rentals and leases	4,210,319	4,534,606
Communication	357,477	253,318
Insurances	1,074,305	1,152,798
Royalties	7,034	2,612
Legal and notary services	27,715	53,074
Representation expenses	52,001	1,741
Hygiene and comfort services	435,797	351,234
Other services	1,263,229	2,323,670
TOTAL	76,603,996	53,673,311

20.4. Personnel expenses

The item "Personnel expenses" is the following, for the period ending on 31 December 2022 and 2021:

	31.12.2022	31.12.2021
Remunerations of the management bodies	1,702,061	1,227,052
Personnel remunerations	41,006,994	34,460,314
Post-employment benefits (Note 19.1)	804,871	610,713
Compensations	90,209	70,313
Social charges	6,212,180	5,238,159
Insurance schemes for occupational accidents and diseases	1,470,634	1,164,279
Social welfare expenses	2,605,860	1,888,236
Others	862,576	492,342
TOTAL	54,755,385	45,151,408

During the period ending on 31 December 2022 and 2021, the average number of employees was of 2,806 and 2,369, respectively.

20.5. Other income

The item "Other income" is the following, for the period ending on 31 December 2022 and 2021:

	31.12.2022	31.12.2021
Additional income	1,132,332	1,818,022
Cash discounts obtained	22,907	20,932
Exchange gains	15,337,399	20,307,178
Gains in inventories	70,701	36,521
Income in the remaining financial investments	2,031	2,444,584
Income in non-financial investments	1,430,231	361,228
Interest received	6,101,845	4,347,502
Dividends earned	320,416	41,627
Corrections related to previous periods	50,593	143,931
Benefits from contractual penalties	185,401	445,323
Others	445,591	1,180,136
TOTAL	25,099,447	31,146,984

20.6. Other expenses

The item "Other expenses" is the following, for the period ending on 31 December 2022 and 2021:

	31.12.2022	31.12.2021
Taxes	3,522,988	1,507,553
Cash discounts given	301	2,179
Bad debts	25,288	867
Exchange losses	14,066,281	16,515,102
Expenses and losses in financial investments	-	122,204
Expenses and losses in non-financial investments	134,426	120,272
Corrections related to previous periods	220,004	2,891,366
Others	950,191	317,339
TOTAL	18,919,479	21,476,882

20.7. Financial profit and loss account

The financial profit and loss are the following:

FINANCING EXPENSES AND LOSSES	31.12.2022	31.12.2021
Interest paid	3,384,672	2,444,692
Other financing expenses and losses	1,547,202	927,032
TOTAL	4,931,874	3,371,724

20.8. Deferrals

Deferred assets and deferred liabilities are the following:

DEFERRED ASSETS	31.12.2022	31.12.2021
Expenses to be recognised – insurances	752,048	628,779
Other deferrals	1,019,747	855,731
TOTAL	1,771,795	1,484,510

DEFERRED LIABILITIES	31.12.2022	31.12.2021
Income to be recognised – NCRF 19	2,878,882	1,354,677
Other deferrals	180,715	151,986
TOTAL	3,059,597	1,506,663

20.9. Other accounts payable and receivable

The item “Other accounts receivable” is the following, for the period ending on 31 December 2022 and 2021:

	31.12.2022	31.12.2021
Trade creditors – debit balances	621,567	488,713
Contract retentions	1,040,119	1,105,580
Debtors by accrued income	17,859,911	19,099,483
Payments on account	333,706	333,706
Personnel	27,866	51,628
Other debtors	8,922,164	14,083,611
TOTAL	28,805,333	35,162,721

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 2022 and 2021:

	31.12.2022	31.12.2021
Clients – credit balances	33,673	64,107
Personnel	1,533,589	1,779,605
Investment providers	343,845	563,674
Creditors by accrued expenses – remunerations	2,866,556	2,407,165
Creditors by accrued expenses – others	6,509,719	6,406,165
Other creditors	2,812,613	3,810,926
TOTAL	14,099,995	15,031,642

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 in the individual management report that the net income for the period, in the amount of 7,238,296 euros, has the following distribution:

- Dividends: 1,620,000 euros, corresponding to 1.00 euro per share;
- Other reserves: 5,618,296 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 07 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

	31.12.2022	31.12.2021
Portugal	138,978,328	102,347,785
Angola	38,754,193	23,188,016
Mozambique	10,013,680	10,015,240
Zimbabwe	-	585,684
Zambia	6,998,278	3,351,332
Malawi	17,352,437	11,964,151
Gabon	6,773,985	4,778,506
TOTAL	218,870,901	156,230,714

21.2. Statutory Auditor fees

In 2022, the fees of the Statutory Auditor amounted to 35,850 euros (2021: 32,650 euros).

The Management,

The Chartered Accountant,



Gabon



SECTION 04



Report and
Opinion of the
Statutory Audit
Board





Statutory Audit Board

FINANCIAL YEAR OF 2022

Dear Shareholders:

The sad news of the death of the Chairman of the Board of Directors, António Luís Amorim Martins, must be acknowledged. With the appropriate bow to its author, we would like to mention the poem – beautiful, stimulating and accountable – which opens the Report and Consolidated Accounts 2022. Mr. Amorim Martins, who one day wrote that he would like to “be a poet by vocation and an engineer by need”, would certainly approve the message conveyed.

In compliance with the legal provisions, the Statutory Audit Board submits its report and issues its opinion on the consolidated management report, consolidated balance sheet, consolidated 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 2022.

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 articles of association, 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 consolidated management report presented by the Board of Directors, the consolidated balance sheet, the consolidated income statement, the consolidated cash flows and the changes in consolidated equity for the financial year ended on 31 December 2022, 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 consolidated 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 consolidated management report, consolidated balance sheet, consolidated income statement, consolidated cash flows and changes in consolidated equity allow, in the whole, for a correct understanding of the consolidated financial situation of Conduril - Engenharia, S.A., on 31 December 2022, 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 consolidated management report, consolidated balance sheet, consolidated accounts and its notes for the financial year ended on 31 December 2022 are approved;
2. that the proposal of application of net income included in the consolidated management report, in the terms presented by the Board of Directors is approved.

Ermesinde, 17 March 2023

THE STATUTORY AUDIT BOARD

Júlio Gales Ferreira Pinto

Jorge Manuel Silva Tavares

Deolinda Paula Baptista Nunes



Portugal



SECTION 05

Legal
Certification of
Consolidated
Accounts





Legal Certification of Consolidated Accounts

Reporting on the Audit of the Consolidated Financial Statements

—• OPINION

We have audited the consolidated financial statements of Conduril - Engenharia, S.A. (the Group), which comprise the consolidated balance sheet on 31 December 2022 (which reflects a total of 387,048,715 euros and total equity of 208,026,696 euros, including a net income of 7,238,296 euros), the consolidated profit and loss account by nature, the consolidated statement of changes in equity and the consolidated cash flow statement for the year ended on that date, and the notes attached to the consolidated financial statements, comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements attached present a true and proper view, in all material aspects, of the consolidated financial position of Conduril - Engenharia, S.A. on 31 December 2022 and its consolidated 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.

—● GROUNDS FOR THE OPINION

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 consolidated financial statements” below. We are independent from the entities belonging to the Group under the law and we meet all other ethical requirements in accordance with the code of ethics of the Portuguese Institute of Statutory Auditors.

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

—● RESPONSIBILITIES OF THE MANAGEMENT BODY AND THE SUPERVISORY BODY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The management body is responsible for:

- the preparation of the consolidated financial statements that present a true and proper view of the financial position, financial performance and cash flows of the Group, in accordance with the Accounting Standards and Financial Reporting adopted in Portugal through the Accounting Standardisation System;
- the preparation of the consolidated 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 consolidated 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 Group’s ability to maintain its continuity, disclosing, when applicable, the topics that could give rise to justifiable doubt about the continuity of the activities.

The supervisory body is responsible for supervising the process of preparation and disclosure of the financial information of the Group.

—● AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our responsibility is to obtain a reasonable assurance if the consolidated 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.

As part of an audit under the ISAs, we make professional judgements and we maintain professional scepticism during the audit, and we also:

- identify and assess the risks of material misstatements of the consolidated 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 Group;
- 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 Group'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 consolidated 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 take the Group to discontinue its activities;
- evaluate the presentation, structure and global contents of the consolidated financial statements, including the disclosures, and if those financial statements represent the underlying transactions and events in order to achieve an appropriate presentation;
- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or the activities inside the Group to express an opinion on the consolidated financial statements. We are responsible for the guidance, supervision and performance of the Group's audit, and we are ultimately responsible for our audit opinion;
- 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 consolidated management report with the consolidated financial statements.

Reporting on Other Legal Rules and Regulations

— ABOUT THE CONSOLIDATED MANAGEMENT REPORT

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

Porto, 16 March 2023

Crowe & Associados, SROC, Lda.
Represented by Ana Raquel Borges L. Esperança Sismeiro, ROC
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