



Annual Report 2023



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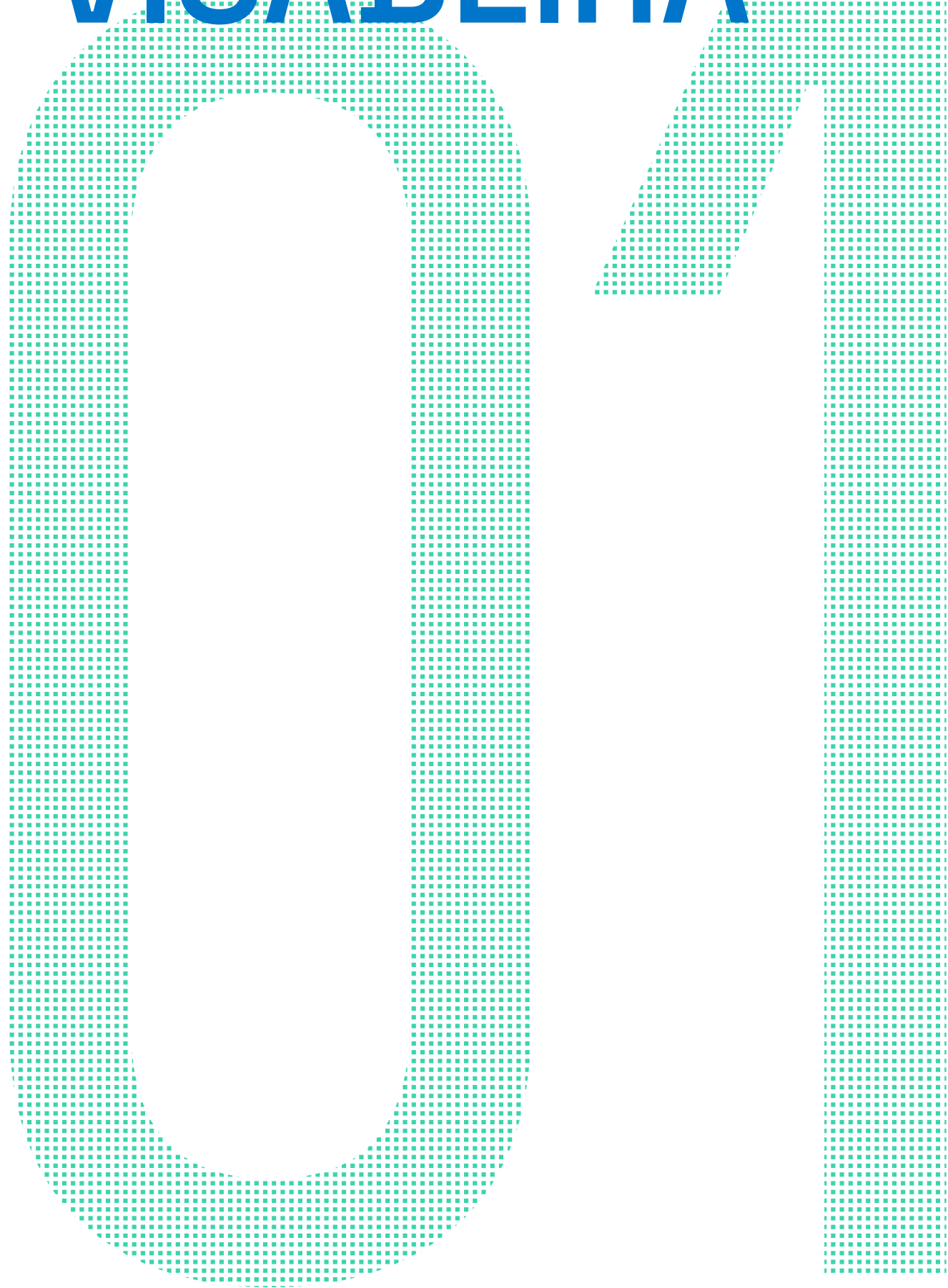
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CONSTRUCTEL VISABEIRA



Message from the Chairman of the Board of Directors



The year 2023 was marked by significant challenges and achievements. Constructel Visabeira reached new all-time highs in its main indicators, reflecting the commitment and dedication of the entire organisation and the trust placed in it by our shareholders.

2023 presented a complex global economic situation with market fluctuations and geopolitical uncertainties, which required a high level of resilience and adaptation from us. These characteristics continue to define the identity of our organisation, allowing us to reach important milestones in our path to growth.

Even in this very complex context, Constructel Visabeira remained focused on sustained growth in its business, reinforcing its position in the global market with a significant increase in turnover to around 1.3 billion euros, achieving impressive growth of 23%, the majority of which was achieved organically, confirming this as its most distinctive capacity

compared to its peers. This extremely positive result was reinforced by growth of more than 22% in EBITDA, which reached 136 million euros, and net profit of 52.6 million euros, corresponding to significant growth of 31%. It should be noted that this organic growth is underpinned by a number of successful acquisitions, supported by a very solid balance sheet which strengthens our presence in key geographic markets, allowing us to diversify our business portfolio.

Constructel Visabeira showed sustained growth in its activity in foreign markets, exceeding 80% of its total turnover. In the European market, excluding Portugal, turnover was 908 million euros, with the most representative markets being: France, the United Kingdom, Belgium and Germany, the latter achieving remarkable growth during 2023.

Activity in the USA has grown considerably, accounting for around 10% of the total. Accordingly, we maintain the relative weight of our consolidated turnover in that country, where we expect to grow significantly over the next few years.

This performance clearly reflects Constructel Visabeira's successful strategy, focused on diversification and operational efficiency. The company has thus strengthened its trajectory of growth and sustained results, and has strengthened its position in the European market as one of the main suppliers of telecommunications and energy services, and significantly expanded in the USA market with high growth potential.

Constructel Visabeira, complying with its strategic plan, has continued to strengthen its presence in Europe and in the United States, both in the telecommunications and energy sectors, thanks to its differentiated know-how and distinctive operational skills.

As part of its strategy of diversifying its business and balancing the energy and telecommunications sectors, Constructel Visabeira has continuously and significantly increased its activity in energy engineering services, the sector in which it grew the most in 2023, already contributing 30% to the company's overall revenue. Within this context, Constructel Visabeira has been strengthening its position and multiple skills in terms of installation and maintenance of supply networks, renewable energies as well as services and products aimed at increasing energy efficiency, with a strong focus on being a strong pillar in promoting the energy transition. Moreover, business in the telecommunications areas continued to grow in 2023, accounting for around 70% of total revenue.

It should also be noted that the company continues to invest in purchasing companies, enriching its portfolio in geographic terms and strengthening the organisation's skills. In 2023,

1,257 M€
Turnover

136 M€
EBITDA

+22%
EBITDA compared to 2022

Constructel Visabeira expanded its group of companies purchasing Tavan in Germany, positioning itself in the Hamburg region and diversifying its client base by incorporating one of Germany's largest utilities, EWE. In terms of mobile telecommunications, O+M in France and the telecommunications division of Balfour Beatty in the UK were purchased, thus strengthening Constructel Visabeira's international position in this strategic sector. In Portugal, as far as the energy sector is concerned, we invested in Arquiled, a company specialising in smart lighting solutions in a partnership with EDP, and in Jayme da Costa, a company with expertise in renewable energies.

Constructel Visabeira's unique know-how enables it to offer an integrated range of engineering services, including the design, implementation, construction and maintenance of fixed and mobile telecommunications and energy networks, insuring increased growth at an international level. As a result, and increasingly reaffirming its strategy as a transnational company aiming at globalisation, on the 31st of December 2023 Constructel Visabeira included a group of more than 40 companies operating in 10 countries (specifically Portugal, France, the United Kingdom, Belgium, Germany, Italy, the Republic of Ireland, Spain, Denmark and the United States of America), with more than 6,500 employees.

As a result of this solid foundation and the company's recognised implementation dynamics, Constructel Visabeira had a portfolio of 4.24 billion euros of services contracted for the coming years, with the United Kingdom, France, Germany, Belgium and Portugal accounting for the majority of the contracts.

This winning strategy is only possible thanks to leadership with a clear vision, combined with the dedication and professionalism of our employees, making Constructel Visabeira a benchmark partner, capable of anticipating clients' needs and exceeding their expectations. We value our people by promoting an inclusive and stimulating work environment, where ongoing training is an ever-present concern. We believe that the commitment and motivation of our teams are fundamental pillars of our success.

It is also important to highlight our commitment to sustainability, as we believe that sustainable development is paramount for the well-being and prosperity of future generations and for the planet, recognising that our long-term success depends on the health and resilience

of our entire end-to-end value chain, and that in order to continue to create financial and social value, the interests of all our shareholders must be taken into account. With this in mind, we want sustainability to be part of our activity, both at a strategic and operational level, ensuring that our projects have a positive impact on the communities where we do business.

Next year, we will continue on the path of success achieved, basing our strategy on the macro-trends of the digital and energy transition.

We will remain certain that the Constructel Visabeira teams' motivation and commitment are strong enough to overcome any challenges and hurdles with creativity, competence and assertiveness, in order to always provide the best response and meet our clients' expectations, surpassing market expectations.

The success achieved by Constructel Visabeira must be shared with all our employees, clients, partners and shareholders, to whom I extend my sincere recognition and gratitude. Each one is paramount to the success which motivates us all.

Looking towards the future, we remain highly optimistic and prepared to face all challenges, believing that with the dedication of our teams and the support of our shareholders, we will continue to achieve extraordinary results.

”In the European market, excluding Portugal, turnover was 908 million euros, representing 72% of Constructel Visabeira”

Nuno Miguel Rodrigues Terras Marques
Chairman of the Board of Directors



Mission

Creating the best solutions, focusing on innovation and anticipating Clients' needs, and exceeding their expectations

Vision

To be an international benchmark in the telecommunications and energy sector, with multiple integrated skills as well as with a wide range of turnkey solutions in project development.

Values

Leadership

We look to become a reference model in the sectors we do business in, leading through the ability to forecast and perform.

Innovation

The implementation of innovative methods and investment in new technologies are factors of differentiation, capable of creating value in the various areas we do business in.

Cooperation

Every day we create strong connections that make our partners go further.

Management skills

By efficiently controlling the various stages of each project, it is possible to optimise resources and guarantee the quality of results.

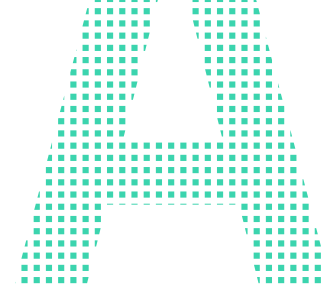
People

People built up a company, so we value teamwork, creating relationships of trust with our employees, clients and partners.



About us

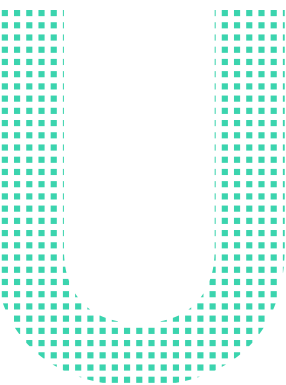
Constructel Visabeira is an internationally renowned brand, operating in Telecommunications and Energy sectors, with integrated skills that enable a diversified offer of solutions tailored to the needs of each client. Present in 10 countries, through more than 40 companies, it has been building a strong presence in the European and North American markets.



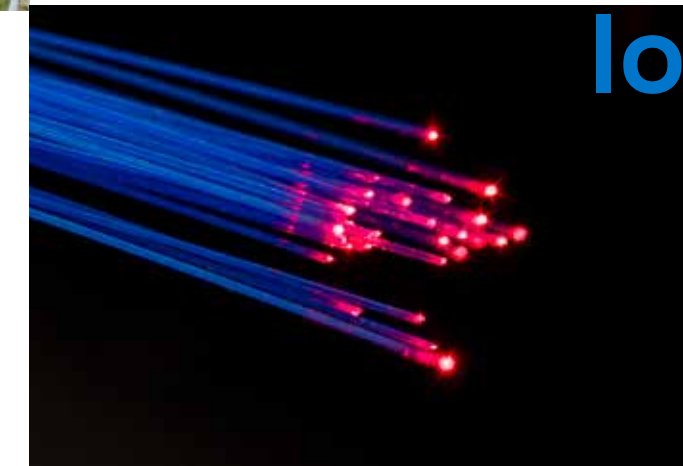
Telecommunications



Energy



Technology



Telecommunications

Fixed and New generation networks

Network Maintenance

- Preventive maintenance
- Corrective maintenance



Constructel Visabeira is a company with international recognition in the area of fixed and new generation networks, with a strong and growing presence, especially in Europe. This leading position is only possible thanks to our broaden skills, which allow us to respond to each client's needs.

We can operate with total coverage in fixed networks and new generation networks, including all the development phases of a project, all the stages required to create infrastructures, both overhead and underground, as well as all network installation and maintenance activities, whether they are local, for subscribers or for interconnection.

Constructel Visabeira's wide range of competences, combined with an innovative spirit and the professionalism and know-how of our teams, make it possible to offer a highly competitive offer, exceeding expectations in the markets we do business in, as well as with our partners, promoting the development of strong links to build the future.

Network Installation

- Local network
- Subscribers network
- Interconnection network



Project Development

Infrastructures

- Underground infrastructures
- Overhead infrastructures



Commercial Area

- Field Marketing
- Direct Sales
- D2D sales

Telecommunications

Mobile networks and wireless solutions



Network Planning

We master a wide range of skills in the area of wireless infrastructure and technologies, including engineering and designing solutions, purchasing and constructing telecommunication stations, installing active and passive equipment, operating and maintaining mobile networks and wireless solutions.

Within the highly competitive market of wireless technologies, experience, professionalism and the ability to innovate are key factors to undertake a leading position and to respond to the needs of each client with the most effective solutions.

Internationally recognised for exceeding expectations, we are a leading company in the field of mobile networks and wireless solutions. Our wide range of skills allows us to handle every facet of a project from start to finish, controlling the outcome and bringing our professionalism and know-how to every stage of the process. Our teams work every day to keep our clients connected to the future.

Engineering and Projects



P14

Infrastructure Construction



Site Intelligence



P15

Installation of Equipment



Maintenance and Operation



Energy

As far as the energy sector is concerned, Constructel Visabeira has strengthened its position as one of the most important international players in the sector.

We are specialists in the design, construction, O&M of low, medium, high and very high voltage electrical infrastructures, including voltage work for the main energy utilities (DSO's and TSO's), with a focus on the electricity and renewable energy sectors, including solar and wind.

We have a multidisciplinary team with expertise in the design, construction and O&M of railway and powerline infrastructures.

In the gas sector, we are a leading partner for natural gas network concessionaires, with B2B and B2C operations.

We have a manufacturing plant with the capacity to produce 12,000 tonnes/year of metal structures for electricity networks, substations and railways.

With a versatile and integrated range of activities, Constructel Visabeira ensures the various implementation stages of each project, including design, procurement, planning, installation and maintenance of electrical and gas networks, providing turnkey service.

This wide range of skills, combined with the company's recognised dynamics, ability to mobilise and commitment, explains its growth in the energy sector.

Gas
Natural gas networks,
both B2B and B2C;
Client service and
technical assistance



Electricity

Installation of low, medium and high voltage distribution networks;
Live-line working; Electricity transmission lines and substations;
Electrical overhead line infrastructures;
Interconnection networks;
Smart meter solutions, smart grids and charging stations for electric vehicles; Metallic structures



Renewable Energies
Photovoltaic and wind farms;
Energy audit and consultancy



Technology



**Advanced
Inspection of Critical
Infrastructures**

Information and Communication Technologies

As far as the Technologies services is concerned, Constructel Visabeira has strengthened its skills with the creation of specialised and experienced teams, with numerous projects carried out in terms of technological solutions and infrastructures.

Its position as a strategic partner of major clients, always with a particular focus on efficiency and innovation, has leveraged the development of technological solutions tailored to the needs of each client, using conventional and newly emerging technologies.



**Smart Buildings
and Data Centers**

IT & Telecommunication Technologies



**Optimisation
of procedures and
productivity**

Where we are

Constructel Visabeira
is present in 10 countries,
with companies operating
in the Telecommunications,
Energy and Technology
sectors.

10
Countries

6,524
Employees

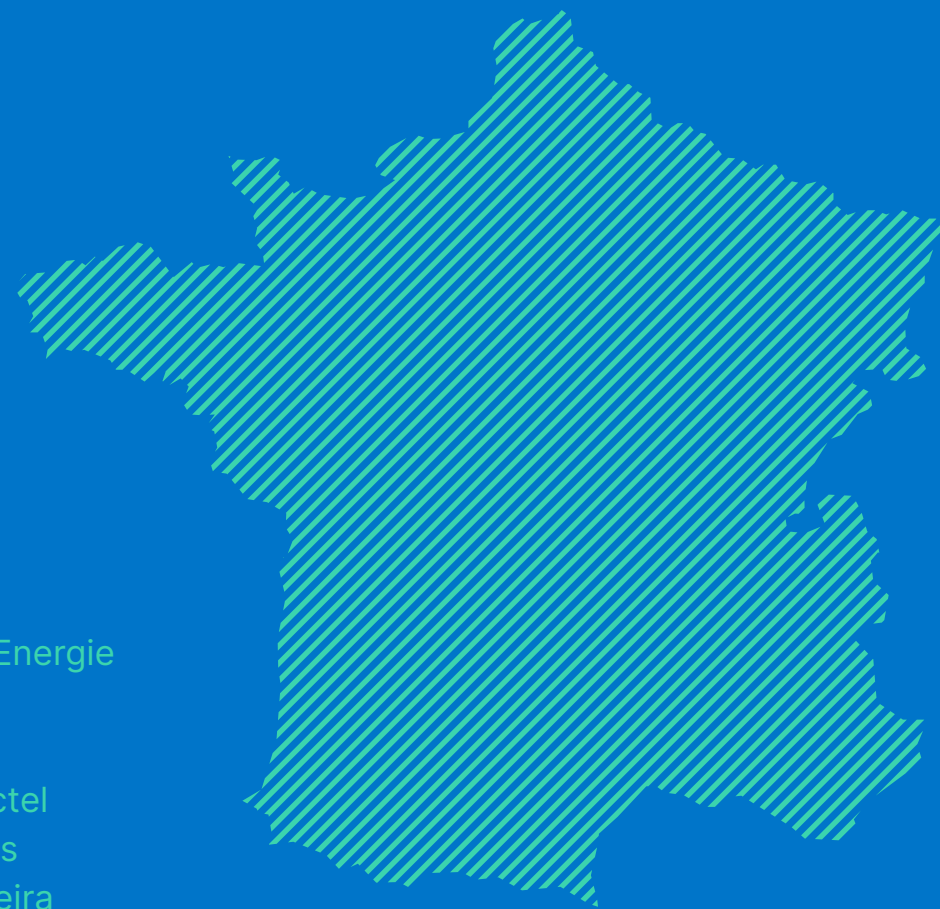
France
Portugal
United Kingdom
Belgium
U.S.A
Germany
Italy
Rep. of Ireland
Spain
Denmark

France & Benelux

France

Companies

Constructel
Constructel Energie
Escotel
Gatel
SCI Constructel
Visactys
Groupe Ramalheira
O+M



Belgium

Companies

Constructel Belgium
Constructel Modal
Cabling Station
Modal Installation
Infrasign
OMV Natie



Turnover
2023

410 M€



+11%
Compared to 2022

EBITDA
2023

38 M€



+3%
Compared to 2022

Employees
2023

2,243



-77
Compared to 2022

Western Europe

Portugal

Companies

Viatel
PDT
Iutel
EIP Serviços
Cunha Soares
Visabeira Infraestruturas
Aeroprotechnik
VisaPower
Arquiled
BrightScience
Jayme da Costa Group



Spain

Company

Tensa



Italy

Companies

Constructel Italia
SCI Constructel Italia
IEME
InPower



Turnover
2023

311 M€



+43%

Compared to 2022

EBITDA
2023

21.1 M€



+49%

Compared to 2022

Employees
2023

2,513



+469

Compared to 2022

United Kingdom & Republic of Ireland

United Kingdom

Companies

Quinn Constructel
MJ Quinn
MJ Quinn Constructel
MJ Quinn Solar



Republic of Ireland

Company
Obelisk Group

Turnover
2023

266 M€



-2,4%
Compared to 2022

EBITDA
2023

34.5 M€



+19%
Compared to 2022

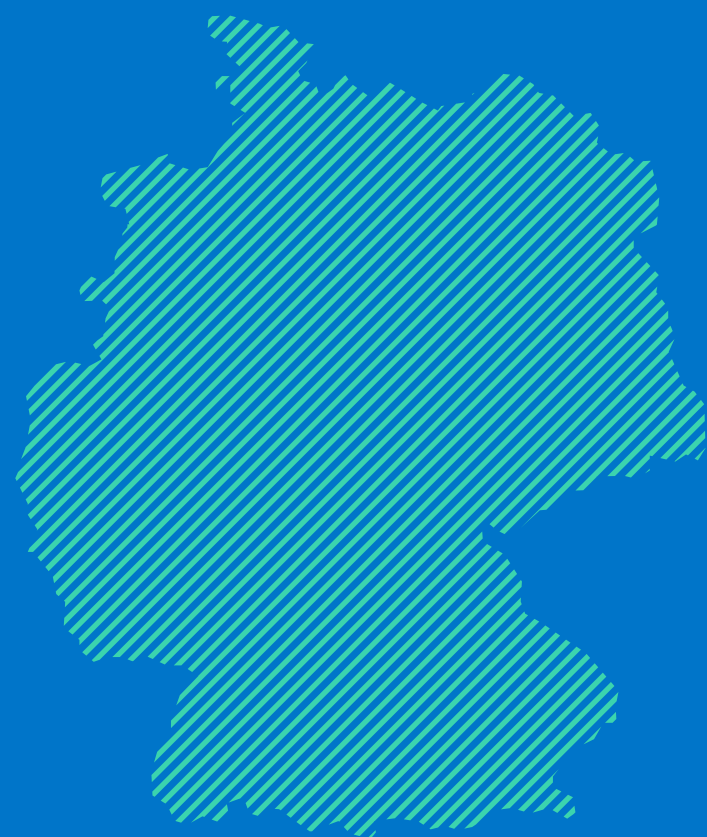
Employees
2023

887



+48
Compared to 2022

Germany & Nordic Countries



Germany

Companies

Constructel GmbH
Constructel Bau
Franz Josef Braun
Group THG Tavan Holding GmbH



Denmark

Companies

Constructel Denmark
Toft Hansen

Turnover
2023

150 M€



+50%

Compared to 2022

EBITDA
2023

25.7 M€



+54%

Compared to 2022

Employees
2023

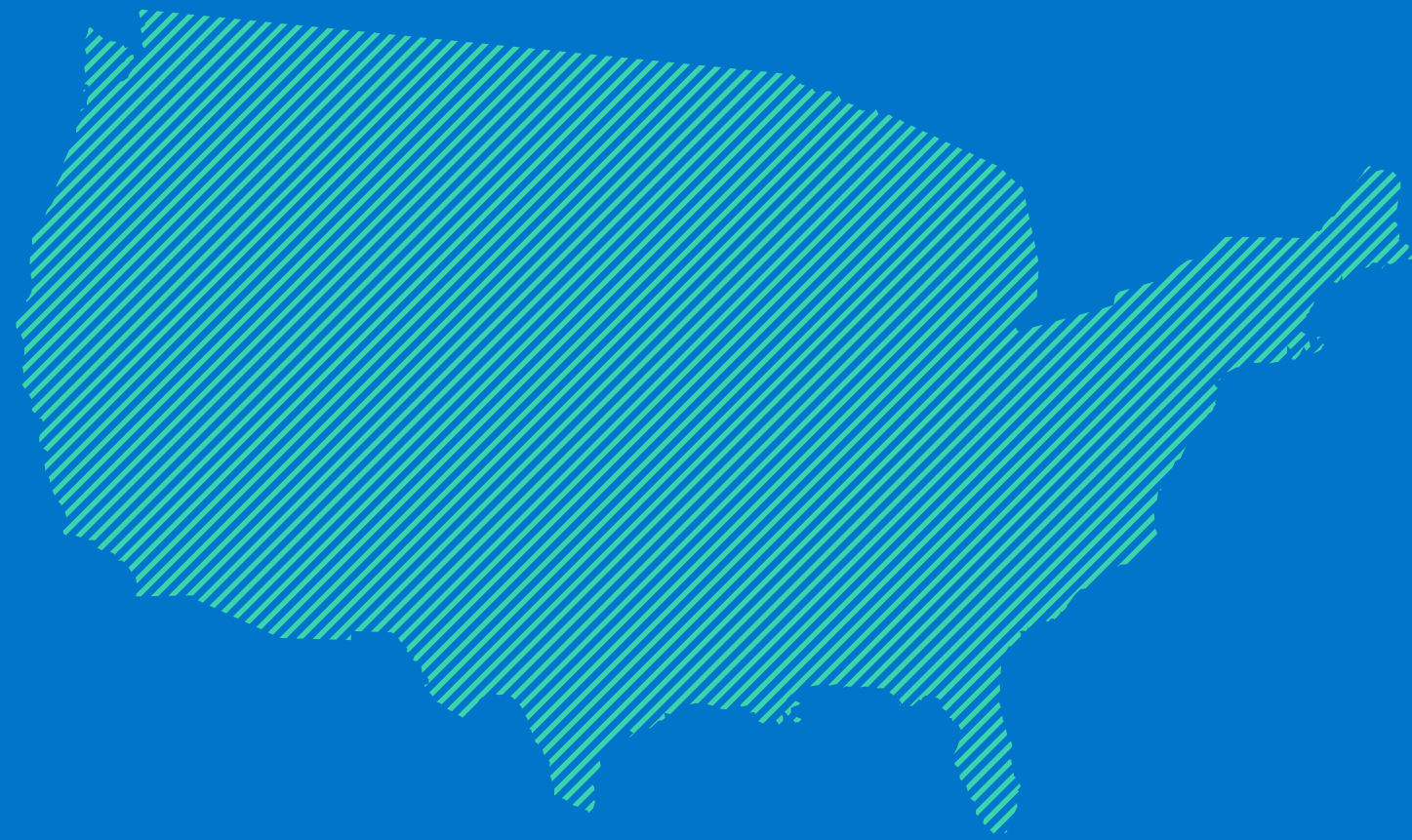
736



+171

Compared to 2022

United States of America



United States of America

Company
J. F. Edwards

Turnover
2023

120 M€



+78%
Compared to 2022

EBITDA
2023

16.3 M€



+14%
Compared to 2022

Employees
2023

145



-17
Compared to 2022

International Academy

The focus on training is crucial for Constructel Visabeira, which has several training facilities in its main markets, with emphasis on the *Academia Internacional*, based in Portugal.

Academia Internacional Constructel Visabeira is an important and highly qualified training centre, with unique facilities and equipment, capable of meeting and exceeding the criteria of various operators and international partners, where all our trainees are admitted, qualified and accredited.

In 2023, at the *Academia Internacional* alone, around 3000 technicians in the areas of Telecommunications and Energy were trained and certified, in more than 540 training courses.



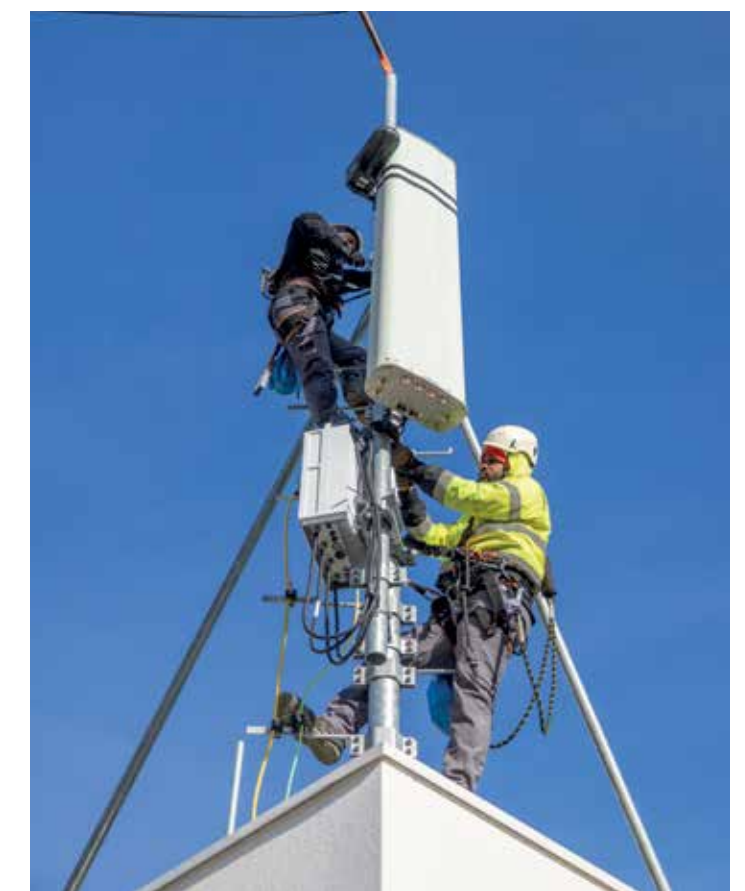
2023

> **3,000**
trained technicians

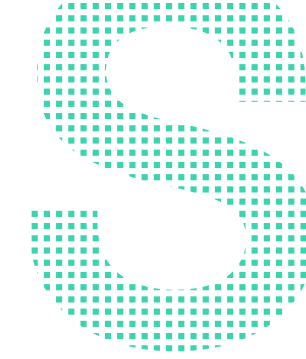
> **540**
training courses

The team of highly qualified professionals with more than 15 years of experience in the areas of Telecommunications and Energy, has been continuously strengthened, responding to increasing needs and guaranteeing a wide range of training modules. This academy's focus is on qualifications in the area of telecommunications - from construction and maintenance of copper and optical fibre networks, to installation and cabling at the end client, work at heights and in confined spaces - , and in the area of Energy - for medium and low voltage infrastructures works. Also noteworthy is the subject of Health and Safety at Work, which includes more than 50% of trainees.

For 2024, the number of training courses to be carried out, as well as the number of trainees involved, is expected to continue the same growth trend as in recent years.



Sustainability



Our approach to sustainability

Sustainability and sustainable development are essential to the welfare and prosperity of future generations and of the planet. At Constructel Visabeira, we recognise that our long-term success depends on the health and resilience of our full value chain end-to-end, and that to continue to create financial and social value, the interests of all our stakeholders must be considered. Sustainability therefore, incorporating the concepts of environment, social and governance (ESG), is not something we want to be on the edge of what we do, but rather to be integral to our business both strategically and operationally.

Commitments

To this end, a number of existing commitments have been re-stated and new commitments and investments have been made:

WE SUPPORT



- Constructel Visabeira is committed to the United Nations 2030 Agenda for Sustainable Development and to upholding the Ten Principles of the UN Global Compact in the areas of human rights, labour, environment and anti-corruption. This is a commitment first made by our parent company, Grupo Visabeira, in 2012 (Grupo Visabeira, SGPS, S.A. | UN Global Compact) and one which continues to this day.

- In September 2023, a Head of Sustainability was appointed with a mandate of creating and implementing a consistent sustainability strategy throughout the group.

- Constructel Visabeira has made a formal commitment to achieving both near-term and net-zero carbon emission reductions in line with science-based emission reductions targets and climate science (Target dashboard - Science Based Targets Initiative).

- The UN Sustainable Development Goals (SDGs) are transformative goals to address the most pressing issues of today - societal, environmental and economic. Through aligning Constructel Visabeira's sustainability strategy with the SDGs, we can articulate how our business helps advance sustainable development. Following a process of engagement with senior stakeholders we have identified seven SDGs that we believe we can make the greatest positive contribution to, each of which will be underpinned by actions and targets in our strategy.



- To support the implementation of the sustainability agenda, a Sustainability & Compliance Governance Committee has been established. Attended by a quorum of the Board of Directors, the committee meets five times per year with the objective of assisting the Board in fulfilling its oversight responsibilities with respect to compliance and sustainability, providing group-level, through leadership and direction to compliance and sustainability functions, integrating the management of compliance- and sustainability-related impacts, risks and opportunities into the strategy and operations of the group as a whole and preparing for mandatory reporting according to the CSRD and the CSDDD.

Outlook for 2024

Throughout 2024 we will work to complete a carbon footprint for all entities and for all scopes of emissions with a base year of 2023, and to subsequently put emission reduction plans and targets in place for validation by **Science Based Target Initiative (SBTi)**. By 2025 and in line with SBTi, we will achieve a target of 80% of the total procured electricity supply coming from renewable sources.

As we prepare for reporting under the Corporate Sustainability Reporting Directive, a double materiality assessment for Constructel Visabeira will be conducted identifying those impacts, risks and opportunities most material to the group of companies.



Corporate Bodies



In a company that creates connections, the strongest connections are those that unite us.

Leadership with a clear vision, combined with the dedication and professionalism of our employees make Constructel Visabeira a leading partner, capable of anticipating clients' needs and exceeding their expectations.

Board of Directors

Chairman

Nuno Miguel Rodrigues Terras Marques

Vice-Chairman

António José Borges

Members of the Board

Luís Filipe Monteiro Marques

Michael John Quinn

Dietmar Pörtl

Luís Alexandre de Almeida Ferreira

Fernando Daniel Leocádio Campos Nunes

João Manuel Pisco de Castro

Michele Titi-Cappelli

José Carlos de Almeida Barreto

Gurmehar Singh Grewal

Statutory Auditor

Effective

Ernst & Young Audit & Associados – SROC, S.A.,
represented by Rui Manuel da Cunha Vieira

Substitute(s):

Pedro Jorge Monteiro da Silva e Paiva

Board of the General Meeting

Chairman

Maria Isabel Couto Fernandes

Secretary

Marta Albuquerque Santos



Nuno Marques
CEO



António José Borges
COO



Luís Monteiro Marques
COO



Michael John Quinn
COO



Dietmar Pörtl
COO



Luís Alexandre Ferreira
CFO



Fernando Daniel Nunes
Member of the Board



João Castro
Member of the Board



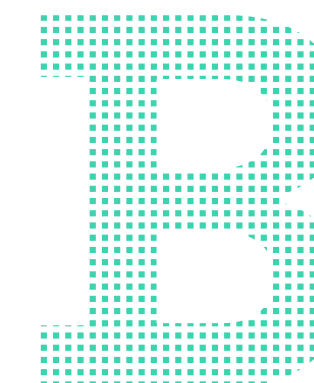
Michele Titi-Cappelli
Member of the Board



José Barreto
Member of the Board



Gurmehar Grewal
Member of the Board



2023 UNDER ANALYSIS



Constructel Visabeira's holdings

78.11% VISABEIRA
GLOBAL

21.86% GOLDMAN
SACHS

0.03% OTHER
SHAREHOLDERS

EUROPE

France	
Constructel	100.00%
Gatel	100.00%
SCI Constructel	100.00%
Constructel Energie	100.00%
Escotel	100.00%
Visactys	100.00%
Groupe Ramalheira	75.00% (a)
O+M	75.00% (a)
Portugal	
Visabeira	100.00%
Viatel	100.00%
PDT	100.00%
Iutel	99.95%
Aeroprotechnik	75.00%
EIP Serviços	98.16% (a)
VisaPower	98.16% (a)
Cunha Soares	51.00% (b)
Arquiled	79.62% (a)
Bright Science	79.62% (a)
Jayme da Costa - Energia e Sistemas	100.00%
Jayme da Costa, SGPS	90.00%
Jayme da Costa - Tecnologia e Serviços	100.00%
Landwalk	100.00%
Geovento	90.00%
United Kingdom	
Quinn Constructel	100.00%
MJ Quinn - Integrated Services	100.00%
MJ Quinn Holding	100.00%
MJ Quinn Solar	100.00%
Obelisk Power Systems UK	85.00% (a)
Belgium	
Constructel Belgium	100.00%
Modal Installation	100.00%
Cabling Station	100.00%

Belgium	
Constructel Modal	100.00%
OMV Natie	100.00%
Infrasign	100.00%
Germany	
Constructel GmbH	100.00%
Constructel Bau	100.00%
Franz Josef Braun	100.00%
Elektro-Würkner GmbH	85.00% (a)
Tavan Tiefbau & Co. KG	75.00% (a)
THG Tavan Holding GmbH	75.00% (a)
I. Tavan GmbH	75.00% (a)
Tavan Immobilien GmbH	75.00% (a)
Italy	
IEME	100.00%
Constructel Italia	100.00%
SCI Constructel Italia	100.00%
InPower Group	54.50%
Republic of Ireland	
Obelisk Communication	85.00% (a)
Obelisk Power Systems	85.00% (a)
Obelisk Networks UK	85.00% (a)
Obelisk International Group Holdings	85.00% (a)
Spain	
Tensa	98.16% (a)
Denmark	
Constructel Denmark	100.00%
Toft Hansen	100.00%
AMERICA	
United States of America	
J.F. Edwards Construction Company	98.16% (a)

a) Control percentage for consolidation of 100%
b) Control percentage for consolidation of 80%

Analysis of consolidated results

Macroeconomic background

In terms of the international scenario, the global recovery from the Covid-19 pandemic and from Russia's invasion of Ukraine remains slow and there are growing regional differences. The global economy continues to face the challenges of persistent inflation and moderate growth prospects. GDP growth has been stronger than expected, but it is slowing down as the impact of tighter financial conditions, weak trade growth and lower business and consumer trust is being increasingly felt. Financial conditions are restrictive, with prospective real interest rates having increased further during recent months. Activity has slowed down in interest-sensitive sectors, especially property markets, and in economies dependent on bank financing, namely in Europe. The increase in geopolitical tensions is also once again pressuring an increase in uncertainty. On a positive note, global inflation decreased in almost all economies, easing pressures on household incomes, but underlying inflation remains relatively high.

The OECD forecast that global GDP growth will decrease to 2.9% in 2024, compared to 3.1% in 2023, before increasing to 3% in 2025, as real income growth recovers and policy interest rates begin to be reduced.

A growing divergence between economies should persist in the short term, with growth in emerging market economies generally being better than in advanced economies, and growth in Europe being relatively moderate compared to North America and the main Asian economies.

Annual consumer price inflation in the G20 economies is expected to gradually decrease from 2024 onwards as cost pressures ease, reaching 6.6% in 2024 and falling to 3.8% in 2025, compared to 6.2% in 2023. Within this context, inflation is expected to return to target amounts in most major economies by 2025.

The increase in terms of geopolitical tensions due to the conflict following Hamas terrorist attacks against Israel is a major concern in the short term, namely if

the war affects other regions. The resurgence of the conflict could result in very significant disruptions in the energy markets and on the main trade routes, resulting in a further re-evaluation of risk in financial markets, which would boost a scenario of slowing growth and increasing inflation.

Within a global framework, continued cost pressures, further increases in energy and food prices or signs of an upward trend in inflation expectations could force central banks to keep key rates higher for longer than expected, possibly generating additional tensions in financial markets. Tighter than expected global financial conditions would also intensify financial vulnerabilities, particularly in emerging market and developing economies, and increase debt servicing pressures in lower income countries.

With this in mind, the main priorities for global policies are to ensure that inflation is reduced on a lasting basis, in order to promote policies that address growing fiscal pressures and to improve the prospects for sustainable and inclusive growth over the medium term.

In the United States, growth was particularly dynamic throughout 2023, including the fourth quarter, helped by strong consumer spending, with households continuing to spend surplus savings accumulated since the start of the pandemic and also by increased government spending.

Real GDP is expected to grow by 2.4% in 2023, 2.1% in 2024 and 1.7% in 2025. Growth in private consumption and investment is expected to slow as a result of the effects of tighter monetary and financial conditions. Employment growth will slow further as a result of weaker demand and the unemployment rate will continue to increase until the first semester of 2024. Inflation will decrease, allowing for the easing of monetary policy in the second half of 2024 and a recovery in domestic demand growth in 2025. Monetary policy will remain restrictive in the short term, with downward pressure

on inflation while still allowing economic growth, but it is expected to ease gradually from the end of 2024 onwards. Policy should therefore continue to focus on lasting reduction of inflation and deficit reduction. In the UK, GDP growth is expected to increase from 0.5% in 2023 to 0.7% in 2024 and 1.2% in 2025. Private spending will replace public consumption and investment as the main driver of growth, helped by the reduction in terms of price pressures. Global inflation will fall from historically high levels, but it will remain above the goal for most of the projection period. Underlying inflation will remain at 3.8% in 2024 and 2.6% in 2025, due to the tight labour market, although it is already slowing down. Unemployment will increase to 4.9% in 2025. Budgeting guidance is becoming restrictive and suitably supports monetary policy, which should remain restrictive until price pressures decrease sustainably. Continuing to face fiscal challenges will remain a priority, namely through the quick implementation of planned supply reforms to boost potential growth.

The demand-reducing effects of more restrictive policies are also being felt in the Eurozone. Growth in the Eurozone is expected to remain weak during the first semester of 2024, before steadily recovering as real incomes strengthen. Average annual growth rates are expected to be 0.6% in 2024 and 1.3% in 2025, after being at 0.5% during 2023. Private consumption will be supported by rigid labour markets (with a shortage of resources), and by increasing real incomes as inflation recedes. At the same time, higher financing costs and uncertainty will weigh heavily on private investment. Employment bottlenecks in terms of services will tend to keep underlying inflation high until at least mid-2025, despite the ongoing reduction in global inflation. The persistence of underlying inflation, the growing impact of higher interest rates on the real economy and the uncertainty associated with rising geopolitical risks will require coordinated macroeconomic policies.

For all these reasons, it is necessary to promote a prudent fiscal policy geared towards rebuilding the budget space, while European budgetary rules will have to be reoriented towards debt sustainability and multi-annual spending plans. Monetary conditions will have to remain restrictive to guarantee the continuation of the course of disinflationation.

Constructel Visabeira

Constructel Visabeira consists of, in a structured way, companies specialised in the telecommunications and energy sectors, allowing combined and geographically comprehensive action, covering ten countries in Europe and the United States of America.

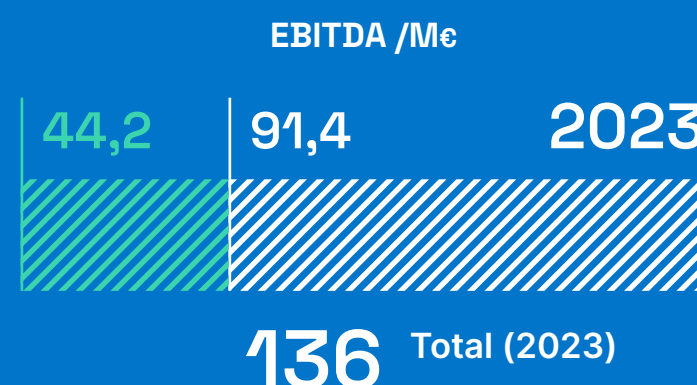
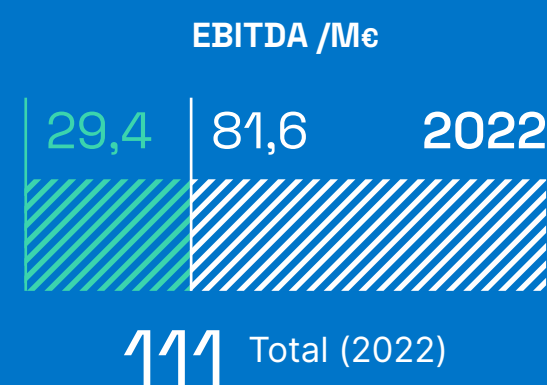
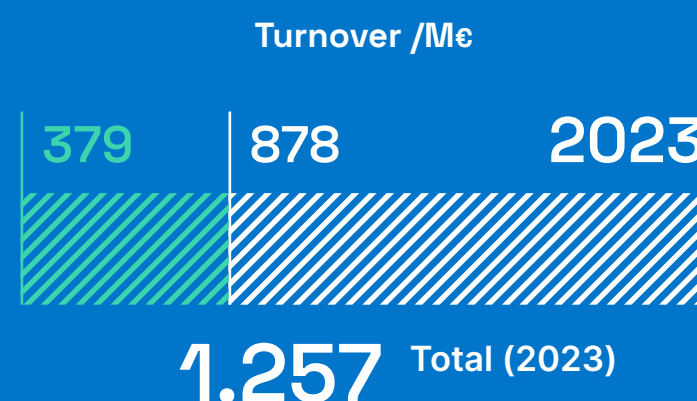
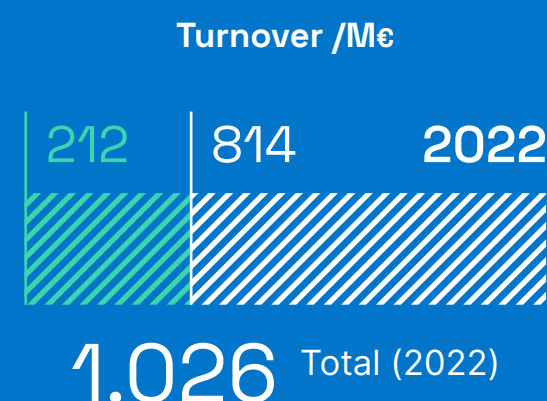
This organisational setup also provides important synergies resulting from complementing skills, know-how and portfolios of services, enhancing, namely greater flexibility and operability in project development. This versatility positions Constructel Visabeira as an international leader in the sectors it does business in, combining a wide range of integrated solutions tailored to the specific needs of each customer and partner.

Constructel Visabeira continues on its path of sustained growth and this year reached a consolidated turnover of 1.3 billion, which represents growth of more than 23% compared to 2022.

It should be emphasised that organic growth represents around 63% of the increase in Constructel Visabeira's turnover during 2023 and is the main pillar of the Group's remarkable business performance.

This very positive development of our business is taking place in an environment that has been negatively marked by the almost two years of conflict resulting from the invasion of Ukraine and, more recently, the war in the Middle East.

This unstable environment is directly and indirectly affecting the economy, both through the increasing cost of raw material, energy and interest rates, as well as through some reduction in commercial and consumer activity.



Results

The year 2023 was once again marked by the organic growth of its business and the strengthening of its position in the foreign market. Constructel Visabeira once again surpassed the historic mark of one billion euros (1.257 million euros) in consolidated turnover, a growth of 22.5% compared to the previous year (1,026 million euros).

Continuing to reach historical peaks, Constructel Visabeira reached an EBITDA of 136 million euros, which compared with 111 million euros in the same period, shows an increase of 22.2%.

Excluding the non-recurring result of 2.5 million euros in 2023 and 1.7 million euros in 2022, adjusted EBITDA totalled 138 million euros, an increase of 23% compared to 2022. In 2022, adjusted EBITDA would be 113 million euros. It should be noted that adjusted EBITA would also be higher, reaching 104 million euros in 2023, compared to 74 million euros in 2022.

The operating result also developed positively, reaching the amount of 90.4 million euros, an increase of 39.6% compared to 2022.

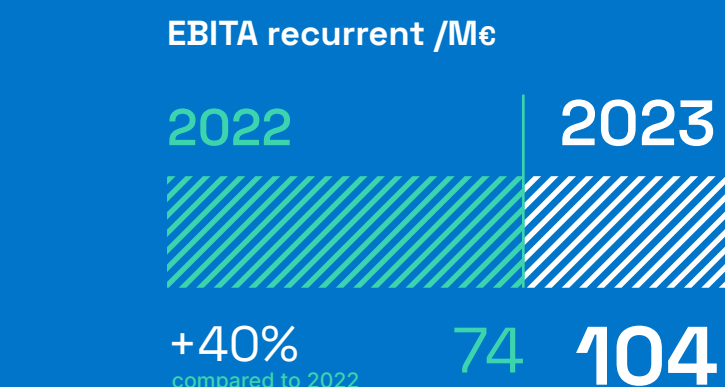
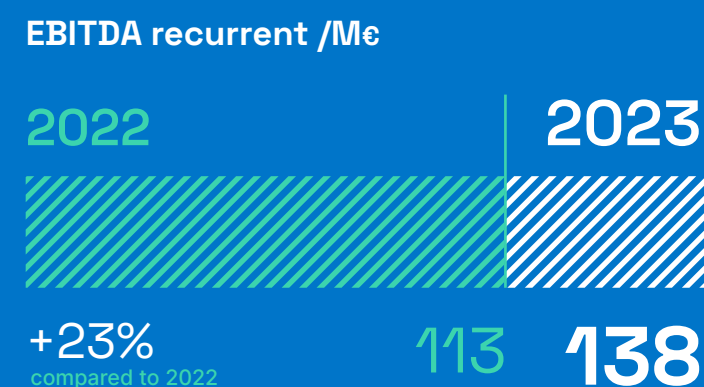
Reinforcing its position in strategic markets, Constructel Visabeira acquired new companies in the European market, increasingly

expanding its area of operation. Thus, it's worth mentioning acquisition of these companies: Tavan Tiefbau & Co. KG in Germany, O+M in France and Arquiled and Jayme da Costa - Energia e Sistemas, S.A. in Portugal.

Turnover from the external market was 1,029 million euros, representing around 81.8% of Constructel Visabeira's total. In 2023, the countries with the greatest weight in terms of turnover were France, the United Kingdom and Belgium. The United Kingdom was the market with the greatest representation of the year, with 266 million euros.

The telecommunications segment continued to be the business area with the greatest influence on a consolidated basis, with 70% of turnover (878 million euros) and 67% of EBITDA (91.4 million euros).

The energy sector ended 2023 with a turnover of 379 million euros, representing 30% of total turnover, with an EBITDA of 44.2 million euros, representing 33%. In terms of turnover, this sector grew by 78%, 24% of which corresponds to the turnover of the companies purchased in 2023 to strengthen this sector.



Energy

Telecommunications

2023

2022

Statement of Financial Position

At the end of 2023, Constructel Visabeira's equity totalled 316 million euros, an increase of 15% essentially due to net income.

Net assets totalled 988 million euros, an increase of 182 million euros due to the growth and expansion strategy of business activity in Europe, purchasing four companies. These purchases incorporated assets and led to an increase in goodwill of 81.8 million euros. Assets associated with customer contracts, which relate to services provided and not yet billed, reached 157 million euros and are mostly related to telecommunications.

In 2023, Constructel Visabeira continued to implement its strategic plan, with specific investments including strengthening its position in the German market (acquisition of a majority share in the company Tavan), in the French market (acquisition of a majority share in the company O+M), as well as investments in Arquiled, based in Portugal, and the acquisition of assets from Balfour Beatty in the mobile communications segment.

As a result of investment, during 2023 Constructel Visabeira increased its debt by 61 million euros, to a Net Debt over EBITDA ratio of 0.6 (compared to 0.2x in 2022), with the ratio remaining below 1x EBITDA, demonstrating Constructel Visabeira Group's financial strength.

One of Constructel Visabeira's short term goals is to refinance its bank debt in order to increase the maturity of its bank debt, to provide greater financing capacity to match its debt with its growth strategy, planned for the coming years, as well as to consolidate its debt in Constructel Visabeira, S.A., allowing its operating subsidiaries to be stronger in financial terms and to focus purely on operational aspects, and consequently on business growth.

To this end, a process to refinance Constructel Visabeira's debt was launched in 2023, with a view to refinancing during the first semester.

This operation is currently being negotiated, and it is planned to contract a medium-long term line to refinance debt by December 2023, a Capex line to provide Constructel Visabeira with greater investment capacity to follow its strategic plan and a Current Account line for generalised use and treasury support. As mentioned above, this operation should have a 5-year maturity, with an average life of more than 3 years.

Thus, the balance of financial debt maturing in the short term is 54.8 million euros, which is included in the aforementioned refinancing operation, and we believe we will be able to complete this refinancing process on time.

	2023	2022
Bank loans	149,123,941	105,362,409
Lease liability	48,328,164	52,750,884
Cash and cash equivalents	-112,271,598	-133,841,218
Total net operating debt	85,180,507	24,272,075
EBITDA	135,618,648	110,988,716
Net debt / EBITDA	0.63x	0.22x



Investments¹

Investments for 2023 amounted to 43.5 million euros, mainly in operational equipment.

	AMOUNT
United States	11,309,748
Germany	7,354,021
France	5,912,644
United Kingdom and Ireland	5,155,492
Portugal	5,042,461
Italy	4,439,948
Belgium	3,659,595
Denmark	346,560
Spain	249,152
Total	43,469,621

¹ This amount includes investment in terms of tangible and intangible assets, the figures presented including 12.1 million euros financed as finance leases with purchase options and recognised in the balance sheet as right-of-use assets, as well as the investment in the Balfour Beatty's carve-out assets in the amount of 2 million euros.

Risk factors

Constructel Visabeira's control matrix always prioritises its exposure to a diverse set of risks arising from its various business areas and, therefore, undertakes the management of credit risk and the protection of its treasury as a priority, recognising, within this context, the importance of credit insurance as an essential instrument, both in the domestic and foreign market.

In this context, the importance of adopting an active management of the different financial risks has always been assumed, in order to minimise its potential negative impacts on the company's cash flow, profit and value. For this reason, always aware of the paramount importance of this issue, Constructel Visabeira promotes an accurate and proactive management of these risks, aiming at applying the most appropriate coverage measures for each situation.

Within this context, Constructel Visabeira is fully aware that the success of its operations critically depends on the mitigation and control of any risks that can significantly affect all of its assets (equipment, service quality, information, facilities) and seeks to avoid risks, thereby jeopardising its strategic goals.

Market risks

INTEREST RATE RISK

Constructel Visabeira's exposure to interest rate risk comes primarily from borrowings, since investments are usually contracted at short-term and consequently the impact resulting from variations on interest rates does not significantly affect the accounts. The balance of financial debt for Constructel Visabeira and its subsidiaries at the end of December 2023 has Euribor as its main index in its various maturities for national financing.

The bond loan issued in 2018 in France with a bullet maturity in 2024 in the amount of 55 million euros, was contracted at a fixed rate and is not subject to risk of variation in cash flows due to interest rate variation. For the remaining financing, an increase of 25 basis points in the interest rate on variable rate financing would imply for Constructel Visabeira, using by reference the consolidated accounts, an increase in financial charges of around 432 thousand euros.

EXCHANGE RATE RISKS

Constructel Visabeira's subsidiaries choose, whenever possible, to use a natural hedge currency risk. MJ Quinn is a company operating in the United Kingdom within the telecommunications infrastructures sector for British Telecom. The company trades in British pounds and has the cost of the factors essentially in the same currency and therefore is not exposed to relevant transaction risks. Integrating the company in the consolidated accounts is subject to the exchange rate fluctuation of the pound sterling against the euro - transpose risk. Future dividends will also be exposed to said exchange rate fluctuation. The pound sterling started the year at 1.12748 euros and ended the year at 1.15068 euros.

The incorporation of LLC Edwards, a subsidiary based and operating in the United States, exposed Constructel Visabeira to risks of transposition. Like MJ Quinn, this subsidiary's revenue is in local currency as well as a relevant part of the cost of production factors. The American dollar started the year at 0.93756 euros and ended the year at 0.90498 euros.

CREDIT RISKS

Credit risk is an important and complex activity that is present in the everyday life of its associated companies, whatever the nature of their business. Risk assessments imply credit decisions, at times, based on incomplete information, within a scenario of uncertainty and constant change. Considering the business itself, the business areas in which it operates, or the risk of the region and country, the classification and assessment of the credit risk of a given client is usually summarised in a credit record, which includes available and relevant information such as the client's nature, management capacity, assets, history, financial information, credit guarantees and payment terms that will inform an opinion on a given credit transaction. The assessment of credit risk reflects the multiplicity, quality and origin of the information available to the credit analyst. Constructel Visabeira has had the support of a credit insurer for years, with which it maintains credit insurance policies, leaving the analysis of credit granting to professionals who are specialised in debt recovery, receiving from the credit company the indication of exposure - credit limit - adjusted to the credit capacity of each client. Thus, management can be primarily focused on operational issues. The coverage of this risk allows a compensation of 95% for unpaid credits. The last few



turnover in 2023. This group includes entities such as local telecommunications operators, generally directly held by the government of each country, replacing credit risk with political risk. Examples of most prestigious operators in the group's portfolio: France Telecom; Proximus (Belgacom); Telekom Deutschland; MEO – Serviços de Comunicações e Multimédia; NOS Comunicações; Geodesia (Grupo Altice); Altice France; E-Redes; Fiberklaar B.V.; REN – Rede de Eletricidade Nacional; GRDF – Distribution de Gaz Naturel en France; ERDF – Électricité Réseau Distribution France; TDC A/S; and natural gas companies, among others.

LIQUIDITY RISK

The associated companies of Constructel Visabeira carry out liquidity risk management in order to insure assets funding according to maturity delays, adequate rates and adequate settlement of its financial compromises. Concurrently, appropriate balances of cash and short-term lines are held, which allow for proper management of available short-term financial commitments.

Cash and investments of all Group companies are managed by a centralised global organisation, which reduces the risk of cash flows, avoiding exposure to variations that may affect the results of companies. The use of factoring allows, on the other hand, for a reduction in average collection periods, with the inherent anticipation of receipts, and it enables better cash management due to timely obtaining of the necessary working capital to finance the operational cycle, a fundamental condition for sustained economic and financial growth, in addition to reducing the risk of receiving from costumers where credits are transferred without recourse on the adherent. Constructel Visabeira also maintain additional contracted short-term current accounts to meet occasional needs. At the balance sheet date, Constructel Visabeira has cash and cash equivalents amounting to 112.3 million euros.

years have been marked by increased restrictions on credit being granted by the insurance company. In view of this scenario, and in order to meet credit risk coverage needs in foreign markets, where the limits granted under base policies are insufficient, the Group has insured additional coverages that allow it to increase the partial coverage of its risks, up to twice the amount granted in the base policy, and to also obtain coverages for risks that have no value attributed in said base policy, up to the limit of fifty thousand euros. At the same time, it is the organisation's purpose to obtain coverage for risks that have no value attributed in the aforementioned base policy, through non-recourse factoring. The added constraints in the external hedging of loans entail a greater precision and stricter requirements in assessing applications for internal credit. Companies which are part of Constructel Visabeira that operate as infrastructure and telecommunications service providers sell to entities of recognised financial probity, which accounted for about 55% of consolidated



Constructel holds a share of the debt, in the amount of 55 million euros, financed in a five-year bullet structure maturing in 2024, under a bond loan and the remainder essentially related to financial leasing operations in repayment.

Constructel Visabeira's control matrix always prioritises its exposure to a diverse set of risks arising from various business areas and, therefore, undertakes the management of credit risk and the protection of its treasury as a priority, recognising, within this context, the importance of credit insurance as an essential instrument, both in the domestic and foreign markets. In this context, the importance of adopting active management of the various financial risks has always been assumed, in order to minimise its potential negative impacts on the company's cash flow, profit and value. For this reason, always aware of the paramount importance of this issue, Constructel Visabeira promotes an accurate and proactive management of these risks, aiming at applying the most appropriate coverage measures for each situation.

Within this context, Constructel Visabeira is fully aware that the success of its operations critically depends on the mitigation and control of any risks that can significantly affect all of its assets (equipment, service

quality, information, facilities) and seeks to avoid risks, thereby jeopardising its strategic goals.

One of Constructel Visabeira's short-term goals is to refinance its bank debt in order to give it greater maturity and bring its indebtedness in line with the growth strategy planned for the coming years.

Moreover, it will also make it possible to consolidate the structural financial debt at Constructel Visabeira, S.A., allowing its subsidiaries to be stronger in financial terms so that they can focus on purely operational aspects and consequently on business growth.

To this end, a debt refinancing for Constructel Visabeira was launched in 2023 with a view to being completed during the first semester of 2024. This operation is currently being negotiated, and it is planned to contract a medium-long term line to refinance the financial debt as of December 2023, a Capex line to provide Constructel Visabeira with greater investment capacity to follow its strategic growth plan and a Current Account line for generalised use and treasury support. This operation should have a maturity of 5 years.

In December 2023, the balance of financial debt maturing in the short term totalled 54.8 million euros, and we strongly believe that it will be repaid when the current refinancing operation is completed.

Business evolution by country

	Total		Group		Consolidated 2023		Consolidated 2022	
France	281,751,083	21.1%	15,443,283	19.9%	266,307,800	21.2%	252,358,239	24.6%
Constructel	222,874,390	16.7%	6,013,327	7.7%	216,861,063	17.2%	209,385,863	20.4%
Constructel Energie	20,958,008	1.6%	5,842	0.0%	20,952,166	1.7%	19,117,583	1.9%
Escotel	12,023,697	0.9%	5,682,013	7.3%	6,341,684	0.5%	12,302,742	1.2%
Gatel	14,487,898	1.1%	2,814,556	3.6%	11,673,342	0.9%	11,447,987	1.1%
SCI Constructel	486,928	0.0%	428,526	0.6%	58,403	0.0%	47,447	0.0%
Groupe Ramalheira	179,423	0.0%	89,420	0.1%	90,002	0.0%	0	0.0%
O+M	10,292,319	0.8%	0	0.0%	10,292,319	0.8%	0	0.0%
Visactys	448,421	0.0%	409,600	0.5%	38,821	0.0%	56,616	0.0%
Portugal	291,597,499	21.8%	44,995,181	58.0%	246,602,317	19.6%	181,995,898	17.7%
Viatel	89,730,825	6.7%	23,524,927	30.3%	66,205,898	5.3%	67,401,375	6.6%
PDT	40,228,981	3.0%	3,225,299	4.2%	37,003,682	2.9%	35,179,806	3.4%
Visabeira	50,586,363	3.8%	3,000,707	3.9%	47,585,656	3.8%	39,538,621	3.9%
Aeroprotechnik	1,392,335	0.1%	221,152	0.3%	1,171,182	0.1%	1,063,194	0.1%
Iutel	662,311	0.0%	0	0.0%	662,311	0.1%	624,912	0.1%
Constructel Visabeira	8,885,896	0.7%	8,474,764	10.9%	411,132	0.0%	202,818	0.0%
EIP Serviços	33,476,089	2.5%	5,583,346	7.2%	27,892,743	2.2%	18,343,352	1.8%
Visapower	633,484	0.0%	633,484	0.8%	0	0.0%	0	0.0%
Grupo Jayme da Costa	43,908,687	3.3%	31,810	0.0%	43,876,877	3.5%	0	0.0%
Arquiled	2,417,618	0.2%	0	0.0%	2,417,618	0.2%	0	0.0%
BRIGHTSCIENCE	221,949	0.0%	221,949	0.3%	0	0.0%	0	0.0%
Cunha Soares	19,452,961	1.5%	77,742	0.1%	19,375,219	1.5%	19,641,821	1.9%
United Kingdom	234,913,761	17.6%	1,274,881	1.6%	233,638,880	18.6%	240,289,196	23.4%
EnergyDisti	886,758	0.1%	886,758	1.1%	0	0.0%	134,880	0.0%
MJ Quinn	226,383,883	17.0%	0	0.0%	226,383,883	18.0%	235,872,267	23.0%
MJ Quinn Solar	7,254,997	0.5%	0	0.0%	7,254,997	0.6%	4,282,049	0.4%
Quinn Constructel	388,123	0.0%	388,123	0.5%	0	0.0%	0	0.0%
Belgium	153,746,788	11.5%	10,328,532	13.3%	143,418,256	11.4%	116,094,549	11.3%
Constructel Modal *	47,689,240	3.6%	1,393,781	1.8%	46,295,459	3.7%	39,993,211	3.9%
OMV Natie	38,358,541	2.9%	6,526,978	8.4%	31,831,563	2.5%	24,618,819	2.4%
Constructel Belgium	67,620,351	5.1%	2,329,117	3.0%	65,291,234	5.2%	51,374,470	5.0%
Infrassign	78,655	0.0%	78,655	0.1%	0	0.0%	108,049	0.0%

	Total		Group		Consolidated 2023		Consolidated 2022	
United States of America	120,421,741	9.0%	0	0.0%	120,421,741	9.6%	67,521,791	6.6%
J. F. Edwards	120,421,741	9.0%	0	0.0%	120,421,741	9.6%	67,521,791	6.6%
Germany	121,427,535	9.1%	1,244,841	1.6%	120,182,694	9.6%	72,838,226	7.1%
Constructel Bau	6,261,539	0.5%	469,387	0.6%	5,792,151	0.5%	0	0.0%
Constructel GmbH	39,532,456	3.0%	447,956	0.6%	39,084,500	3.1%	31,325,968	3.1%
Elektro-Würkner GmbH	33,147,682	2.5%	9,707	0.0%	33,137,975	2.6%	29,258,644	2.9%
Franz Josef Braun	14,303,911	1.1%	0	0.0%	14,303,911	1.1%	12,253,613	1.2%
Tavan Tiefbau & Co. KG**	28,181,947	2.1%	317,790	0.0%	27,864,157	2.2%	0	0.0%
Italy	69,860,637	5.2%	1,262,466	1.6%	68,598,171	5.5%	44,307,168	4.3%
Constructel Italia	343,754	0.0%	343,754	0.4%	0	0.0%	250	0.0%
Ieme	26,931,924	2.0%	443,957	0.6%	26,487,967	2.1%	10,671,763	1.0%
InPower Group	42,584,960	3.2%	474,756	0.6%	42,110,204	3.3%	33,635,155	3.3%
Republic of Ireland	32,729,108	2.5%	0	0.0%	32,729,108	2.6%	32,716,917	3.2%
Obelisk***	32,729,108	2.5%	0	0.0%	32,729,108	2.6%	32,716,917	3.2%
Spain	14,262,386	1.1%	63,828	0.1%	14,198,558	1.1%	9,031,092	0.9%
Tensa	14,262,386	1.1%	63,828	0.1%	14,198,558	1.1%	9,031,092	0.9%
Denmark	14,623,392	1.1%	3,288,282	4.2%	11,335,110	0.9%	9,260,095	0.9%
Constructel Denmark	11,338,720	0.8%	3,503	0.0%	11,335,217	0.9%	8,660,722	0.8%
Toft Hansen	3,284,672	0.2%	3,284,779	4.2%	-107	0.0%	599,373	0.1%
Total	1,335,333,931	100%	77,901,295	100%	1,257,432,636	100%	1,026,413,171	100%

*Turnover includes Constructel Modal, Modal Installation and Cabling Station.
 **Includes the companies THG Tavan Holding GmbH, I. Tavan GmbH and Tavan Immobilien GmbH.
 ***Includes the companies Obelisk Communication, Obelisk Power Systems, Obelisk International Group Holdings, Obelisk Power Systems UK and Obelisk Networks UK.

Telecommunications

The integrated skills of Constructel Visabeira position it as a market leader and as a perfect partner for operators. In France, Constructel has strengthened its position of reference with the main French operator Orange (France Telecom), as one of the main service providers. With operations all across France, the company has increased its turnover to over 222 million euros, growing by almost 40% and strengthening its position as a leader in the market. Following the renewal of the core contract with its client Orange in 2022, the company has been cruising in this business during the 2023 financial year, enabling it to have good visibility for the next five years. The company also maintained its focus on the strategy of ensuring ever greater diversification of clients and, at the same time, promoting the expansion of its range of activities, with a varied offer of services, in which it continued to grow, for example, in the area of SMART, IOT and renewable energy solutions. Within this complex environment, which limited its activity, Gatel managed to maintain its level of activity in France, with a turnover of around 14.5 million euros, slightly higher than during the previous year, thus contributing to the dynamics of the Group's other operations and strengthening its presence in the market as well as the visibility which the brand has already guaranteed over the years throughout France.

Still in France, as far as Escotel is concerned, 2023 was characterised by the continued momentum of the telecommunications markets, as well as by the completion of the important phase of the work carried out in terms of industrial deployment of optical fibre networks. The completion of this cycle had an impact on the company's turnover, which after exceeding 12 million euros, recorded a decrease in activity of around 25% compared to the previous year. Within this context, the company streamlined its structure to better adapt to new markets, while maintaining its position as a local player recognised by the market.

In Belgium, Constructel Belgium has strengthened its position as a strategic company with Proximus (Belgacom) by growing its turnover by more than 26% and approaching 68 million euros.

The company has thus secured an increasingly prominent position in this market, both for all the work it continues to carry out installing optical fibre in the country, especially in the city of Brussels, and for its increased activity in building and maintaining optical fibre networks for different clients, such as Proximus and Fiberklaar. The work portfolio continues to grow, guaranteeing that the company will continue to strengthen its position as it has over the past few decades. In this area, the GoFiber, Panda and Wallonie projects, among others, are particularly noteworthy due to their importance and size, and these alone will guarantee growth in the company's activity over the

next five years. Moreover, new clients, such as Wyre, new activities such as BIOS, as well as optical fibre maintenance at the national level will also represent pillars of the company's growth.

Still in Belgium and in the area of fixed networks, Constructel Modal (including Modal Installation and Cabling Station) has strengthened its presence in the sector of telecommunications with its partner Proximus (Belgacom), following the renewal of the main contract with this client, guaranteeing a presence throughout the national territory and giving a good outlook for the company's activity in the coming years. The companies, with a volume of activity approaching 48 million euros, recorded growth of almost 14%. Constructel Modal is thus ensuring strong dynamics in strengthening its position as one of the largest service providers to this historic client and, at the same time, continues to invest in expanding its activities and skills, as is the case in terms of smart meter segment, or new projects such as GoFiber and Unifiber, which will ensure that the company's growth cycle continues.

Oude Markt Voerlieden Natie NV (O.M.V. Natie), another Belgian company based in Antwerp and founded in 1968, which joined Constructel Visabeira's business portfolio in 2020, continues to strengthen the Group's presence in the Belgian market, and to ensure growth in terms of activity, which in 2023 exceeded 38 million euros, representing an increase of more than 18% compared to 2022.



Growth will continue to be a priority, as a result of the Group's synergies and dynamics. As examples, it is important to mention the new large-scale projects in Flanders, such as Fluvius, and expansion in areas such as HC, working for Fiberklaar, and EFF, working for Proximus, among others.

In Italy, IEME, Constructel Visabeira's transalpine company, has strengthened its position in this market by recording a turnover of almost 27 million euros, more than doubling its performance compared to the previous year, growing by more than 128%. The company has strengthened its position as the main player for the main Italian operators, in the area of medium and low voltage networks for the client ENEL, and in the area of telecommunications for its client Open Fiber. In order to achieve this result, the company invested heavily in training new employees, and reinforced its car fleet and tools. As part of this expansion policy, a new head office was set up in the Veneto region, Rovigo, where new contracts have made it possible to increase share activity in this area. Within this framework, the company is working towards SA8000 qualification and strengthening sustainability, especially in the area of energy efficiency.

Constructel Visabeira's continued focus in Italy was reinforced last year by the acquisition of another company in the telecommunications sector, Inpower, thus strengthening business expansion the relationship

with the main customer in the Italian market, Open Fiber, and optimising resources by taking advantage of synergies between the companies. InPower has recorded remarkable performance during 2023, with a turnover of over 42 million euros, corresponding to growth of almost 27%.

In Germany, Constructel GmbH continued to strengthen its position with its main clients, both in the fixed and mobile networks, and continued to be recognised for the quality of its work. As a result of this dynamics, the works portfolio continued to grow, with a cycle of strong growth in the German market. Within this context, Constructel GmbH strengthened its position as a benchmark brand in this market, mainly as a partner of Deutsche Telekom. As a result of very assertive performance, the company managed to grow, achieving a level of activity that was close to 40 million euros, corresponding to growth of around 26%.

As far as Constructel Bau is concerned, the company recorded amazing growth during 2023, highly due to the start of the project which will bring fibre to the home of around 14,500 Deutsche Glasfaser customers. Within this context, the company's turnover exceeded 6.2 million euros.

Franz-Josef Braun, a company which provides services related to constructing and expanding telecommunications networks, the installation of optical fibre and the construction of electricity networks, exceeded 14 million euros in turnover. The option of purchasing this company proved to be a winner strategy, contributing significantly to the strengthening and positioning of Constructel Visabeira in the German market. One of the main contributors to this success was Deutsche Telekom's FTTH Expansion Zülpich project, which generated sales of 3.7 million euros. The company completed 90% of this project's work during 2023, and its completion is scheduled for the first quarter of 2024. The Group's newest company in Germany, Tavan Tiefbau, is one of the largest civil engineering companies for telecommunications and energy infrastructures in northern Germany. Based in three locations, Verden, Bremen and Westerholt, the company is a distinctive brand which has established itself as a leading player in terms of creating the necessary digital infrastructures in Germany. In 2023, Tavan Tiefbau managed to maintain the previous year's turnover at 40 million euros, overcoming the period of transition and adaptation to the new business environment.

In Portugal, Viatel ensured the maintenance of its leading position in the sector it does business in, maintaining the quality of its activity at levels that allowed it to guarantee full customer satisfaction, also achieving, even within a complex and difficult scenario, a growth in its activity volume of around 7%, reaching 89.7 million euros. Viatel, as a result of this performance and of the comprehensive solutions it offers, remains a reference



company in its market in the different segments in which it operates, strengthening the position of trust it had gained in the market.

In the Fixed Network Division, under the “Meo FFT 2016” contract, Viatel maintained the same operational areas of activity in 2023 that it had added in the second half of 2016. During the first semester of 2023, the market slowed down and the volume of Customer Network installation services registered a slight reduction, compared to the last semester of the previous year. Thus, there was a reduction by around 14% in relation to 2022.

The Mobile Network Division works with a strong focus on Wireless and Critical Infrastructures and is active in various market segments, namely: Telecommunications, Transport, Military/Defence and Others. It is currently organised with business divisions specialising in three distinct areas of activity: Mobile & Special Infrastructures, Radio & Technologies and Energy & Critical Infrastructures, which in 2023 accounted for 57%, 22% and 21% of the unit's total turnover, respectively.

The company also ensured the continuity of its commitment to the training, qualification and careful presentation of its technicians, undertaking this as one of the company's goals and its main key for success. This commitment towards continuous training, the training of its technicians and the ongoing creation of higher levels of skills has made Viatel the main support pillar for international operations. It has contributed to the growth of the activity and to expansion to new countries, which the Group's strategy has been implementing in recent years.

PDT also maintained the spirit of resilience and the ability of the entire organisation to adapt to new and demanding challenges in order to know how to adapt pro-actively to the restrictions that new challenges entail. Within this context, the company managed to exceed 40 million euros in turnover, growing by 7% compared to the previous year.

At the same time, PDT maintained the level of activity in the segment of corporate P2P connections activity, as well as the maintenance contract for the NOS Primary Optical Fibre Network throughout the national territory. In the SP Global contract, PDT strengthened its position as NOS' largest service provider, achieving performance which translated into 112,000 homes (UAs) being connected during the year.

Within this period of such uncertainty and complexity,

the company PDT has always remained focused on ensuring the quality and availability of its services and organising itself to rise to the challenges which society has presented. The company has always provided an effective response to all its customers' requests, thus operating within a vital sector for people and companies, such as telecommunications.

As far as the Commercial Area is concerned, PDT maintained its performance during 2023, presenting a significant growth of 4% contrary to the market it does business in, thus reinforcing the acquisition of new customers for NOS by 8%. Regarding the new range of services from NOS for alarms, PDT, always at the forefront, stood out especially in attracting this service, ensuring a growth of more than 150% compared to 2022, the year this new NOS product was launched on the market. It should also be noted that the 2023 financial year was marked by NOS introducing new requirements for compliance with quality and transformation indicators. As PDT has been highly committed to NOS in these areas too, it managed to meet and even exceed the new requirements and expectations of the operator, customers and the market in general.

In order to overcome the complex global context, Aeroprotechnik maintained a very proactive focus in its operations, optimising its Advanced Inspection of Critical Infrastructure services within the three business areas: Energy (photovoltaic plants and energy transmission lines), Telecommunications (telecommunications base stations) and Transport (railway maintenance). Within this context, the company carried out an important consolidation process, in terms of specialised solutions and services, having guaranteed the continuity of the relationship with benchmark clients and business sustainability. Within this difficult context, the company managed to maintain its volume of activity to around 1.4 million euros.

MJ Quinn, a company operating in the UK and Irish markets as a leading player in Energy and Telecommunications, surpassed 220 million euros in turnover. The company strengthened its position as one of the main engineering service providers in the telecommunications sector, with a presence alongside the British operator Openreach (which belongs to the British Telecom Group), by once again recording an impressive operational performance that guaranteed it first place as Openreach's key partner.

MJ Quinn is involved in all activities related to the



Openreach telecommunications network, from activities related to the copper / coaxial network, to the development and implementation of the new optical fibre network, and is also the only provider with national coverage in the customer network installation segment. It should be noted that MJ Quinn has a strong focus on training, having invested in a training centre in Liverpool, where it completed more than 7,500 training courses during 2023, for a total of 2,500 employees. In Ireland, Obelisk operates in the Irish and United Kingdom markets and has strengthened its position as a leading provider of turnkey solutions in essential infrastructures in the wireless networks, fixed telecommunications and renewable energy sectors. Overall, the company maintained its volume of activity, reaching 32.7 million euros, slightly above the previous year's amount. However, Obelisk managed to grow its organic business in Ireland by 16%, reinforcing its position as market leader in terms of wireless telecommunications, supported by the renewal of the FLM contract with Vodafone Ireland and Vantage Towers until 2027, maintaining a strong relationship which started in 2011. Furthermore, Obelisk's key partnership with Three Ireland and Cellnex Ireland has resulted in strong growth potential as the company expands its service offering to Irish and UK customers. As part of Obelisk's market expansion strategy, with a strong focus on long-term growth opportunities and with the support of Constructel Visabeira, the UK telecommunications division was acquired from the leading international infrastructure group Balfour Beatty.

Energy

In Portugal, Visabeira Infraestruturas, despite the adverse context, continues to maintain a leading position in the Portuguese market, managing to provide a complete response to the requests and needs of its market, which ensured better performance in 2023 compared to the previous year, with turnover exceeding 50 million euros, corresponding to growth of 20%. This dynamic and competent performance earned the company, once again, recognition for its leading role in ensuring solutions so that electrical infrastructures, an essential pillar for people and for society, do not collapse and continue to adequately serve populations and companies in these troubled times. The year 2023 will therefore be marked by many activities and multiple achievements for which the various sectors of the company have been able to provide the most effective responses on numerous fronts, awarded many works, of which it is difficult to select any highlights. Cunha Soares, a company based in Portugal, which was purchased in 2021, operates mainly in the German market. In 2023, the company has strengthened its position and kept its turnover at 20 million euros. EIP Serviços, after a phase of integration into Constructel Visabeira, following its acquisition in 2021, in 2022, carried out an exercise focused on growth with a leap of more than 600%, and now in 2023 the company has continued to grow, recording an increase of more than 57%, reaching 33.5 million euros. The company, which has gained a benchmark status with its main clients REN, EDP and IP and SNCF in the French market, has skilfully managed to articulate its competences so that, within the challenging scenario the sector is undergoing,

it can preserve its operational capacity to maintain the necessary response capacity for the planned increase in workload, growing naturally and competently. In France, Constructel Energie maintained its contractual and organisational stability in 2023, with turnover reaching 21 million euros, representing growth of more than 7% in a difficult and very stable market. The company thus lives up to its track record as a leading player with incumbent operators EdF (Électricité de France SA), Enedis and GrDF (Gaz Réseau Distribution France), reinforcing its position as one of their main partners and maintaining its strategy of being a leading player in this market and one of the most important players in this sector.

As far as Germany is concerned, following its acquisition in 2022, Elektro-Würkner (established in 1965 and one of the largest German companies in the telecommunications sector, which also holds an important position in the sector of the renewable energies) was fully integrated into the Group's dynamics, and in 2023 it reached a turnover of over 32 million euros, corresponding to growth greater than 10%, its biggest increase in recent years. The renewable energies sector is the main contributor to this growth. In fact, the accentuated increase in fossil energy prices and the population's growing interest in climate-friendly approaches have been the major factors contributing to the increase in demand for photovoltaic systems, to which the company has responded effectively and efficiently.

In terms of the energy sector in the United Kingdom, MJ Quinn operates in various segments, including operation and maintenance of buildings (particularly the contract with the NHS), design and development of renewable energy production projects, with its subsidiary MJ Quinn Solar (with activity of over 7 million euros), development of solutions to promote energy efficiency, developing various activities such as Data Centre management, installation of photovoltaic panels, among others.

In Spain, Tensa confirmed the outlook for recovery in activity, with a turnover of over 14 million euros, equivalent to a 58% increase compared to the previous year. This performance resulted in the reinforcement of the portfolio with new Transport contracts awarded during the second semester of 2022, as well as with the main project, which started in 2022 but ended up being developed for the most part in 2023, after successive postponements. Tensa remains motivated and focused on business development strategy so that the company can continue its path of growth and consolidation of both Transport and Distribution activities, as it has during recent years.

In the United States of America, JF Edwards has

strengthened Constructel Visabeira's presence in North America, not only strengthening its leading position in the US market, but also contributing decisively to the global growth of the Constructel Visabeira's business activities and the Group itself. JF Edwards, whose activities include design, development, construction, operation and maintenance of renewable energy projects (wind and photovoltaic), as well as installation, operation and maintenance of electrical substations, is present in a crucial sector in the United States, where significant investments are expected to modernise its entire energy infrastructure.

The result of such strategy was performance during 2023, the year in which JF Edwards achieved significant growth in terms of volume of activity by more than 78%, surpassing 120 million euros.



Commitment to society

Quality, Environment and Safety

The current climate emergency has presented all companies with the challenge and responsibility of integrating strategies and solutions which minimise their environmental impact and contribute to carbon neutrality. Constructel Visabeira's commitment to fighting climate change illustrates the power of the business sector as a vehicle for change in this global journey of climate action, contributing to a sustainable future for the planet. Constructel Visabeira develops its activity aiming at minimising energy consumption in our facilities and car fleet and, consequently, greenhouse gas emissions, while also seeking to improve environmental performance and operational efficiency.

Recognising the impact caused by our activities in terms of greenhouse gas emissions, Constructel Visabeira has been an active player in the fight against climate change. Emissions from Constructel Visabeira's main activities are accounted for by calculating the carbon footprint and categorised into two areas, as defined in the WBCSD GHG - Corporate Standard protocol:

- Scope 1: direct greenhouse gas emissions resulting from operations owned or controlled by the Group. Includes consumption by company vehicles.
- Scope 2: indirect greenhouse gas emissions from the consumption of energy (namely electricity) used in the Group's activities and facilities.

Moreover, in terms of responsible resource management, activities were analysed from a circular economy perspective, where the aim was not just to treat waste properly, but to define strategies for avoiding waste; to assess existing opportunities to improve and render processes more circular, with more durable materials.

In any case, channelling waste to an appropriate final destination is fundamental in order to reduce the negative impacts associated with waste, and Constructel Visabeira has been committed to ensuring that this final destination is suitable. With this in mind, Constructel

Visabeira has identified all the waste produced in the course of its activity, and has established a strategy for eliminating or reducing waste at the source in order to improve its environmental impact.

With regard to Safety and Health at work, integrated in the social dimension of sustainability, the development and certification of the companies' main Management Systems, combined with various actions to prevent accidents and with the ongoing commitment training employees, allowed optimising working conditions and professional performance, which improved in a sustained manner indexes in these areas.

In this sense, in 2023, we highlight a set of activities within the scope of quality, environment and safety, summarised below:

- Elaboration and implementation of Energy Rationalisation Plans for the car fleet of some Constructel Visabeira companies, with the definition of goals to be achieved, thus allowing greater awareness of employees and a reduction in energy consumption;
- Centralisation of waste management of Constructel Visabeira, allowing for suitable management and control of waste produced, optimising trips by the waste operator and in turn reducing transportation costs;
- Continuous optimisation of the geolocation system in vehicles, allowing efficient management of technical resources in their daily activities. This system marks an important role in regards to sustainability of the company, since it allows obvious gains in the economic aspect, and especially in the environmental aspect;
- Commitment to sustainability, through a growing demand for certified and so-called sustainable products, giving customers confidence that the product they are using comes from sustainable sources and that it does not damage environmental, social or economic aspects;

- Optimisation of the software for continuously monitoring good practices at work in the areas of quality, environment and safety, through audits and Environmental, Quality and Safety inspections, with special emphasis on the areas of Constructel Visabeira. In 2023, around 1500 audits were carried out at Constructel Visabeira, using this platform;
- Development of the Kaizen methodology in the companies, with special emphasis on the ceramic industry. This methodology has allowed, in addition to productivity gains, for improving employee well-being, since it also allows for improving their place of work;
- Continuous improvement of the response capacity in situations of environmental emergency, by accident simulation, which allow for effective performance by the employees in the event of accidents of an environment nature;
- Environmental awareness associated with the purchase of work equipment, having developed specifications for the main groups of materials and equipment, giving priority to those with lower environmental impacts and that simultaneously ensure user safety;

Regarding the implementation and certification of management systems, 2023 was marked by the maintenance of the company's certification, complying with the quality (ISO 9001), environment (ISO 14001) and safety (ISO 45001) standards. The year 2023 is also marked by the consolidation of new normative references in some companies, namely ISO 27001 – Information Security Management System and ISO 37001 – Anti-Corruption Management System. For 2024, the focus in terms of management systems will be on the extension of certifications for new companies. The company also plans to implement a Business Continuity Management System in accordance with ISO 22301.

UN GLOBAL COMPACT

Thanks to a character of accuracy, effort and transparency, Constructel Visabeira continues to focus its efforts on performance in line with the development of a fairer, integral and innovative society, focusing on people and based on values. Moreover, its commitment is towards supporting, disclosing and following the Millennium Purposes, respecting and promoting the human rights of all citizens, decreasing social inequalities and environmental imbalances of the regions where it does business.

In line with its strategic guidelines mentioned previously, Constructel Visabeira, as a signatory of the United Nations Global Compact, prepared its ninth Communication on Progress (COP) report, restating once again its commitment to further promoting the Global Compact and its 10 principles as an important part of the company's strategy, culture and day-to-day operations.

Sustainability reporting

The Corporate Sustainability Disclosure Directive (CSRD) was recently published in the European Union. The new EU standard requires companies to share non-financial information in a more targeted, reliable and easily accessible way in order to support sustainable decision-making.

The CSRD stems from the European Green Deal and the Financing Sustainable Growth Action Plan and covers sustainability in a broad sense, including disclosure requirements for a wide range of Environmental, Social and Governance (ESG) aspects.

Constructel Visabeira, given its size, is covered by this Directive in the 2025 financial year, and the information will be shared in 2026.

Professional training

Employees play a major role at Constructel Visabeira and it is their responsibility to ensure that they have the right conditions to carry out their duties. The Group is committed to ensuring the satisfaction of its employees, while at the same time attracting new talent with the same will to succeed.

With several business units and a strict code of ethics and conduct which enables it to succeed in attracting and retaining human resources, Constructel Visabeira's goal is to seek out talent in all domains.

Consequently, effective, objective and evolving professional training, with a view to excellent professional qualifications, is one of the keys to the success of the companies. Thus, professional training may be a way to overcome low levels of production, resulting from insufficient knowledge and skills of human resources.

At the same time, in an environment of growing globalisation of markets and outsourcing of production activities in keeping with a high degree of specialisation and growing importance of the level of customer service, it is paramount to provide companies with tools which will increase competitiveness of its organisations.

In this context, it is increasingly relevant to improve employees' performance at any company, in any business activity. It is easy to understand that the performance of employees with more training or experience is essential for an organization in achieving its goals and it is extremely important for the success of knowledge-based businesses.

For Constructel Visabeira, continuous professional training is one of the solutions for improving productivity and profitability levels and it is important to refresh knowledge already acquired. In addition, keeping professionals up to date on the latest trends, laws, technology and practical requirements for their professional occupations strengthens the capacity to innovate, to adapt or to foster group interaction between employees, which are factors that have proved to be truly essential for companies. The training entity Grupo Visabeira, S.A. (certified by the DGERT since

2005), treats the companies of the Group and their own service providers as privileged clients, as the training is custom tailored to the needs of each company. In this way, it acts in diverse areas of education and training, of which some of the following should be highlighted: Foreign languages; Organisation/company framework; IT in terms of basic computer skills; Electricity and energy; Electronics and telecommunications; Civil construction; Hotel and restaurant industry; Technology for environmental protection; Health and safety at work. In line with what has been happening in recent years, in 2023, Constructel Visabeira's internationalisation growth scenario in the telecommunications and energy sector on the European market was maintained, resulting in an increase in the number of training courses carried out, which made it possible to respond to the need for qualification of technicians for these new markets. These initiatives were carried out in different places in mainland Portugal and the islands (most of them on the mainland centred at the Training Academy in Viseu) and also in Europe, with particular relevance in France and the United Kingdom and are a good basis for the success of the internationalisation of the Group and its reputation in the markets.

Looking ahead to 2024, with the reinforcement of Constructel Visabeira's commitment to internationalisation in the area of telecommunications in the European market, it is expected that the number of training courses carried out, as well as the number of trainees involved, will show a significant increase, compared to the current level, mainly in Germany, Italy, the United Kingdom and Belgium markets.

People

Constructel Visabeira, with its characteristic multi-activity, and multi-continental corporate identity, favours training, and people's focus on goals as its the main focus of its human resources policy, always aiming at continuous improvement in productivity and quality of services or products.

The entire team, at its different levels, has a daily goal to meet its customers' needs and exceed their expectations, guided by a structure based on three main focusses: i) the quality of services and products; ii) the geographical expansion of activities; iii) performance dynamics and accuracy.

The organisation is always focused on combining attractive and successful careers with individual and collective results. Everyone's focus always aims at an efficient management of knowledge, a competent management of the teams, the optimisation of resources, the maximisation of synergies and the efficient sharing of the company's strategy and values.

In a group, that wants to become stronger and has the goal of growth, the primary mission of management is to involve everyone in the awareness of good practices, and to promote their correct connection with the

management of professional and personal expectations of each and every one, in line with performance quality and goal.

At the base of success achieved is the versatile capacity of training and qualification of technicians, the dynamics regarding the management of careers, promoting multisectoral opportunities for the career development of each of its employees. In this context, it is important to highlight Constructel Visabeira's characteristic multi-sector and international identity, which is a key factor for partnerships with education institutions, technical and professional schools, universities and all academic organisations. With these institutions, the company liaises and maximises the promotion of the best conditions of success for young graduates in order to tailor the best frameworks for their fruitful integration into professional life, ensuring mutual added value. For common goals, a wise combination of experience with new blood is essential to complement, in a harmonious way, a solid team, competent and motivated in line with the Constructel Visabeira's expansion model on a full development path with increasingly ambitious challenges.

The total number of employees at the end of the year was as follows:

	2023	2022
Constructel Visabeira	6,524	5,971
Total	6,524	5,971

Communication

The year 2023 was marked by a series of significant events for Grupo Visabeira, one of the leading companies in Portugal and abroad. This clipping highlights not only tangible achievements, but also the intangible impact and resilience shown in the face of global challenges.

Throughout the year, Constructel Visabeira continued to strengthen its position as an influential player in the sectors it operates in, maintaining steadfast focus on innovation, sustainability and creating value for all parties involved.

Some of the issues and moments which marked Grupo Visabeira's 2023 financial year were news items due to their impact on the company's life or on the national economy.

Constructel Visabeira's purchase of the German telecommunications and energy company Tavan made the headlines in the main and regional newspapers. Also noteworthy in 2023 were the statements that the Chairman of the Executive Board of Directors of Constructel Visabeira gave to two business newspapers on the outlook for 2024. Nuno Terras Marques was also honoured by Forbes at the Forbes Annual Summit 2023. Throughout 2022 Constructel Visabeira continued to undertake strong dynamics in its multiple sector activity in the country and abroad, where it maintained remarkable growth and pace of expansion at all levels.

Future Outlook

Constructel Visabeira will continue to develop and create new business strategies in order to enhance its diverse skills and entrepreneurial dynamics which it is known for, operating in an integrated manner in increasingly global scenarios, expanding its markets in a sustained manner and always aiming at leadership in its strategic businesses of the telecommunications and energy areas. Over the next few years, we expect to continue our strong commitment to an internationalisation project in order to keep up with the large investments carried out in euro zone countries in telecommunications networks, namely in the development of optical fibre networks. This is one of the sectors where Constructel Visabeira currently is one of the main players at an international level, with strong distinctive skills resulting from its expertise and know-how. On the 31st of December 2023, Constructel Visabeira has a portfolio of 4,244 million euros in services provision (an amount which does not include materials

as they are provided by their operators) contracts for the coming years:

- 901 million euros in France;
- 1,249 million euros in the United Kingdom;
- 615 million euros in Belgium;
- 603 million euros in Portugal;
- 351 million euros in Germany;
- 116 million euros in the United States of America;
- 147 million euros in Denmark, Ireland and Spain;
- 193 million euros in Italy.

Constructel Visabeira will continue to invest financially in acquisitions of companies in order to expand and strengthen its strong relationship with major European operators and the brand in international markets.





Annex to the report of the Board of Directors

In compliance with the provisions of article 447, paragraph 5, of the Portuguese Commercial Companies Code, we hereby declare that during the period covered by the report, the directors identified herein held the following company shares:

Shareholder/ Member of Corporate Bodies	Number of shares on the 31 st of December 2023	%	Number of shares on the 31 st of December 2022	%	Operations in 2023
Visabeira Global, SGPS, SA	696,797,155	78.11%	446,375,780	50.04%	250,421,375
Grupo Visabeira, SA	0	0.00%	250,421,375	28.07%	-250,421,375
Goldman Sachs	195,003,247	21.86%	195,003,247	21.86%	0
Members					0
Nuno Miguel Rodrigues Terras Marques	108,351	0.01%	108,351	0.01%	0
António José Monteiro Borges	43,340	0.005%	43,340	0.005%	0
Luis Filipe Monteiro Marques	43,340	0.005%	43,340	0.005%	0
Michael John Quinn	90,141	0.01%	90,141	0.01%	0
Total	892,085,574	100.00%	892,085,574	100%	0

Viseu, 29th of April 2024

Chartered Accountant

Daniel Augusto Vazquez Pereira

The Board of Directors

Nuno F. Rodrigues
António José Monteiro Borges
Luis Filipe Monteiro Marques
Michael John Quinn
[Signature]

[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

CONSOLIDATED RENDERING ACCOUNTS DOCUMENTS



Consolidated Financial Statements

Consolidated income statement

Financial years ending on the 31st of December 2023 and on the 31st of December 2022

	Notes	2023	2022
Ongoing operations			
Sales		37,289,708	13,989,198
Services rendered		1,220,142,928	1,012,423,973
Turnover	9	1,257,432,636	1,026,413,171
Cost of sales and services rendered	23	-144,442,851	-83,196,898
Other income	10	16,510,277	15,466,538
Supplies and external services	11	-716,752,170	-616,133,112
Staff costs	12	-268,094,167	-224,689,505
Other costs	10	-9,035,078	-6,871,478
Changes in the fair value of investment properties	21	332,600	0
Amortisations	13	-44,575,094	-47,169,866
Provisions and impairment losses	14	-970,122	954,320
Interest paid, net	15	-9,719,311	-7,393,465
Other financial expenses, net	16	-9,490,008	-4,412,315
Result before taxes		71,196,714	52,967,391
Income tax	17	-18,592,619	-12,727,960
Net income		52,604,095	40,239,430
Attributable:			
Shareholders		51,406,622	38,670,301
Non-controlling interests	31	1,197,473	1,569,129
Earnings per share:			
Basic	29	0.09	0.06
Diluted	29	0.09	0.06

The notes are part of this consolidated income statement

Consolidated Statement of Comprehensive Income

Financial years ending on the 31st of December 2023 and on the 31st of December 2022

	Notes	2023	2022
Consolidated net income for the period (a)		52,604,095	40,239,430
Other comprehensive income:			
Amounts that will be subsequently reclassified to profit or loss			
Exchange differences arising from translating financial statements prepared in foreign currency	30	-690,787	-504,279
Others		-274,322	-364,232
Other comprehensive income for the period (b)		-965,110	-868,510
Comprehensive income of period (a) + (b)		51,638,986	39,370,920
Comprehensive income for the financial year attributable to:			
Non-controlling interests		839,897	1,570,189
Shareholders		50,799,089	37,800,731

The notes are part of this consolidated statement of comprehensive income

Consolidated statement of financial position

Financial years ending on the 31st of December 2023 and on the 31st of December 2022

	Notes	2023	2022
ASSETS			
Non-current assets			
Tangible assets	18	101,283,627	61,533,586
Right-of-use assets	19	51,780,178	53,694,096
Goodwill	20	291,393,844	207,291,036
Investment properties	21	11,356,000	10,000,000
Intangible assets	22	27,023,591	18,354,283
Other Assets	6	1,979,222	4,335,324
Deferred tax assets	17	10,637,679	2,034,685
Total non-current assets		495,454,141	357,243,010
Current assets			
Inventories	23	65,047,475	43,761,270
Clients	24	143,923,776	102,048,886
Assets associated with clients contracts	9	156,947,502	156,598,657
Other receivables	26	7,551,480	8,684,466
Other Assets	26	7,086,250	4,385,399
Cash and cash equivalents	27	112,271,598	133,841,218
Total current assets		492,828,081	449,319,896
Total Assets		988,282,222	806,562,905
EQUITY			
Capital	28	142,733,692	142,733,692
Share premiums	28	190,153,087	190,153,087
Other reserves	30	-178,507,469	-198,722,830
Retained earnings	30	157,457,104	136,002,242
Equity attributable to shareholders		311,836,414	270,166,191
Non-controlling interests	31	3,767,637	4,477,073
Total equity		315,604,051	274,643,264
LIABILITIES			
Non-current liabilities			
Long-term paid loans	32	30,948,328	83,410,011
Other accounts payable	34	36,379,043	28,261,193
Deferred tax assets	17	15,609,184	9,128,416
Provisions for other risks and expenses	38	5,814,464	5,233,719
Lease liabilities	35	20,684,498	27,553,386
Total non-current liabilities		109,435,518	153,593,120
Current liabilities			
Short-term paid loans	32	118,175,612	21,952,399
Suppliers	33	176,732,919	140,471,752
Income tax	25	7,196,308	7,411,724
Assets associated with clients contracts	9	51,566,342	36,203,227
Other accounts payable	34	109,683,912	87,882,845
Other liabilities	34	72,243,893	59,213,472
Lease liabilities	35	27,643,666	25,197,498
Total current liabilities		563,242,653	378,326,522
Total liabilities		672,678,171	531,919,642
Total equity and liabilities		988,282,222	806,562,905

The notes are part of this consolidated statement of financial position

Consolidated statement of changes in equity

Financial years ending on the 31st of December 2023 and on the 31st of December 2022

	Capital	Other equity instruments	Issue premiums (note 28)	Retained earnings and other reserves (note 30)	Subtotal	Non-controlling interests	Total equity
On the 1st of January 2022	111,487,545	60,000,000	26,677,126	-100,521,319	97,643,352	1,384,693	99,028,045
Comprehensive income for the period	0	0	0	37,800,731	37,800,731	1,570,189	39,370,920
Acquisitions/disposals	0	0	0	0	0	1,522,190	1,522,190
Transactions with shareholders							
Reduction of supplementary benefits	0	-60,000,000	0	0	-60,000,000	0	-60,000,000
Capital payment	31,246,147		163,475,961	0	194,722,108	0	194,722,108
On the 31st of December 2022	142,733,692	0	190,153,087	-62,720,588	270,166,191	4,477,073	274,643,264
On the 1st of January 2023	142,733,692	0	190,153,087	-62,720,588	270,166,191	4,477,073	274,643,264
Comprehensive income for the period	0	0	0	50,799,089	50,799,089	839,897	51,638,986
Changes of holdings in controlled entities	0	0	0	-9,128,866	-9,128,866	-247,512	-9,376,378
Transactions with shareholders							
Dividends distributed	0	0	0	0	0	-1,301,820	-1,301,820
On the 31st of December 2023	142,733,692	0	190,153,087	-21,050,365	311,836,414	3,767,637	315,604,051

The notes are part of this consolidated statement of changes in equity.

Consolidated statement of cash flows

Financial years ending on the 31st of December 2023 and on the 31st of December 2022

	Notes	2023	2022
OPERATING ACTIVITIES			
Receivables from clients		1,439,047,932	1,187,215,074
Payments to suppliers		-1,034,519,601	-866,745,267
Staff costs		-265,962,180	-226,242,767
Operating cash flow		138,566,151	94,227,040
Income tax paid/received		-14,128,461	-10,915,638
Other operating payments/receipts		-1,305,515	1,178,775
Cash flow generated before extraordinary items		123,132,175	84,490,177
CASH FLOW FROM OPERATING ACTIVITIES (1)		123,132,175	84,490,177
INVESTMENT ACTIVITIES			
Receivables from:			
Investment grants		220,579	339,912
Interest and similar income		0	202,775
Loans granted to shareholders	26	0	3,837,137
		220,579	4,379,823
Payments relating to:			
Subsidiary purchases, net cash purchased	Annex DFC	-87,171,687	-63,504,764
Tangible and intangible fixed assets		-31,105,822	-17,890,686
Loans granted to shareholders	26	0	0
		-118,277,509	-81,395,450
CASH FLOW FROM INVESTING ACTIVITIES (2)		-118,056,930	-77,015,627
FINANCING ACTIVITIES			
Receivables from:			
Loans obtained	32	105,468,562	32,609,265
Share capital increases by non-controlling interests		0	955,500
Capital payments and other equity instruments	28	0	200,311,996
		105,468,562	233,876,761
Payments relating to:			
Loans obtained	32	-78,503,337	-77,174,131
Amortisation of financial lease contracts	35	-29,641,429	-27,704,589
Interest and similar costs		-20,421,931	-10,822,310
Reduction in supplementary benefits	28	0	-60,000,000
Transaction costs of capital realisations	28	0	-5,273,116
Dividends		-1,301,820	0
		-129,868,518	-180,974,146
CASH FLOW FROM FINANCING ACTIVITIES (3)		-24,399,956	52,902,614
Changes in cash and cash equivalents (1) + (2) + (3)		-19,324,711	60,377,164
Cash and cash equivalents at the beginning of the period		131,443,012	71,065,848
Cash and cash equivalents at end of period		112,118,302	131,443,012

The notes are part of this consolidated statement of financial position

Notes to the consolidated statement of cash flows

Financial years ending on the 31st of December 2023 and on the 31st of December 2022

	2023	2022
1. Acquisition or disposal of subsidiaries and financial investments		
a) Payments related to purchases for the financial year (see note 7)		
Tavan	55,500,000	0
O+M	6,148,667	0
Arquiled	2,497,970	0
Aeroprotechnik	1,320,000	0
Obelisk	0	15,312,986
Elektro-Würkner	0	14,784,979
Inpower	0	3,894,500
MJQ Solar	0	1,102,446
b) Cash purchased		
O+M	-1,221,397	0
Jayme da Costa	-804,251	0
Arquiled	-72,713	0
Obelisk	0	-1,540,571
Elektro-Würkner	0	-1,117,550
Inpower	0	-1,002,997
MJQ Solar	0	-293,727
c) Payments related to purchases from previous years		
Cunha Soares	14,768,804	4,000,000
Elektro-Würkner	3,620,184	0
OMV Natie	1,747,986	1,868,929
EIP Serviços/TENSA/J.F. Edwards CC	1,557,999	15,506,798
Inpower	900,000	0
MJQ Solar	478,004	0
MJQuinn	449,855	5,594,346
Obelisk	280,580	0
Franz Josef Braun	0	2,383,113
Toft Hansen	0	134,483
d) Payments on account of future purchases		
Arquiled (See note 7)	0	2,877,030
	87,171,687	63,504,764
1. Breakdown of cash and cash equivalents:		
a) Cash		
- Cash	1,929,606	1,615,892
- Bank deposits	110,341,992	132,225,326
- Bank overdrafts	-153,297	-353,811
Cash and cash equivalents at end of period	112,118,302	133,487,407
- Bank overdrafts	153,297	353,811
Cash and cash equivalents in the balance sheet (see note 27)	112,271,598	133,841,219

Notes to the consolidated financial statements

On the 31st of December 2023 (amounts in euros)

1. Introductory note

Constructel Visabeira, S.A. (“Constructel Visabeira”), based in Viseu, Portugal, came about through a corporate reorganisation carried out by Visabeira Global, SGPS, S.A., in 2019, aiming to regroup telecommunication and energy activities in Europe and to centralise in Constructel Visabeira the shares it held in companies belonging to these segments operating in this region, which before the reorganisation were under Viatel (telecommunications business in Portugal). The latter, in turn, owned Constructel Visabeira (telecommunications business in France), which concentrated its holdings in subsidiaries in other European countries. The company’s strategy for structuring the operations in sector sub-holdings allows for enhancing each business area and strengthening Constructel Visabeira’s ability to carry out its activity in the markets in Europe and the United States of America.

Its long-term action plan is based on a management model based on global information systems, centralising all business units and interconnecting all of its assets.

The confidence and dynamics achieved in the different countries it operates in has allowed for defining a sustained internationalisation strategy that strengthens its skills and its knowledge. The company expanded and established its operating model in new countries as a natural extension of the markets, through a policy of investment in partnership or in the creation of local companies.

Currently, through investment, Constructel Visabeira continues to have its main development on its external growth, strengthened by its multi-sector structure and by its focus on constant technological updating.

Recently, a conflict broke out in Eastern Europe, between Ukraine and Russia, still without a foreseeable end in the short-term. This conflict caused an increase in inflation worldwide, which also hit Portugal, and this led to a slowdown in the economy, the outcome of which is still uncertain. However, in light of current knowledge, no changes in the Group’s activity are foreseen. Similarly, no changes are anticipated in the Group’s activity as a result of the conflict which began in the Gaza Strip in 2023.

Constructel Visabeira will continue to develop and create new business strategies in order to enhance its diverse skills and entrepreneurial dynamics which it is known for, operating in an integrated manner in increasingly global scenarios, expanding its markets in a sustained manner and always aiming at leadership in its strategic businesses.

Constructel Visabeira consolidates its accounts in the company Grupo Visabeira, SA, its majority shareholder (with 78% of the shares representing the share capital) based in Viseu, Portugal, which has presented consolidated accounts in accordance with IAS/IFRS since 2005. Grupo Visabeira, SA, is 98.57% owned by Fernando Campos Nunes.

The date on which the financial statements are authorized for issue is the 29th of April 2024.

These financial statements were authorised for issue by the Board of Directors.

2. Accounting Policies

The most relevant accounting policies used in the calculation of profit or loss for the period and the presentation of the financial position are as follows:

2.1. Basis of preparation

In 2019, after the corporate reorganisation referred to in the introductory note, Constructel Visabeira presented consolidated financial statements for the first time.

Taking into account the provisions of Appendix D.16 of IFRS 1 - First Application of IAS / IFRS, in the Opening Statement of Financial Position, reported on the 1st of January 2019, assets and liabilities were recognised and measured in accordance with the amounts recorded in the parent company’s consolidated financial statements, based on its transition date to IAS/IFRS (the 1st of January 2004).

According to Decree-Law no. 35/2005 of the 17th of February, as subsequently amended by Decree-Law No. 98/2015 on the 2nd of July, which transposed into Portuguese legislation the provisions of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19th of July 2002, these consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB) and the Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC), adopted by the EU, effective as of the 1st of January 2023. The consolidated financial statements were prepared based on the accounting books and records of the companies included in the scope of consolidation (Note 5), kept in accordance with accounting principles generally accepted in the respective jurisdictions and adjusted in the consolidation process and when applicable, so that the deemed financial statements are presented in accordance with IAS/IFRS.

The Board of Directors evaluated the Company’s and its subsidiaries’ ability to operate on a continuous basis, based on all relevant information, facts and circumstances of financial, commercial or other nature, including subsequent events, such as those presented in the note 41, to the reporting date of the financial statements, available about the future. As a result of the evaluation carried out, the Board of Directors came to the conclusion that it has the adequate resources to maintain its activities, with no intention of ceasing activities in the short term, and it has deemed it appropriate to use the assumption of continuity of operations in the preparation of condensed consolidated financial statements.

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties, for financial liabilities measured at fair value (put options/contingent consideration contracted with minority shareholders of subsidiaries - “Non-controlling interests”) and some financial investments, which are measured at fair value, as are assets and liabilities acquired as part of concentrations of business activities.

In preparing the consolidated financial statements in accordance with IFRS, Constructel Visabeira’s Board of Directors uses estimates and assumptions that affect the application of policies and the values of assets and liabilities, gains and losses, and are based on historical experience and other factors deemed reasonable according to the circumstances, and are the basis for judgements about the values of assets and liabilities whose valuation is not evident from other sources. Actual results may differ from estimates. The estimates and judgements used in preparing the financial statements are presented in Note 3.

Unless stated otherwise, the amounts are presented in euros and rounded by unit.

2.2 Bases of consolidation

The consolidated financial statements include, in reference to the 31st of December 2023, the assets, liabilities and profit and loss of the companies of the Group, understood as the entirety of Constructel Visabeira and its subsidiaries, which are presented in Notes 5 and 6.

An entity is classified as subsidiary when it is controlled by Constructel Visabeira. Control exists only where

Constructel Visabeira has, cumulatively:

- a) power over the investee;
- b) exposure to or rights over variable results derived from its relationship with the investee; and
- c) the ability to use its power over the investee to affect the amount of the results for the Constructel Visabeira.

Generally, it is assumed that there is control when Constructel Visabeira holds the majority of voting rights. In order to support this assumption and in cases where the Constructel Visabeira does not hold the majority of voting rights in the investee, all relevant facts and circumstances are taken into account when determining the existence of power and control, such as:

- a) any contractual agreements with other holders of voting rights;
- b) any rights arising from other contractual agreements;
- c) existing and potential voting rights.

Constructel Visabeira controls a subsidiary when, due to the agreements entered into or the voting rights held, it can carry out in practice the relevant activities of the subsidiary and is exposed to variable returns as a result of that capacity, even if it does not hold the majority of the voting rights. On the other hand, the Group may not control a subsidiary even if it holds the majority of voting rights if, by virtue of the agreements entered into or the voting rights held, it does not have the ability to manage the subsidiary's relevant activities in practice.

The existence of control by the Constructel Visabeira is re-evaluated whenever there is a change in any facts and circumstances that lead to changes in one of the three factors of control mentioned above.

Subsidiaries are included in the scope of consolidation according to the full consolidation method, from the date when control is acquired until the date it effectively ends.

In situations where the Constructel Visabeira has substantial control of entities created for a specific purpose, even if it has no direct shareholdings in these entities, they shall be consolidated using the full consolidation method.

Balances, transactions and cash flows between Group entities, as well as unrealised gains on transactions between companies of the Group are eliminated.

Unrealised losses are also eliminated, unless in the case of a transaction evidences impairment of a transferred asset.

The accounting policies of subsidiaries are changed whenever necessary to ensure consistency with the policies adopted by Constructel Visabeira.

A change in the participating interest in a subsidiary that does not entail loss of control is recorded as a transaction between shareholders. An increase in the participating interest in an already controlled entity is also accounted for as a transaction between shareholders, not giving rise to any recognition of goodwill or of gains/losses; in the case of a decrease in the participating interest that does not imply a loss of control, a possible difference between the amount received from non-controlling interests and the respective balance is also recorded directly in equity.

If Constructel Visabeira loses control over the subsidiary, the corresponding assets (including goodwill), liabilities, non-controlling interests and other equity components are derecognised and any gains or losses are recognised in the income statement. Participating interest is recognised at fair value at the time of loss of control.

The net assets of subsidiaries under the full consolidation method attributable to shares held by third parties are recorded in the consolidated statement of financial position under the heading non-controlling interests.

The net profit of subsidiaries attributable to non-controlling interests, is identified and adjusted by deducting the result attributable to the shareholders of the Group and recorded in the consolidated income statement under the heading non-controlling interests, even in the case of negative results. The same applies to the statement of comprehensive income.

CHANGES TO THE CONSOLIDATION PERIMETER

During 2023, the most significant changes to the group of companies (see note 7) relate to the acquisition of the companies O+M in France, Tavan Tiefbau & Co.KG in Germany and Arquiled and Jayme da Costa in Portugal.

2.3 Concentrations of business activities and goodwill

The acquisition method is the method used to recognise the entry of subsidiaries into Constructel Visabeira upon their acquisition.

In the acquisition method, the difference between:

- i) the consideration transferred together with the non-controlling interests and with the fair value of the equity interests previously held; and
- ii) the net amount of the identifiable assets acquired and of the liabilities assumed;
- iii) is recognised at the date of acquisition as goodwill, if positive or as gain, if negative.

The consideration transferred is measured at fair value, calculated as the aggregate amount of fair values, on the date of acquisition, of assets transferred, liabilities incurred and equity instruments issued by Constructel Visabeira. For the purpose of determining goodwill/ earnings of the business combination, the transferred consideration is removed from any part of the consideration that concerns another transaction (e.g. remuneration for the provision of future services or settlement of pre-existing relationships) whose margin is recognised separately in profit or loss. Whenever a business combination is not completed on the reporting date, the provisional amounts recognised on the date of acquisition shall be adjusted retrospectively, for a maximum period of twelve months counting from the date of acquisition and any additional assets and liabilities shall be recognised if new information is obtained on facts and circumstances existing on the date of acquisition which would result in the recognition of such assets and liabilities, should it have been known on that date.

Any contingent consideration to be transferred by the purchaser will be recognised at fair value on the purchase date. Contingent payments are recognised as liabilities. The contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for in equity. Contingent consideration classified as an asset or liability that is a financial instrument within the scope of IFRS 9 - Financial Instruments is measured at fair value with changes in fair value recognized in the income statement in accordance with IFRS 9 (unless it occurs within the 12-month period referred to above and is related to events prior to the acquisition date, in which case the amount of goodwill is adjusted). Other contingent considerations that are not within the scope of IFRS 9 are measured at fair value at each reporting date, with changes in fair value recognised in the income statement.

Costs related to the acquisition are not part of the retribution transferred so they do not affect the determination of goodwill/ negative goodwill, as they recognised as expenses in the fiscal year in which they occur.

On the date of acquisition, the classification and designation of all assets acquired and liabilities transferred are reassessed in accordance with IFRS, with the exception of lease and insurance contracts, which are classified and designated based on the contractual terms and conditions on the commencement date.

The purchase date is the date on which Constructel Visabeira obtains control over the company purchased, which may occur on a date before or after the closing date (date on which consideration is transferred and the assets and liabilities are legally acquired and assumed) – in this case, all relevant facts and circumstances must be taken into account when identifying the purchase date, which requires judgement by the Board of Directors. For convenience, consolidation is carried out at the start of the month in which control was performed.

Assets arising from contractual indemnities paid by the seller concerning the outcome of contingencies related, in whole or in part, to a specific liability of the combined entity, shall be recognised and measured using the same principles and assumptions of the related liabilities.

The determination of the fair value of assets acquired and liabilities assumed takes into account the fair value of contingent liabilities arising from a present obligation caused by a past event (if the fair value can be reliably measured), regardless of whether an outflow is expected or not.

For each acquisition, Constructel Visabeira can choose to measure “non-controlling interests” at their fair value or by their respective share in the assets and liabilities transferred from the acquiree. The choice of a method influences the determination of the amount of goodwill to be recognised. When the business combination is carried out in phases, the fair value on the date of the acquisition prior to the interests held is re-measured to the fair value at the date in which the control is gained, against the results during the period in which the control is reached, affecting the calculation of goodwill.

Goodwill is considered to have an indefinite useful life and thus is not amortisable. Regardless of whether or not there are impairment indicators, Constructel Visabeira annually tests the existence of goodwill for impairment. When the carrying amount of goodwill is greater than its recoverable value, an impairment loss is recorded in the income statement. The recoverable amount is the highest of the fair value minus the costs for selling and the value in use. The recoverable amounts of the cash flow generating units are usually determined based on the calculation of the respective use value, which is the present value of the future cash flows that are expected, due to the continued use of the asset or group of assets and their disposal at the end of its useful life. These calculations require the use of assumptions that are made based on estimates of future circumstances whose occurrence may be different from the estimated one. Goodwill impairment losses cannot be reversed.

For the purpose of impairment testing, goodwill is allocated, on the date of acquisition, to each of the cash-generating units expected to benefit from the business combinations, regardless of the remaining assets and liabilities also associated with the cash-generating unit. In general, the cash-generating units correspond to the purchased entities themselves. When the operation, or part of it, associated with a cash-generating unit is disposed of, the allocated goodwill is also derecognised and included in the balance of gains/losses of the disposal, calculated as the base for its relative value.

Goodwill related to investments in companies based abroad, is recorded in those companies' reporting currencies and translated into euros at the statement of financial position date.

Concentration of business activities between companies under common control is recorded using the purchase method (as indicated above) whenever the concentration of business activities between companies under common control has commercial substance, to be carried out for the purpose of combining companies with activities and for the transaction to have been conducted at fair value. If this is not the case, the transaction is recorded using the "common interest method", with the difference between the concentration cost and the net assets purchased (at the respective net book values) being recorded against equity.

PUT OPTION TO PURCHASE NON-CONTROLLING INTERESTS

When a put option is granted to the Group of the participating interest not held by the Group in a controlled company, it chooses not to recognize any non-controlling interests but rather a financial liability, measured in accordance with IFRS 9 (see 2.5.2). That is, the Group accounts for concentrating business activities as if the participating interest had been purchased subject to the put option granted.

Thus, the transferred consideration includes the present value of the amount to be paid to the minority participating interests when exercising the put option. If the option expires without being used, it will be accounted for as a disposal of part of the business without loss of control.

2.4 Recognition of Revenue

The main business areas / revenue sources of the Group for the years 2023 and 2022 can be detailed as follows:

i) Telecommunications and energy in Europe

NATURE, PERFORMANCE OBLIGATIONS AND REVENUE RECOGNITION

In this business area, Constructel Visabeira has signed several service provision contracts with energy operators, differentiating between contracts for the external network (construction and maintenance services for the network and adjacent infrastructure on public roads) and contracts for the customers network (services provided to the final customer of energy operators).

Outdoor network

The purchase orders placed by the client, under the established general contract, identify the performance obligation that Constructel Visabeira has to perform. Thus, each order is considered a unique performance obligation.

The performance of Constructel Visabeira creates an asset that the customer controls as it is being completed, thus the performance obligation of the Group is satisfied over time.

Operational teams are provided with a production collection system, where tasks successfully performed are regularly recorded. Each task has already recorded a price agreed with the customer, as well as the standard consumption of materials foreseen for that task. The recognition of the revenue is made according to the completed tasks and valued based on the agreed prices.

Periodically, for the work completed, a performance measurement report is submitted for the customers' validation, with a summary of the production sheets. After the approval of said report by the client, the respective invoice is issued. The frequency with which these measurement reports are delivered depends on the type of client and on the amount of works.

Client Network

The purchase orders placed by the client, under the established general contract, identify the performance obligation that Constructel Visabeira has to perform. Thus, each purchase order is considered a sole performance obligation.

Purchase orders are characterised for regarding very short duration works. The performance obligation is fulfilled at a specific time, namely when the customer approves the service rendered.

Operational teams are provided with a production collection system, where completed tasks are recorded throughout the day. The client approves the production carried out on a daily basis. Each task has already recorded a price agreed with the customer, as well as the standard consumption of materials foreseen for that task. The recognition of the revenue is made according to the completed tasks and valued based on the agreed prices. Depending on the client, invoicing for completed and validated tasks can be done on a fortnightly or monthly basis.

ii) Energy in the United States and in Germany (Tavan Tiefbau)

In these countries, in terms of the Energy business area, the Group signs several contracts with public and private entities for providing construction services that include different components/tasks. Although in most cases customers can benefit from the different components/tasks on their own, since they are negotiated together the promise of transfer of each is not separately identifiable from the others. Moreover, since the above-mentioned components/tasks are typically highly interrelated and dependent on each other, the Group considers that they should be treated as a single performance obligation. Thus, usually each construction contract is considered a unique performance obligation.

On the other hand, given that customers have the ability (control) to guide the use of the asset as it is being built and the ability to obtain substantially all of its remaining economic benefits, the Group's obligation to perform in these cases is satisfied over time, with revenue recognized in accordance with the method described hereafter.

The costs of construction contracts are recognised when incurred. When revenue arising from the contract cannot be reliably measured, income is recognised to the extent of costs recovered. When revenue arising from the contract can be reliably measured and it is probable that the contract will be profitable, revenues are recognised throughout the period of construction. If the contract is not profitable, the expected loss is acknowledged immediately as an expense in the financial year.

The percentage of completion method is used to recognise revenue in each period. The percentage of completion is measured taking into account the weight of costs incurred in the total estimated costs. Costs incurred in the financial year, which are associated with future activities of the contract, are excluded from the calculation of the percentage of completion and are classified as inventories, deferred costs or other. The Group presents as assets any amounts to be recovered from clients for contracts in progress whose costs incurred, plus recognised income (and subtracted from recognised losses), exceed the amounts invoiced. Unpaid invoices are presented in the heading Clients.

Contract assets and liabilities

a. Client contract asset

A client contract asset is a right to receive a return in exchange for goods or services transferred to the client.

If the group has delivered the goods or services to the client before the client pays the consideration or before the consideration is due, the contract asset corresponds to the amount of the consideration which is conditional.

b. Accounts receivable from customers

An account receivable represents the unconditional right (that is, it only depends on the passage of time until the consideration is due) of the Group to receive the consideration - See note 24.

c. Liability of contracts with clients

A liability of contracts with clients is the obligation to transfer goods or services for which the Group received (or is entitled to receive) a consideration from a customer. If the client pays the consideration before the Group transfers the goods or services, a contract liability is recorded when the payment is made or when it is due (whichever comes first). Contract liabilities are recognised as revenue when the Group carries out its contract performance obligations.

2.5 Financial assets and liabilities

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are recognised in the consolidated statement of Constructel Visabeira's financial position when it becomes part of the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets or liabilities measured at fair value through the income statement) are added to or deducted from the fair value of the financial asset or liability, as the case may be, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or liabilities recognised at fair value through the income statement are recognised immediately in the consolidated income statement.

2.5.1 Financial assets

All purchases and sales of financial assets are recognised on the date of their respective purchase and sale contracts, regardless of the date of their financial settlement.

Initially, assets are classified and subsequently measured at amortised cost, or at fair value through other comprehensive income or at fair value through profit or loss.

The initial classification of financial assets depends on the contract characteristics of the cash flows and the business model that the Group adopts to manage them. With the exception of accounts receivable from clients that do not contain a significant financial component and for which the Group adopts the practical expedient, the Group initially measures a financial asset at its added fair value, in the case of an asset not classified as fair value through results, of the transaction costs. Trade accounts receivable that do not contain a significant financial component and for which the group adopts the practical expedient are measured at the transaction price determined in accordance with IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flow that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as "solely payments of principal and interest" test and is performed at an instrument level.

The business model for managing financial assets refers to how Constructel Visabeira manages its financial assets in order to generate cash flow.

The business model can be designed to obtain contract cash flows, to dispose of financial assets or both.

Purchases or sales of financial assets that requires delivery assets within a time frame established by regulation or convention in the market place ("regular way trades") are recognised on the trade date, i.e., the date in which Constructel Visabeira undertakes to purchase or sell the asset.

I) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss;

Financial assets at amortised cost (debt instruments);

This category is the most relevant to the Group. Constructel Visabeira measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model aiming to hold financial assets in order to collect contractual cash flows; and
- The contract terms of the financial asset give rise, at defined dates, to cash flows corresponding only to payment of principal and interest on the outstanding capital.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The financial assets that Constructel Visabeira measures at amortised cost include accounts receivable from clients and other debtors, loans to shareholders and related parties and loans.

Interest related income is recorded in the income statement under Interest Paid, net, using the effective interest rate method, which is applied to the gross carrying amount of the financial asset.

Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

Constructel Visabeira measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held under a business model whose purpose is to hold the financial asset to obtain contract cash flows and the cash flows arising from its sale; and
- The contract terms of the financial asset give rise, at defined dates, to cash flows corresponding only to payment of principal and interest on the outstanding capital.

In the case of debt instruments measured at fair value through other comprehensive income, interest earned, currency exchange differences and impairment losses and reversals are recorded in profit or loss and calculated in the same way as financial assets measured at amortised cost. The remaining fair value changes are recorded in other comprehensive income. At the time of derecognition, the changes in fair value accumulated in the other comprehensive income are transferred (recycled) to the profit and loss.

Debt instruments measured at fair value through other comprehensive income include quoted debt instruments. Constructel Visabeira does not hold this type of financial assets on the 31st of December 2023.

Financial assets at fair value through other comprehensive income (equity instruments)

Upon initial recognition, Constructel Visabeira can elect to irrevocably classify its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. This classification is determined instrument by instrument.

Gains and losses on these financial assets are never recycled to profit and loss. Dividends are recorded as a financial gain in profit or loss when the right to receive payment of the dividend is established, except when the Group benefits from such dividends as a recovery of part of the cost of the financial asset and, in that case, dividends are recorded in the other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through the income statement

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated at the time of initial recognition as measured at fair value through profit or loss, or financial assets that must be measured at fair value. Financial assets are classified as held for trading if they were acquired for the purpose of being sold or repurchased within a very short period of time. Derivatives, including separate embedded derivatives, are also classified as held for trading unless they have been designated as effective hedging instruments.

Financial assets with cash flows that do not correspond solely to payments of principal and interest on the outstanding capital are measured at fair value irrespective of the underlying business model. Notwithstanding the criteria for classification of debt instruments at amortised cost or at fair value through the other comprehensive income described above, debt instruments may be designated at fair value through profit or loss at the time of initial recognition if this eliminates or reduces significant inconsistency in measurement or recognition.

Financial assets at fair value through the income statement are presented in the Statement of Financial Position at fair value with the net changes in fair value presented in profit and loss.

This category includes derivatives and investments in listed shares for which Constructel Visabeira has not decided irrevocably to measure at fair value through other comprehensive income.

If a hybrid contract includes a basic contract that is not a financial asset, an embedded derivative shall be separated from the base agreement and accounted for as a derivative if, and only if:

- i) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the underlying contract;
- ii) a separate instrument with the same terms as the embedded derivative satisfies the definition of a derivative; and
- iii) the hybrid contract is not measured at fair value through profit or loss.

Embedded derivatives are measured at fair value with the changes in fair value recognised in profit or loss.

The revaluation of the classification is only possible when there is a change in the contractual terms that significantly modify the cash flows or the reclassification of the financial asset in order to stop being classified in the category of fair value through profit or loss.

A derivative embedded in a hybrid agreement which includes a base agreement that contains a financial asset is not accounted for separately. The financial assets of the underlying contract and the embedded derivative are entirely classified as financial assets at fair value through profit or loss.

II) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Consolidated Statement of Financial Position) when:

- The contract rights to receive cash flows resulting from the financial asset expire; or
- The Group has transferred its contract rights to receive cash flows arising from the financial asset or has undertaken an obligation to pay the cash flows received in full in the short-term under an agreement in which the Group;
 - i) it is under no obligation to pay amounts to final recipients unless it receives equivalent amounts resulting from the original asset;
 - ii) it is prohibited by the terms of the transfer agreement to sell or pawn the original asset other than as a guarantee to final recipients for the obligation to pay them cash flows; and
 - iii) Constructel Visabeira has an obligation to remit any cash flow it receives on behalf of the final recipients without significant delays.
- Constructel Visabeira substantially transferred all the risks and rewards of the asset, or Constructel Visabeira did not transfer or substantially retain all the assets and benefits of the asset, but transferred control over the asset.

When Constructel Visabeira transfers its rights to receive cash flows from an asset or is part of an agreement that may enable derecognition, it assesses whether and to what extent the risks and benefits associated with ownership of the asset have been retained.

When it has neither transferred nor substantially retained all of the risks and rewards of the asset, nor transferred control of the asset, Constructel Visabeira continues to recognise the transferred asset to the extent of its continuing involvement. In that case, Constructel Visabeira also recognizes the corresponding liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that Constructel Visabeira has retained.

If the continued involvement of Constructel Visabeira takes the form of a guarantee provided on the transferred asset, the measure of continued involvement is the lower of the original book value of the asset and the maximum amount of the consideration received that Constructel Visabeira may pay.

Consequently, the balances of customers in the form of discounted and not due bills and accounts receivable assigned in factoring at the date of each statement of financial position, with the exception of non-recourse factoring operations (and for which it is clear that the risks and benefits inherent to these accounts receivable are transferred) are recognised in Constructel Visabeira's financial statements until they are received.

In the derecognition of a financial asset measured at amortised cost, the difference between the carrying amount and the consideration received is recognised in the income statement.

In the event of derecognition of a financial asset measured at fair value through other comprehensive income, the accumulated gain or loss in the fair value reserve is reclassified to the income statement ("Recycling"), unless it is a representative financial asset of an equity instrument so designated irrevocably at the beginning, a situation in which the accumulated gain or loss in the fair value reserve is transferred directly to retained earnings.

Constructel Visabeira writes off a financial asset only when there is information that the debtor is under a liquidation or bankruptcy process. If the balances are subsequently recovered, they are recorded in the income statement.

III) Impairment of financial assets

Additional disclosures about impairment of financial assets can be found in the following notes:

- Disclosures about significant assumptions - note 3
- Accounts receivable, including assets related to contracts with clients - note 24 and 9

Constructel Visabeira recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flow due in accordance with the contract and all the cash flow that Constructel Visabeira expects to receive, discounted at an approximation of the original effective interest rate. Cash flows which are expected to be received include cash flows resulting from collateral held or other credit guarantees which are part of the contractual terms.

For the accounts receivable from clients, Constructel Visabeira adopts the simplified approach in determining the expected credit losses.

Therefore, Constructel Visabeira does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. Constructel Visabeira established an impairment matrix based on the credits that were lost in the past, adjusted by specific prospective factors of the debtors and the economic environment. For this purpose, the balances of customers and other debtors were separated taking into account the respective risk profiles and the age of the non-compliance.

For balances receivable from associated and affiliated companies, which are not considered part of the financial investment in these companies, impairment is assessed in accordance with risk criteria. In cases where the balance receivable is immediately payable and the related entity is able to pay, the risk of non-compliance is assessed to be very close to zero and, as such, the impairment is zero. In cases where the receivable balance is not immediately due, the related credit risk is assessed and if it is "low" or if the maturity is less than 12 months, then Constructel Visabeira only evaluates the probability of non-compliance occurring for the cash flows that mature during the following twelve months.

For balances receivable from associated and affiliated companies, which are not considered part of the financial investment in these companies, impairment is assessed in accordance with risk criteria.

For all other situations and types of balances receivable, Constructel Visabeira adopts the general approach of the impairment model. Expected credit losses are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12 months; for those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default, mentioned in note 36.

Constructel Visabeira considers a financial asset in default when contractual payments are 90 days past due.

However, in certain cases, Constructel Visabeira may also consider a financial asset to be in default when internal or external information indicates that Constructel Visabeira is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the company. A financial asset is derecognised when there is no reasonable expectation of recovering contract cash flows.

2.5.2 Financial Liabilities

I) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge.

All financial liabilities are initially recognised at fair value and, in the case of loans and accounts payable, net of directly attributable transaction costs.

Constructel Visabeira's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

II) Subsequent measurement

The measurement of financial liabilities depends on their initial classification, as described below:

Financial Liabilities at fair value through profit or loss

Financial liabilities at fair value through the income statement include the financial liabilities held for trading and the financial liabilities that at the time of initial recognition were so designated and, furthermore, the financial liabilities associated with a contingent consideration arising from a business combination.

Financial liabilities are classified as held for trading if they have been incurred for the purpose of being repurchased in the short term. This category includes derivatives that are not designated as hedging instruments in a hedge relationship, as provided for in IFRS 9. Separate embedded derivatives are also classified as held for trading unless they have been designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Put options granted to minority equity interests related to purchase of financial holdings are classified in this category.

Financial liability at amortised cost

This category is the most relevant to Constructel Visabeira. After initial recognition, loans are subsequently measured at amortized cost using the effective interest method. Gains and losses are recorded in the income statement when liabilities are derecognised and through amortisation arising from the effective interest method. The amortised cost is calculated taking into account any discount or premium on acquisition and fees as well as other costs that are part of the effective interest rate. The result of the effective interest is recorded in the financial expenses in the income statement.

This category is generally applicable to accounts payable to suppliers and other creditors, and to loans including bank loans, factoring and bank overdrafts. Loans in the form of commercial paper are classified as non-current liabilities when they have a period of more than one year and it is the intention of the Board of Directors to use this financing instrument for a period of more than one year.

The Group contracts *factoring* (see 2.5.1) and *confirming* operations (classified as *reverse factoring agreements*) with financial institutions. These agreements are used to manage the Group's treasury, and the amounts of invoices discounted from customers (which do not fulfil the derecognition criterion) and invoices advanced to suppliers who accept these contracts are kept under Liabilities, in the Other Payables, and receipts/payments are treated as net operating, unless they relate to interest and commissions incurred, which are presented as financing activities and under Other financial expenses.

III) Derecognition

A financial liability is derecognised when the obligation specified is satisfied, or when it is cancelled or expired. When an existing financial liability is replaced with another of the same counter party with substantially different terms or the terms of a financial liability are substantially modified, the exchange or modification is treated as a derecognition of the original financial liability and the recognition of a new liability.

The difference between the respective accounting values is recognised in the income statement.

Conditions are considered to be substantially different if the current value of cash flows from renegotiated financial liability, including commissions, discounted using the original effective interest rate is at least 10% different from the current value of the remaining cash flows from original financial liability.

If the exchange gives rise to a change that is not substantial, the difference between the carrying amount of the liability before the change and the carrying amount after the change (corresponding to the present value of future cash flows) is recorded in the income statement as a gain or loss from the change.

2.5.3 Compensation of Financial instruments

Financial assets and financial liabilities are offset and the respective net amount is presented in the consolidated statement of financial position if there is a mandatory present duty to offset amounts recognized and there is an intention to settle on a net basis or realize the asset and liquidate the liabilities.

2.5.4 Equity instruments

Equity instruments are classified according to the substance of their contractual arrangement, regardless of their legal form. Equity instruments issued by the companies of the Group are recorded at the value of proceeds received, net of any costs related to their issuance.

Own shares are recorded at their acquisition value as a deduction from equity.

Gains or losses incurred in the disposal of own shares are recorded in the line item "Other reserves" and are not considered in the results for the period in which they occur.

2.5.5 Loan costs

The Group capitalises loan costs (interest and other costs incurred due to loans/Borrowing of funds) that are directly attributable to the acquisition, construction or production of an asset that qualifies as part of the cost of that asset, that is, an asset that necessarily takes a substantial amount of time to get ready for its intended use or for sale. All other loans costs shall be accounted for as an expense in the period in which they are incurred.

2.6 Tangible assets

Tangible fixed assets are recorded at their acquisition cost, net of any accumulated depreciations and impairment losses. Subsequent costs are included in the carrying amount of the asset or recognised as separate assets, when future economic benefits are likely to flow to the company, surpassing the originally assessed performance standard of the existing asset, and the cost of the asset for the company can be reliably measured. All other subsequent expenditure is recognised as expenses in the period they are incurred.

Financial charges related to the financing of the production/ acquisition of assets that require a substantial period of time to be ready for use are added to the cost of those assets.

Amortisations

Plots of land are not depreciated, except those used for mining activities. The depreciation of the remaining assets is calculated by applying the straight-line method, on a duodecimal basis, to the acquisition amount. The annual rates applied satisfactorily reflect the economic useful life of assets.

Residual values and useful lives of assets are reviewed and adjusted, if appropriate, on each balance sheet date. On average, the depreciation rates applied correspond to the following estimated useful lives:

	2023	2022
Land and natural resources	0.00%	2.50%
Buildings and other constructions	2.00% - 4.00%	2.00% - 10.00%
Basic equipment	6.25% - 12.50%	6.67% - 33.33%
Transport equipment	10.00% - 25.00%	16.66% - 25.00%
Tools and utensils	4.00% - 25.00%	4.00% - 25.00%
Office equipment	4.00% - 10.00%	4.00% - 10.00%

In 2023, the useful lives of the fixed asset registers of most subsidiaries were reviewed in order to standardise the amortisation rate policy approved by Constructel Visabeira, taking into account the state of use and life of assets. This analysis resulted in a review of the amortisation rates being applied to subsidiaries, with an impact on the consolidated accounts of around 8 million euros in the reduction of depreciation of tangible assets, namely in the subsidiaries acquired in recent years.

2.7 Investment Properties

Investment properties include plots of land and buildings held to earn rental income or for capital appreciation, or both, and that are not used in the course of normal business.

Investment properties are initially measured at their acquisition cost, including transaction costs. After their initial recognition, investment properties are measured at their fair value, determined in reference to the balance sheet date, reflecting current market conditions. Fair value is determined by independent and duly accredited entities, following internationally recommended methodologies.

Gains or losses arising from changes in the fair value of investment properties are recorded in the income statement in the year in which they are generated. Investment properties are derecognised when they are disposed of or when they are decommissioned with no expectations of future economic benefits resulting from their decommissioning.

Any gains or losses arising from the de-recognition of investment properties are recognised in the income statement of that year.

Costs incurred with investment properties in use, such as maintenance, repairs, insurance and property taxes, are recognised in the consolidated income statement, in the period to which they relate. The transfer to, or from, investment properties shall be made when, and only when, there is a change in use. In the transfer of an investment property carried at fair value to an owner-occupied property, the cost considered for subsequent accounting shall be its fair value on the date of the change in use.

If an owner-occupied property becomes an investment property carried at fair value, the Group shall use the same accounting principles that apply to tangible fixed assets, up to the date of the change in use.

If an asset initially recognised in inventories is subsequently considered as an investment property after its change in use has been determined, any difference between the fair value of the property on that date and its previous carrying amount is recognised as profit or loss for that financial year. If the Group begins the development or construction of a building with the intention of selling it, it must be transferred to inventory. If this property is measured at fair value, such transfer shall be measured at fair value at the date of transfer and this will be the cost considered for recording the property in inventories.

2.8 Leases

Constructel Visabeira assesses, at the beginning of each agreement, whether the agreement is, or contains, a lease. That is, the right to control the use of a specific asset or assets is transferred for a certain period of time in exchange for a consideration. In order to conclude that a contract transmits the right to control the use of an identifiable asset for a certain period of time, Constructel Visabeira assesses whether it cumulatively has i) the right to obtain substantially all the economic benefits derived from the use of the asset in question and ii) the right to direct its use.

Constructel Visabeira as lessee

The Group applies the same recognition and measurement method to all leases, except for short-term leases and leases associated with low-value assets. Constructel Visabeira recognises a liability regarding payments and an asset identified as the right to use of the underlying asset.

I. Right-of-use assets

At the lease start date (that is, the date from which the asset is available for use), the Group recognises an asset related to the right to use. "Assets under right of use" are measured at cost, minus accumulated depreciation and impairment losses, adjusted by remeasurement of the lease liability. The cost comprises the initial value of the lease liability adjusted for any lease payments carried out on or before the starting date, besides any initial direct costs incurred, as well as an estimate decommissioning and removal costs of the underlying asset (if applicable), less any incentive obtained.

The asset under right of use is depreciated using the straight-line method, based on its useful life or the lease term, whichever is the lowest.

If ownership of the asset is transferred to Constructel Visabeira at the end of the lease term, or the cost includes a call option, depreciation is calculated taking into account the estimated useful life of the asset.

Assets under right of use are also subject to impairment losses.

II. Lease liability

At the lease start date, Constructel Visabeira recognizes a liability measured at the present value of the lease payments to be made throughout the agreement. The lease payments included in the measurement of the lease liability include fixed payments, minus any incentives already received (if applicable) and variable payments associated with an index or rate. Payments also include, if applicable, the purchase price of a call option, which will be exercised by Constructel Visabeira with reasonable certainty, and penalty payments for terminating the contract, if the terms of the lease reflect the Group's exercise option.

The lease liability is measured at amortised cost, using the effective interest method, and is remeasured when there are changes in future payments resulting from a change in the rate or index, as well as possible changes in the lease agreements. When the lease liability is remeasured, the right to use the asset is adjusted by the same amount, except if its amount has already been reduced to zero, in which case a gain/loss is recorded in the income statement.

Variable payments which are not associated with any indexes or rates are recognised as expense of the financial year, in the financial year in which the event or condition leading to payment occurs.

For the calculation of the present value of future lease payments, Constructel Visabeira uses an incremental interest rate at the lease start date, since the interest rate mentioned in the contract is not immediately determined. After that date, the lease liability amount is increased by accruing interest and reduced by rent payments made. Moreover, the amount is remeasured if there is any change in the terms of the agreement, in the amount of the rents (e.g., changes in future payments caused by a change in an index or rate used to determine those payments), or a change in the valuation of a call option purchase associated with the underlying asset.

III. Short-term leases and low value leases

Constructel Visabeira applies the recognition exemption to its short-term leases of assets (i.e., leases with 12-month terms or less and which do not contain a call option). The Group applies as well the exception for the recognition of lease contracts whose underlying asset is of low value. Operating lease payments are recorded as operating expense on the income statement in the straight-line basis over the lease period.

Constructel Visabeira as lessor

Leases in which Constructel Visabeira does not substantially transfer all the risks and benefits of ownership of an asset are classified as operating leases. Income earned through rent is accounted for, under a straight line basis, during the period of the lease and is presented in revenue due to its operating nature. Initial costs directly related to the negotiation and collection of leaseings are added to the book value of the asset and are recorded as expenses during the leasing period at the same rate as the rents earned. Contingent rents are recognised only when the right is established.

The lease duration is the sum of the period during which the lease cannot be cancelled with an additional period that the lessee is expected to have the option to maintain the lease, and upon the beginning of the lease Constructel Visabeira has reasonable certainty that the lessee will choose to maintain.

Amounts receivable from lessees for contractual assignment or for compensation for asset devaluations are recorded in the income statement when the right to receive is established.

Gains on common expenses redbt to lessees are recorded in the period which the compensation relates to. Fees regarding management and service are included as Income from rentals, without considering the respective costs, because the Group considers that it acts as principal and not as agent in this situation.

2.9 Intangible assets

All intangible assets are recorded at their acquisition cost, net of accumulated amortisations and impairment losses. Amortisations are calculated on the acquisition value, by the straight-line method on a duodecimal basis for its useful life (generally three years).

Costs related to internally generated intangible assets and own brands are recorded in profit or loss for the period as they are incurred.

Costs of research carried out in the quest for new technical or scientific knowledge or in the quest for alternative solutions are recognised in profit or loss when incurred. Development costs are capitalised when the technical feasibility of the product or process under development can be proven, and when Constructel Visabeira intends and is able to complete its development and begin its marketing or use.

Within the scope of business combinations, intangible assets relating to "order backlog" are identified, which are amortised on a straight-line basis over the period foreseen for the execution of the identified contracts.

2.10 Impairment of tangible and intangible assets

Assets that have an indefinite useful life are not subject to amortisation or depreciation, but are subject to annual impairment tests. Impairment tests are also performed for assets that, having a finite useful life, are subject to amortisation or depreciation, whenever circumstances change and their carrying amount may not be recoverable. An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, net of costs to sell, and its value in use, which results from future cash flows updated based on pre-tax discount rates that reflect the present value of the capital and the risk specific to the asset(s) concerned.

To determine the recoverable amount, the assets are analysed individually or grouped at the lowest level for which they are identified separately as cash-flow generating units. A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Whenever the carrying amount of the asset is higher than its recoverable amount, an impairment loss is recognised in the income statement for the period to which it relates. If this loss is subsequently reversed, the carrying value of the asset is adjusted accordingly, but it can never be greater than the amount that would be recognised had the impairment loss not been recorded. The impairment reversal is also recognised in the income statement in the period to which it relates.

2.11 Inventories

Inventories are valued at either their cost or their net realisable value, whichever is lower. The net realisable value is the selling price, net of the costs estimated for completing production of the asset and corresponding selling costs. Raw materials, subsidiaries and consumables are valued at the average purchase price including purchase costs and storage.

Finished and ongoing products - Production cost includes the cost of raw materials used, direct and indirect labour, subcontracts, other fixed and variable costs and financial charges. The finance charges considered correspond to the actual borrowing costs incurred on financing agreements that explicitly refer to the development, to the extent it is reasonable in terms of the application.

Goods are valued at their average purchase price, including shipping and storage costs.

Whenever the net realizable value is inferior to the cost of purchase or of conversion a reduction in value of inventories is carried out, through an adjustment, which is reversed when the reasons which originated it no longer exist.

For this purpose, the net realizable value is the estimated selling price in the ordinary course of business minus the estimated costs of completion and costs necessary to make the sale. The estimates take into consideration fluctuations related to events occurring after the end of the period, to the extent that such events confirm conditions existing at the end of the period.

2.12 Provisions

Provisions are recorded whenever Constructel Visabeira has a present obligation (legal or constructive) resulting from a past event and whenever it is probable that a reasonably estimable decrease in resources incorporating economic benefits will be required to settle the obligation.

- **Restructuring:** A provision for restructuring is recognised after formal approval of a restructuring operation and it has been initiated or made public. Operating expenses shall not be included in the value of such provision.
- **Onerous Contracts:** A provision for onerous contracts is recognised when the expected benefits of the contract fulfilment are lower than the costs arising from the obligation imposed by it.

Provisions for the costs involved in the dismantling, removing of goods and restoration of the site are recognised when the goods are first used and if the respective obligation can be reliably estimated. The amount of the provision recognised is the present value of the obligation, and the financial update is recorded in profit or loss as a financial cost in the heading "Net Interest".

A contingent liability recognised in connection with a business combination is initially recognised at fair value. After the initial recognition and until the liability is settled, cancelled or expired, a contingent liability is recognised in a business combination at the higher of the amount that would be recognised in accordance with IAS 37 and the amount initially recognised, less, where appropriate, the cumulative amortisation recognised in accordance with the Revenue standard.

Provisions are reviewed and updated on the balance sheet date, so as to reflect the best estimate of the obligation in question at that time.

2.13 Contingent assets and liabilities

Contingent liabilities (when not in connection with a business combination) are not recognised in the consolidated financial statements; they are presented in the Notes, unless the possibility of a cash outflow is remote, in which case they are not subject to disclosure.

Contingent assets are not recognised and are only disclosed when there is a likelihood of a future economic benefit.

2.14 Income tax

Income tax is calculated based on the taxable results of the companies included in the scope of consolidation and it includes deferred taxation.

Constructel Visabeira is covered by the special scheme for the taxation of groups of companies, established at the level of NCFGest, S.A., which includes all companies in which it directly or indirectly holds at least 75% of the share capital and which, at the same time, are based in Portugal and subject to Corporate Income Tax (IRC).

The remaining subsidiary companies, not covered by the special tax scheme for groups of companies in Portugal, are taxed individually, based on their respective taxable results and applicable tax rates.

Deferred tax is calculated based on the balance sheet liability method, from temporary differences between the carrying value of the assets and liabilities and the respective tax base.

Deferred tax assets are recognised whenever it is reasonably certain that future profits will be generated against which the reversion of existing deductible temporary differences, tax losses and tax credits can be used. Deferred tax assets are reviewed annually and reduced whenever they are no longer likely to be used. No deferred tax is calculated on consolidation differences or on temporary differences in the initial recognition of an asset or liability when it does not affect the accounting or tax results. Likewise, no deferred taxes relating to temporary differences associated with investments in associates and interests in joint ventures are recognised because the following conditions are considered to be cumulatively satisfied:

- Constructel Visabeira is able to control the timing of the reversal of the temporary difference; and
- It is likely that the temporary difference will not reverse in the foreseeable future.

The tax base of assets and liabilities shall reflect the tax consequences arising from the way the Group expects, on the reporting date, to recover or settle the carrying amount of assets and liabilities, based on decisions that, from the fiscal point of view, are substantially implemented on the date of the consolidated income statement.

The amount of tax to be included either in current or deferred taxes resulting from the transactions or events recognised in equity is recorded directly in these same line items and does not affect the income statement for the financial year.

Deferred taxes are determined by the tax rates (and laws) decreed or substantially decreed at the balance sheet date and are expected to be applicable in the accrual basis of deferred tax assets or settlement of deferred tax liabilities. According to the legislation in force, the income tax rate considered is 21% and, in situations not related to tax losses, a 1.5% surcharge is added to the value of temporary differences that originated deferred tax assets or liabilities.

Constructel Visabeira will soon be covered by the minimum effective taxation rules for multinational groups (commonly referred to as "Pillar 2") which, by virtue of the transposition of Council Directive (EU) 2022/2523 of the 15th of December 2022 on ensuring a worldwide minimum level of taxation for multinational enterprise groups and large domestic groups within the European Union, will apply from the 1st of January 2024 in the jurisdictions (or most jurisdictions) where Constructel Visabeira operates. In Portugal, which is the jurisdiction where the Group's parent company, Constructel Visabeira Group, is based, the Directive has not yet been enacted, but it is expected that it will be during 2024 and that the rules will take effect that year.

Council Directive (EU) 2022/2523 of the 15th of December 2022 had no impact in 2023 on Constructel Visabeira's current tax, since the legislation on Pillar 2 was not in force at the reporting date.

Constructel Visabeira is present in the following jurisdictions: Portugal, France, Italy, Denmark, Germany, Belgium, Ireland, the United Kingdom, the United States and Spain. Of these jurisdictions, only Ireland has a nominal tax rate of less than 15% (the other jurisdictions generally apply a nominal tax rate of more than 20%).

In view of the complexity of the rules laid down in Council Directive (EU) 2022/2523 of the 15th of December 2022 and what may be its application to Constructel Visabeira, a preliminary study was carried out based on *Country-by-Country Reporting* and the 2022 financial statements for the various jurisdictions Constructel Visabeira does business in (and in accordance with the current tax rates and tax benefits in force), to assess any possible future impacts arising from its adoption on current or deferred taxes.

It was found that, in general, the level of effective taxation by jurisdiction is higher than the minimum limit of 15% laid down in the Pillar 2 rules (even if only applying the local taxation rules), and no material impacts are estimated as a result of its application. In the case of Ireland, to the extent that a positive pre-tax result is recorded in 2024 and subsequent years (in 2022 a loss was recorded and in 2023 a profit), taking into account an applicable tax rate of 12.5%, additional tax may be assessed under Pillar 2.

2.15 Employee benefits

2.15.1 Termination of employment

Termination benefits are due when there is termination of employment before the normal retirement date or when an employee accepts voluntary redundancy in exchange for those benefits. Constructel Visabeira recognises these benefits when it can prove to be forced to eliminate current positions, according to a detailed formal plan for termination and there is no realistic alternative or these benefits are granted to encourage voluntary termination. Where termination benefits fall due more than 12 months after the balance sheet date, they shall be discounted to their current value.

Termination benefits must be recognised at the moment immediately before:

- i) which commitment in its award cannot be withdrawn; and
- ii) a provision for restructuring in accordance with IAS 37.

2.15.2 Holidays, holiday pay and bonuses

In accordance with the labour law of the different countries, Constructel Visabeira's responsibilities regarding its employees' right to annual holidays, holiday pay as well as other rights acquired during the year prior to its payment are recorded when incurred, regardless of the time of payment, and are reflected under "Other Payables". In addition to the above, in France, companies are entitled to profits in accordance with the criteria defined by local law, which are also recognised as liabilities.

2.15.3 Labour Compensation Fund (LCF) and Labour Compensation Guarantee Fund (LCGF) - Portugal

With the publication of Law No. 70/2013 and subsequent regulation through Order No. 294-A/2013, the Labour Compensation Fund (LCF) and the Labour Compensation Guarantee Fund (LCGF) entered into force on the 1st of October. In this context, companies that hire a new employee are required to deduct a percentage of their salary for these two new funds (0.925% for LCF and 0.075% for LCGF), in order to ensure the future partial payment of the corresponding compensation in case of dismissal.

Taking into account the characteristics of each Fund, the following was considered:

- Monthly payments made by the employer to the LCGF are recognised as expenses for the period when they occur.
- The monthly payments made by the employer to the LCF are recognised as a financial asset of that entity, measured at fair value and with the respective changes recognised in profit or loss.

2.15.4 Pensions

The company's commitments in terms of retirement indemnities are calculated to determine the present value of its defined benefit obligations and respective current service cost and, when applicable, past service cost.

The Projected Unit Credit Method (also known as the accrued benefits method) views each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build the ultimate obligation. These liabilities are recognised in the consolidated statement of financial position under "Provisions for other risks and charges".

2.16 Cash and cash equivalents

The heading "Cash and cash equivalents" includes cash, demand deposits and treasury investments with short maturities and quickly mobilizable, without significant risk of changes in value.

For the purposes of the cash flow statement, the heading "Cash and cash equivalents" also includes bank overdrafts included in the balance sheet in the heading "Bank loans", and the held-for-trading financial assets.

2.17 Works carried out among the Group's companies

Internal expenses (e.g., labour, materials, transport) incurred in the production of tangible assets and inventories are capitalised only when the following conditions are met:

- the assets are identifiable and reliably measurable;
- it is highly likely that they will generate future economic benefits.

No internally generated margins are recognised.

2.18 Accrual basis

In general, income and expenses are recorded on an accrual basis, whereby they are recognised as they are generated, regardless of the moment in which they are received or paid. The differences between the amounts received and paid, and the corresponding income and expenses, are recorded in the consolidated statement of financial position in headings "Other current assets" and "Other current liabilities", respectively.

2.19 Grants

Grants are only recognised when received or upon sufficient certainty that the Group can comply with the conditions required for their granting.

Investment grants are included in heading "Other non-current liabilities", and the associated income is recognised on a straight-line basis over the estimated useful lives of the respective assets.

Subsidies awarded to support training and investment actions are recognised in the income statement at the same time that the Group incurs eligible expenses and are presented in the "Other income" heading.

2.20 Assets measured at fair value

The fair value measurement assumes that the asset or liability is exchanged in a transaction between market participants to sell the asset or transfer the liability, on the measurement date, under the current market conditions. The fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability can take place in the main asset and liability market, or in the absence of a main market, the transaction is assumed to occur in the most advantageous market. The most advantageous market is that which maximises the amount that would be received upon the sale of the asset or that minimises the amount that would be paid to transfer the liability, after considering transaction and transportation costs.

Because different entities and different businesses within a single entity can have access to different markets, the main or most advantageous market for the asset or liability can vary from one entity to another, or even between businesses within the same entity, but they are assumed to be accessible to the Group.

Fair value measurement relies on assumptions that market participants would use in pricing the asset or liability, assuming that market participants would use the asset to maximise its value and use.

The Group uses valuation techniques that are appropriate to the circumstances and for which there is sufficient data to measure the fair value, maximising the use of relevant observable data, and minimising the use of non-verifiable inputs.

All assets and liabilities measured at fair value or for which disclosure is mandatory are classified according to a fair value hierarchy, which classifies the data to be used in the fair value measurement into three levels, as detailed below:

Level 1 – Market prices quoted, unadjusted, in active markets for identical assets or liabilities, which the entity may access at the measurement date;

Level 2 – Valuation techniques which use inputs that are not quoted, and are directly or indirectly observable;

Level 3 – Valuation techniques using inputs not based on observable market data, i.e., based on unobservable data regarding assets and liabilities. Unobservable data must be used to measure fair value whenever there is no relevant observable data, allowing to provide for situations in which there is little or no market activity with regard to the asset or liability on the measurement date. However, the purpose of fair value measurement remains the same, i.e., an exit price on the measurement date from the perspective of the market participant that holds the asset or owes the liability. Thus, unobservable data must reflect the assumptions that market participants would consider when pricing the asset or liability, including any assumptions on risk.

The fair value measurement is classified entirely at the lowest level (unobservable data) of the fair value hierarchy, corresponding to the input that is the most significant for the measurement as a whole.

2.21 Transactions carried out in a currency other than the euro

Monetary assets and liabilities denominated in foreign currencies for which there are no rate-fixing agreements are translated into the euro using the exchange rates in effect on the date of the balance sheet. Favourable and unfavourable differences resulting from the comparison between the exchange rates in force on the date of the transactions and those in force on the date of collections, payments, or on the date of the balance sheet, are recorded as income or expenses in the income statements. The exception being exchange differences arising from the translation of loan balances which, in practice, are an extension of financial investments abroad and whose repayment is not expected in a near future, which are recorded in equity until the disposal of the investment, at which time they are transferred to profit or loss for the period.

Non-monetary assets and liabilities denominated in foreign currency and recorded at cost are converted into the functional currency of each subsidiary, using the exchange rate in effect on the date when they were acquired. Non-monetary assets and liabilities denominated in foreign currency and recorded at fair value are converted into the functional currency of each subsidiary, using the exchange rate in effect on the date when the fair value was determined.

The financial statements of subsidiary and associated companies expressed in foreign currency are translated using the following exchange rates:

- The exchange rate in force on the date of the balance sheet for the translation of assets and liabilities;
- Average exchange rate of the period for the conversion of the income statement headings, except for subsidiaries located in hyperinflationary economies, for which the exchange rate prevailing at the balance sheet date is used;
- The average exchange rate for the period used to translate cash flows (where such exchange rate is close to the actual rate; the remaining cash flows are translated using the exchange rate in effect on the date of the transactions);

Goodwill related to investments in companies based abroad acquired after the 1st of January 2005 is recorded in those companies' reporting currency and translated into euros at the exchange rate in force on the balance sheet date.

Exchange rate differences arising from the translation into euros in the financial statements of subsidiary and associated companies expressed in foreign currencies are included in equity in the line heading Foreign currency translation reserves. When disposing of financial holdings in subsidiaries based abroad, the exchange differences associated with the financial holding previously recorded in reserves are recognised in the income statement.

On the 31st of December 2023 and 2022, assets and liabilities in foreign currencies were translated into euros using the following exchange rates :

2023	2022	Code	Designation
7.45	7.44	DKK	Danish Krone
0.87	0.88	GBP	Pound sterling
1.11	1.07	USD	US dollar

In the financial years 2023 and 2022, the financial statements of subsidiaries expressed in foreign currency were translated using the following exchange rates:

2023	2022	Code	Designation
7.45	7.44	DKK	Danish Krone
0.87	0.86	GBP	Pound sterling
1.08	1.05	USD	US dollar

2.22 Subsequent events

Any events occurring after the balance sheet date, which provide additional information on the existing conditions on the balance sheet date, shall be reflected in the consolidated financial statements. Any events after the balance date which may provide information on the conditions that occurred after the balance sheet date, if material, are presented in the notes to the consolidated financial statements.

2.23 Reconciliation of alternative performance measures

Below is a table reconciling the performance measures referred to in the management report and in the financial statements that are not directly readable in the primary financial statements.

Management report and notes to financial statements	Consolidated Financial Statements
Turnover	Sales and services provided
Gross margin	Turnover - Cost of goods sold and materials consumed - Subcontracts
EBITDA	Turnover- Cost of goods sold and materials consumed - External supply and services - Staff costs - Other costs + Other income
EBITA	EBITDA - Depreciations
Recurrent EBITDA	EBITDA - Non-recurrent result*
Recurrent EBITA	EBITA - Non-recurrent result*
Operating income	EBITDA - Amortisations and depreciations - Provisions and impairment losses
Net debt	Long-term interest-bearing loans + Short-term interest-bearing loans + Lease liabilities + Factoring + Confirming - Cash and cash equivalents
Net financial debt	Long-term interest-bearing loans + Short-term interest-bearing loans + Lease liabilities - Cash and cash equivalents
Net financial debt / EBITDA	Net financial debt / EBITDA
Gearing ratio	Net debt / Total equity

*The non-recurring result in 2023 and 2022 includes costs incurred in the acquisition of subsidiaries and restructuring costs (corporate reorganisation, rebranding and financial uplift).

3. Judgements and estimates

In preparing the consolidated financial statements in accordance with IFRS, the Board of Directors of Constructel Visabeira uses estimates and assumptions that affect the application of policies and amounts reported. Estimates and judgements are continually evaluated and are based on the experience of past events and other factors, including expectations of future events as probable under the circumstances the estimate was based on, or the result of information or experience. The most significant accounting estimates reflected in the consolidated financial statements are as follows:

a) Analysis of goodwill impairment

The Group annually tests goodwill to check for impairment. The recoverable amounts of cash-generating units were determined based on the value-in-use method.

The use of this method requires the estimation of future cash flows arising from the operations of each cash-generating unit and the choice of a suitable discount rate.

b) Valuation and useful life of tangible and intangible assets

Constructel Visabeira has made assumptions in the estimation of future cash flows arising from the intangible assets acquired as part of company acquisition processes, including the estimated future revenues, discount rates and useful lives of said assets.

Constructel Visabeira reviews annually whether the useful lives of the assets used in determining the amortisation/depreciation rates of the assets related to the activity are reasonable. Whenever applicable, Constructel Visabeira prospectively changes the amortisation/depreciation rate for the period based on the review carried out.

c) Liabilities for lease (Leases due on lease contracts)

With the adoption of IFRS 16, Constructel Visabeira recognises assets under right of use ("ROU asset") and lease liabilities (rents due on lease contracts) whenever the contract provides for the right to control the use of an identifiable asset during a certain period of time, in exchange for consideration. To evaluate the existence of control over the use of an identifiable asset, the Group assesses whether: i) the contract includes the use of an identifiable asset; ii) it has the right to obtain substantially all the economic benefits from using the asset during the lease period; and iii) it has the right to control the use of the asset. The analysis of the lease agreements, namely with regard to cancellation and renewal options provided for in the agreements and in determining the incremental financing rate to be applied for it has each identified lease portfolio requires the use of judgements by Constructel Visabeira.

d) Recognition of provisions and adjustments

Constructel Visabeira is a party in various legal proceedings for which, based on the opinion of its legal advisers, it makes a judgement to determine whether a provision should be recorded for such contingencies (notes 37 and 38). Adjustments for accounts receivable are calculated mainly based on the ageing of the accounts receivable, on the customers' risk profile and on their financial situation. Estimates related to adjustments for accounts receivable differ from business to business.

The Constructel Visabeira's policy regarding the imposing of limits on loans granted, whether domestically or internationally, relies on companies specialised in credit risk hedging.

Excluding state-run agencies and clients with higher domestic and international credit ratings, it is noted that the average internal risk exposure is 20%. However, a detailed analysis of the changes in annual provisions clearly evidences that there is almost no risk of non-collection. Furthermore, Constructel Visabeira has access to major market databases, which, together with its technical analysis team, allows for a clear assessment and minimised credit risk.

e) Taxes

Deferred tax assets are recognised for all recoverable losses to the extent to which it is probable that there will be taxable profits against which the losses can be used.

Taking into account the context of the crisis and the impact it may have on future results, a judgement is required from the Board of Directors to determine the amount of deferred tax assets that can be recognised, considering i) The likely date and amount of future taxable profits; and ii) Future tax optimisation strategies.

4. Change to accounting policies and errors

During the financial year ending on the 31st of December 2023, there were no voluntary changes in accounting policies in relation to those considered in the preparation of the financial information of the previous year presented in the comparative statements.

Regarding new standards and interpretations, the following emissions, revisions, changes and improvements in standards and interpretations occurred:

4.1 Standards, interpretations, amendments and revisions with effect in the financial year

The following standards, interpretations, amendments and revisions adopted ("endorsed") by the European Union have mandatory application for the first time during the financial year started on the 1st of January 2023:

• Adoption of IFRS 17 - Insurance contracts and Amendments to IFRS 17 - Initial application of IFRS 17 and IFRS 9 - Comparative information

IFRS 17 substitutes IFRS 4 and applies to all insurance contracts (i.e., life, non-life, direct insurance and reinsurance), regardless of the type of entities that issues them, as well as to some guarantees and some financial instruments with characteristics of participation discretionary. Broadly speaking, IFRS 17 provides an accounting model for insurance contracts that is more useful and more consistent for issuers. In contrast to the requirements of IFRS 4, which are based on previously adopted local accounting policies; IFRS 17 provides an integral model for insurance contracts, covering all relevant accounting aspects. This amendment to IFRS 17 refers to presenting comparative information on financial assets in the initial application of IFRS 17.

The amendment adds a transition option that allows an entity to overlay the classification of a financial asset in the comparative period(s) presented in the initial application of IFRS 17. "Overlay" allows all financial assets, including those held in connection with non-contractual activities within the scope of IFRS 17 to be classified, instrument by instrument, in the comparative period(s) in a manner aligned with how the entity expects those assets to be classified on initial application of IFRS 9.

• Amendments to IAS 1 – Disclosure of accounting policies

These amendments are intended to aid the entity with the disclosure of "material" accounting policies, previously considered "significant" policies. However, due to the inexistence of this concept in the IFRS standards, it was decided to include the concept "materiality", a concept already known by the users of the financial statements. When assessing the materiality of accounting policies, the entity should consider not only the size of transactions but also other events or conditions and their nature.

• Amendments to IAS 8 – Definition of accounting estimates

The amendment clarifies the difference between changes in accounting estimates, changes in accounting policies and error correction. Furthermore, it clarifies how an entity uses measurement techniques and inputs to develop accounting estimates.

• Amendments to IAS 12 – Deferred tax relating to assets and liabilities arising from a single transaction.

IAS 12 now requires a company to recognise deferred tax when its initial recognition gives rise to equal amounts of taxable temporary differences and deductible temporary differences.

However it is a matter of professional judgement whether such deductions are attributable to the liability that is recognised in the financial statements or to the related asset. This is particularly important when determining the existence of temporary differences in the initial recognition of assets or liabilities, since the initial recognition exception does not apply to transactions, which give rise to equal taxable and deductible temporary differences. Among the applicable transactions are the recording of (i) right-of-use assets and lease liabilities; (ii) provisions for dismantling, restoration or similar liabilities, and the corresponding amounts recognised as part of the cost of the related asset, when on the date of initial recognition they are not relevant for tax purposes. This amendment has a retrospective application.

- **Amendments to IAS 12 – International Tax Reform - Pillar 2 model rules**

These changes come about as part of the implementation of the OECD's Global Anti-Base Erosion ("Globe") rules, which may have significant impacts on the calculation of deferred taxes that are difficult to estimate at the time these changes were issued.

These amendments introduce a temporary exception to the accounting of deferred taxes arising from the application of the OECD second pillar model rules, and additionally establish new specific disclosure requirements for the affected companies.

These standards and amendments had no material impact on Constructel Visabeira's consolidated financial statements. As for amendments to IAS 12, further disclosures have been made in note 17.

- **Amendments to IFRS 9 – Derecognition of Liabilities – Commissions to be included in the "10 per cent" variance test (included in the annual improvements relating to the 2018-2020 cycle)**

This amendment clarifies which fees an entity should include when assessing whether the terms of a financial liability are materially different from the terms of the original financial liability.

Thus, within the scope of derecognition tests carried out on renegotiated liabilities, only commissions paid or received between the debtor and creditor should be included, including commissions paid or received by the debtor or creditor on behalf of the other.

4.2 At the date of approval of these financial statements, the standards and interpretations endorsed by the European Union, but whose mandatory application occurs in future years, are as follows:

These standards, interpretations, amendments and revisions, whose application is mandatory only in future periods, were not, until the approval date of these financial statements, adopted ("endorsed") by the European Union:

- **Amendments to IAS 1 – Presentation of financial statements – Classification of current and non-current liabilities (to be applied for financial years beginning on or after the 1st of January 2024)**

This amendment seeks to clarify the classification of liabilities as current or non-current balances depending on the rights that an entity has to defer their payment, at the end of each reporting period.

The classification of liabilities is not affected by the entity's expectations (the assessment should determine whether a right exists, but should not consider whether or not the entity will exercise that right), or by events occurring after the reporting date, such as non-compliance of a "covenant".

However, if the right to postpone settlement for at least twelve months is subject to compliance with certain conditions after the balance sheet date, these criteria do not affect the right to defer settlement for the purpose of classifying a liability as current or non-current.

This amendment also includes a new definition of "settlement" of a liability and is of retrospective application.

- **Amendments to IFRS 16 – Lease liabilities in sales and leaseback transactions (effective for periods beginning on or after the 1st of January 2024)**

This amendment to IFRS 16 introduces guidance on the subsequent measurement of lease liabilities related to sale and leaseback transactions which qualify as a "sale", in accordance with the principles of IFRS 15 – with greater impact when some or all lease payments are variable lease payments that do not depend on an index or a rate. When subsequently measuring lease liabilities, seller-lessees should determine "lease payments" and "revised lease payments" in such a way that they do not recognise gains/(losses) in relation to the right of use they retain.

This amendment has a retrospective application.

The Group did not carry out the early application of this standard in the financial statements during the period of twelve months ending on the 31st of December 2023. Significant impacts on the financial statements arising from their implementation are not estimated.

4.3. Standards and interpretations issued by IASB but not yet endorsed by the European Union

These accounting standards, interpretations amendments and revisions, whose application is mandatory only in future periods, were not, until the approval date of these financial statements, adopted ("endorsed") by the European Union:

- **Amendments to IAS 7 and IFRS 7 – Disclosures: Supplier financing agreements**

These amendments to IAS 7 Statement of Cash Flow and IFRS 7 Financial Instruments: Disclosures aim to clarify the characteristics of a supplier financing arrangement and introduce additional disclosure requirements when such arrangements exist.

The disclosure requirements are intended to help users of financial statements understand the effects of supplier financing arrangements on the company's liabilities, cash flows and exposure to liquidity risk.

The amendments come into force for the period beginning on or after the 1st of January 2024. Early adoption is permitted but must be disclosed.

- **Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates: Lack of exchangeability**

This amendment aims to clarify how to assess the exchangeability of a currency and how the exchange rate should be determined when it is not exchangeable for a long period.

The amendment specifies that a currency should be considered exchangeable when a company is able to obtain the other currency within a period allowing normal administrative management and through an exchange or market mechanism in which an exchange operation creates enforceable rights and obligations.

If a currency cannot be exchanged for another currency, a company must estimate the exchange rate at the measurement date of the transaction. The aim is to determine the exchange rate that would be applicable on the measurement date for a similar transaction between market participants. The amendments also state that a company can use an observable exchange rate without making any adjustment.

The changes come into force for the period beginning on or after the 1st of January 2025. Early adoption is permitted, however the transition requirements applied must be disclosed.

- **IFRS 18 – IFRS 18 Presentation and Disclosure of Financial Statements**

IFRS 18 Presentation and Disclosure of Financial Statements replaces IAS 1 Presentation of Financial Statements and responds to requests from investors looking for information on financial performance. With the introduction of the new IFRS 18 requirements, investors will have access to more transparent and comparable information on companies' financial performance, aiming at making better investment decisions.

IFRS 18 essentially introduces three sets of new requirements to improve the disclosure of financial performance:

- **Comparability of the income statement:** IFRS 18 introduces three defined categories for income and expenses - operating, investments and financing - to improve the structure of the income statement and requires all companies to provide new defined subtotals, including operating income. The new structure and subtotals will give investors a consistent starting point for analysing company performance, making it easier to compare them.
- **Transparency of performance measures defined by management:** IFRS 18 requires the disclosure of additional information on specific company performance indicators related to the income statement, called performance measures defined by Management.
- **Aggregation and disaggregation of items in the financial statements:** IFRS 18 establishes guidance on how income statement items should be aggregated.

IFRS 18 comes into force for financial years beginning on or after the 1st of January 2027 and its application is retrospective. These standards so far not adopted ("endorsed") by the European Union, but so far not adopted by the Group for the period of twelve months ending on the 31st of December 2023. Significant impacts on the financial statements arising from their implementation are not estimated.

5. Constructel Visabeira companies included in the consolidation

	Conditions	Head office	% of consolidated 2023	% direct 2023	% of consolidation 2022	% direct 2022
Constructel Visabeira, SA		Lisbon	Parent company		Parent company	
Aeroprotechnik - Aerial Engineering, Lda	i)	Viseu	75.00%	75.00%	51.00%	
Cabling Station Data, SA	b)	Mont-Sur-Marchienne	100.00%		100.00%	
Constructel Belgium, SA	b)	Mons	100.00%		100.00%	
Constructel - Contructions et Telecommunications, SA	a)	Valence	100.00%	0.003%	100.00%	0.003%
Constructel BAU GmbH	c)	Berlin	100.00%		100.00%	
Constructel Denmark, ApS	b)	Copenhagen	100.00%	1.14%	100.00%	1.14%
Constructel Energie, SA	b)	Clermont-Ferrant	100.00%		99.07%	3.52%
Constructel GmbH	b)	Berlin	100.00%	25.00%	100.00%	25.00%
Constructel Italia, SRL	b)	Galliate	100.00%	50.00%	100.00%	50.00%
Constructelmodal, SA	b)	Flemalle	100.00%		100.00%	
Cunha Soares & Filhos, SA	a)	Lodares	80.00%		80.00%	
EIP Serviços, SA	g)	Lisbon	100.00%		100.00%	
Elektro-Würkner GmbH	i)	Farnstätt	100.00%	100.00%	100.00%	100.00%
Energydisti, Ltd	j)	Manchester	0.00%		100.00%	
Escotel, SASU	b)	Aurillac	100.00%		100.00%	
Franz-Josef Braun GmbH & Co. KG	c)	Mechernich	100.00%		100.00%	
Gatel, SAS	b)	Domessin	100.00%		100.00%	
IEME, SRL	b)	Cesena	100.00%		100.00%	
Infrassign SARL	d)	Beveren	100.00%		100.00%	
InPower Group	b)	Rome	54.50%		54.50%	
lutel - Infocomunicações, SA	a)	Viseu	99.95%		99.95%	
J. F. Edwards Construction Company	g)	Des Moines - Iowa	100.00%		100.00%	
MJ QUINN - Integrated Services, Ltd	e)	Liverpool	100.00%		100.00%	
MJ Quinn Constructel, Ltd	b)	Liverpool	100.00%		100.00%	
Modal Installation, SA	b)	Marchienne-Au-Port	100.00%		100.00%	
MJ Quinn Solar, Ltd	j)	Liverpool	100.00%		100.00%	
Obelisk International Group Holdings Ltd	j)	Dublin	100.00%		100.00%	
Obelisk Communication Ltd	j)	Dublin	100.00%		100.00%	
Obelisk Power Systems Ltd	j)	Dublin	100.00%		100.00%	
Obelisk Networks UK Ltd	j)	Manchester	100.00%		100.00%	
Obelisk Power Systems (UK) Ltd	j)	Newry	100.00%		100.00%	
Arquiled - Projetos de Iluminação, SA	i)	Évora	100.00%	100.00%	0.00%	
Bright Science - Estudos de Engenharia e Ensaios, Lda	l)	Évora	100.00%		0.00%	
Geovento - Imobiliária, Lda	p)	V. Nova de Gaia	90.00%		0.00%	
Groupe Ramalheira, SAS	b)	Bois-d'Arcy	100.00%		0.00%	
I. Tavan GmbH	m)	Verden	100.00%		0.00%	
Jayme da Costa - Energia e Sistemas, SA	i)	V. Nova de Gaia	100.00%	100.00%	0.00%	
Jayme da Costa - Tecnologia e Serviços, Lda	o)	V. Nova de Gaia	100.00%		0.00%	
Jayme da Costa SGPS, SA	o)	V. Nova de Gaia	90.00%		0.00%	
Landwalk - Gestão de Imóveis Unipessoal, Lda	o)	V. Nova de Gaia	100.00%		0.00%	
O+M Operation + Maintenance, SASU	n)	Bois-d'Arcy	100.00%		0.00%	
Oude MarktVoerlieden Natie NV (OMV Natie)	d)	Beveren	100.00%		100.00%	

	Conditions	Head office	% of consolidated 2023	% direct 2023	% of consolidation 2022	% direct 2022
PDT - Projectos e Telecomunicações, SA	a) and b)	Lisbon	100.00%		100.00%	
Quinn Constructel, Ltd	j)	London	100.00%		100.00%	
SCI Constructel	b)	Valence	100.00%	0.10%	100.00%	0.10%
SCI Constructel Itália, SRL	h)	Cesena	100.00%		100.00%	
Tavan Immobilien GmbH	m)	Verden	100.00%		0.00%	
Tavan Tiefbau & Co. KG	m)	Verden	100.00%		0.00%	
Tensa, SA	g)	Oviedo	100.00%		100.00%	
THG Tavan Holding GmbH	i)	Verden	100.00%	100.00%	0.00%	
Toft Hansen, ApS	f)	Kirke Hylling	100.00%		100.00%	
Viatel - Tecnologia de Comunicações, SA	i)	Viseu	100.00%	100.00%	100.00%	100.00%
Visabeira Infraestruturas, Lda	a)	Viseu	100.00%		100.00%	
Visactys, SASU	b)	Valence	100.00%		100.00%	
VisaPower, SA	a)	Viseu	100.00%		100.00%	

a) Directly owned by Viatel | b) Directly owned by Constructel - Contructions et Telecommunications, SA | c) Directly owned by Constructel GmbH | d) Directly owned by Constructel Modal e) Directly owned by MJ QUINN Holding | f) Directly owned by Constructel Denmark | g) Directly owned by Visapower | h) Directly owned by SCI Constructel | i) Directly owned by Constructel Visabeira | j) Directly owned by MJ Quinn | l) Directly owned by Arquiled | m) Directly owned by THG Tavan Holding GmbH n) Directly owned by Groupe Ramalheira o) Directly owned by Jayme da Costa ES | p) Directly owned by Jayme da Costa SGPS

6. Other non-current assets

	Head office	Book Value 2023	Book Value 2022
a) Other shares			
Capital investments			
C2 Capital Partners	Lisbon	850,000	850,000
Other capital holdings		1,129,222	608,294
		1,979,222	1,458,294
b) Advanced payments			
Ongoing investments		0	2,877,030
		0	2,877,030
Total		1,979,222	4,335,324

A the end of 2022, an advanced payment was made for the acquisition of the company Arquiled, a Portuguese company in the Energy sector (see note 7). In May 2023, Constructel Visabeira acquired this subsidiary as described in note 7.

7. Changes in the scope of consolidation

2023 Purchases

Constructel Visabeira continues to invest in acquiring companies that complement its portfolio in geographical terms and strengthen its capacity and expertise. During the 2023 financial year, the Group acquired the companies detailed below:

	Country	Head office		% Acquired	% of equity held after the acquisition	Date	Acquisition cost
Arquiled	Portugal	Évora	Acquisition	100.00%	100.00%	01.05.2023	
Brightscience	Portugal	Évora	Acquisition	100.00%	100.00%	01.04.2023	4,245,595
Jayme da Costa - ES, Lda	Portugal	Porto	Acquisition	100.00%	100.00%	01.01.2023	
Jayme da Costa SGPS	Portugal	Porto	Acquisition	90.00%	90.00%	01.01.2023	
Jayme da Costa - TS, Lda	Portugal	Porto	Acquisition	100.00%	100.00%	01.01.2023	5,570,898
Geovento Imobiliária, Lda	Portugal	Porto	Acquisition	90.00%	90.00%	01.01.2023	
Landwalk Unipessoal, Lda	Portugal	Porto	Acquisition	100.00%	100.00%	01.01.2023	
Groupe Ramalheira	France	Bois-d'Arcy	Acquisition	100.00%	100.00%	01.01.2023	8,981,798
O+M	France	Bois-d'Arcy	Acquisition	100.00%	100.00%	01.01.2023	
THG Tavan Holding GmbH	Germany	Verden	Acquisition	100.00%	100.00%	01.05.2023	
Tavan Tiefbau & Co. KG	Germany	Verden	Acquisition	100.00%	100.00%	01.05.2023	75,131,035
I. Tavan GmbH	Germany	Verden	Acquisition	100.00%	100.00%	01.05.2023	
TAVAN Immobilien GmbH	Germany	Verden	Acquisition	100.00%	100.00%	01.05.2023	
Total							93,929,327

Recognised goodwill is justified by the expected synergies arising from the activities carried out by the new companies and from access to new countries.

None of the purchases gave rise to the recognition of indemnity receivables, as no contingent liabilities were identified. The total amount of goodwill determined is not tax deductible. In acquisitions during the financial year, the Group opted to measure "non-controlling interests" by their respective share of the assets and liabilities transferred from the acquiree.

The interest percentages considered for consolidation purposes take into account the exercise of said put options (20.38% in the case of Arquiled and 25% in the case of O+M and Tavan) by the previous owners. Regarding this subject, see in 2.3 the accounting policy followed to measure put options granted to minority shareholders in the context of business combinations.

The transaction costs associated with the acquisitions described totalled 1.4 million euros (2022: 0.8 million) and are recognised in the financial year under "External supplies and services".

Purchases in Europe

Purchases in Europe gave rise to goodwill amounting to 81.8 million euros and an increase in the Group's assets and liabilities (reported on the purchase dates) of 68.1 million euros and 60.8 million euros, summarised as follows:

	Arquiled	Jayme da Costa Group	Groupe Ramalheira	Tavan Group	Total
Position value before acquisition					
Tangible and intangible assets	2,723,986	8,162,035	58,665	24,967,720	35,912,406
Clients	323,938	3,503,883	1,731,360	1,614,741	7,173,923
Other Assets	3,700,695	13,522,408	812,573	7,369,227	25,404,903
Cash and cash equivalents	72,713	804,251	1,221,397	-2,478,441	-380,079
Loans obtained	-7,658,699	-4,149,143	-386,289	-7,598,016	-19,792,148
Other liabilities	-244,864	-31,504,558	-2,428,083	-6,871,943	-41,049,447
Total net assets	-1,082,231	-9,661,125	1,009,623	17,003,289	7,269,557
Acquisition price	4,245,595	5,570,898	8,981,716	75,131,035	93,929,244
Goodwill	5,327,826	10,401,460	7,972,092	58,127,746	81,829,125
Non-controlling interests	0	-4,830,562	0	0	-4,830,562

It should be noted that the above figures relate not only to the companies listed, but also to other related companies which, due to their small size, are not shown in the table.

Established in 2005, Arquiled is a leading Portuguese manufacturer developing public and private LED lighting solutions and systems, with a special focus on energy efficiency projects. Arquiled has a 100% subsidiary, Bright Science, a research and development engineering company, which develops new products and technologies applied to the cluster of intelligent lighting solutions and city management support infrastructures.

In order to determine the fair value of the capital on the date of acquisition of Arquiled, we identified an intangible asset whose value we consider to be null, namely its own brand in the amount of 383 thousand euros.

Arquiled's assets include 44,000 euros relating to customers who were recognised for impairment and whose fair value was considered null. For the remaining customer balances, the estimate is that the cash flows will be received in full.

For the remaining assets and liabilities, no significant differences were identified between the fair value and the respective carrying value.

	Arquiled
Acquisition cost of share participation	4,245,595
Payments made to suppliers and other creditors	1,834,000
Total investment	6,079,595
Payments in the previous year	2,877,030
Payments in the financial year	2,497,970
Selling options	704,595

Grupo Jayme da Costa (JdC) is the oldest Portuguese group in terms of the electro-mechanical sector, with over 100 years' experience and consolidated national and international expertise. Over the years it has diversified its area of intervention through acquisitions and the internationalisation of the Energy and Electrical Installations sector. In recent years it has been making a name for itself in the construction of photovoltaic parks. Grupo Jayme da Costa is currently made up of the following companies: Jayme da Costa - Energia e Sistemas, Jayme da Costa SGPS, Jayme da Costa - Tecnologia e Serviços, Geovento and Landwalk.

As far as Jayme da Costa is concerned, the main differences between the fair value of the identifiable assets acquired and the liabilities assumed was the recognition of an intangible asset related to contracts with customers in the amount of 3.3 million euros, the fair value of the tangible asset relating to the factory building being 1.4 million, the respective deferred tax liability of 1.0 million euros, and the derecognition of intangible assets recorded in the company in the amount of 5.6 million euros, relating to goodwill, from acquisitions during previous years. For the intangible calculation the 9.7% discount rate was taken into account.

Jayme da Costa's assets include 4.2 million euros relating to customers who have already been recognised for impairment and whose fair value was considered null, and for the remaining client balances the estimate is that the cash flows will be received in full. For the remaining assets and liabilities, no significant differences were identified between the fair value and the respective carrying value.

It should be noted that Visabeira Global (the majority shareholder of Constructel Visabeira) already owned 15% of Jayme da Costa, and in January 2023 acquired control of it by purchasing a 35% share from another company related to Grupo Visabeira, and now owns 50% of Jayme da Costa. All relevant facts and circumstances have been assessed and it has been determined that control exists. Control was also transferred to Constructel Visabeira in January 2023. In December 2023, Constructel Visabeira, acquired the remaining 50% from the remaining shareholders of Jayme da Costa. Because it is an increase in the participating interest in a company that is already controlled, it was accounted for as a transaction between shareholders, so the difference between the value of the capital held by the non-controlling interest and the respective acquisition cost did not give rise to any recognition of goodwill or gains/losses but was recorded directly in equity. The impacts of this transaction are detailed below in "Change in the percentages of interests in controlled companies".

	Jayme da Costa Group
Acquisition cost of share participation	5,570,898
Supplementary benefits	958,189
Minority shareholders amount paid	6,001,789
Total investment	12,530,876
Contingent consideration	12,530,876

Groupe Ramalheira, founded in October 2021, is the parent company of O+M, holding 100% of its shares, and has no other significant activities or assets apart from its financial share in O+M. O+M, an operating company, was founded in 2019 to meet the needs of mobile operators, providing services from the design to the maintenance of telecommunications networks in France.

The two companies were acquired by Constructel Visabeira, so the amount of net assets presented takes both companies into account.

For the net assets at the date of acquisition of O+M, no significant differences were identified between the fair value and the respective book value, however it should be noted that for customer balances the estimate is that the cash flows will be fully received.

	Groupe Ramalheira
Acquisition cost of share participation	8,981,716
Total investment	8,981,716
Payments in the financial year	6,148,668
Selling options	2,833,048

Tavan is a company belonging to the group that has been on the market since 2015, has around 200 employees and operates in the areas of engineering, construction and maintenance of telecommunications and energy infrastructures in northern Germany, with Tavan Tiefbau GmbH & Co.Kg. as its main company.

The perimeter of the transaction comprises the companies Tavan Tiefbau GmbH Co KG (operating company), THG Tavan Holding GmbH, I Tavan GmbH and Tavan Immobilien GmbH.

At Tavan, the main differences between the fair value of the identifiable assets purchased and the liabilities assumed were the recording of an intangible asset in the amount of 11.5 million euros, related to its customer portfolio and the respective deferred tax liability in the amount of 3.4 million euros. For the intangible calculation, the 9.0% discount rate was taken into account. Moreover, under the IFRS16 standard, assets under right of use and lease liabilities totalling 601 thousand euros and 632 thousand euros, respectively, were recorded.

With regard to customer balances, it is estimated that the cash flows will be received in full; for the remaining assets and liabilities, no significant differences were identified between the fair value and the respective book value.

	Tavan Group
Acquisition cost of share participation	75,131,035
Total investment	75,131,035
Payments in the financial year	55,500,000
Selling options	19,631,035

Impact of purchases

The acquisitions had the following impact on the Group's income statement:

Main indicators Impact on 2023 consolidated accounts	Arquiled (May-Dec)	Jayme da Costa Group (Jan to Dec)	Groupe Ramalheira (Jan to Dec)	Tavan Group (May-Dec)	Total
Turnover	2,417,618	43,876,877	10,292,319	27,864,157	84,450,971
EBITDA	-632,484	3,981,834	944,008	5,950,096	10,243,454
Net income	-3,236,425	1,734,715	277,337	2,445,723	1,221,349

If the acquisitions described above had occurred on the 1st of January 2023, the Proforma Statement for 2023 would be as follows:

	2023 unaudited "pro forma"	2023
Ongoing operations		
Sales	38,778,583	37,289,708
Services rendered	1,229,130,333	1,220,142,928
Turnover	1,267,908,916	1,257,432,636
Cost of goods sold and material consumed	-147,033,023	-144,442,851
Other income	16,906,179	16,510,277
Supplies and external services	-721,373,234	-716,752,170
Personnel costs	-271,003,195	-268,094,167
Other costs	-9,051,237	-9,035,078
Changes in the fair value of investment properties	332,600	332,600
Amortisations	-45,742,234	-44,575,094
Provisions and impairment losses	-970,122	-970,122
Interest paid, net	-9,903,189	-9,719,311
Other financial expenses, net	-9,500,497	-9,490,008
Result before taxes	70,570,964	71,196,714
Income tax	-18,730,275	-18,592,619
Net income	51,840,689	52,604,095

2022 Purchases

During the financial year 2022, Constructel Visabeira maintained its investment strategy to expand its activity to new countries and to reinforce its position in markets where it operates by purchasing companies as detailed below:

	Country	Head office		% Acquired	% of equity held after the acquisition	Date	Acquisition cost
Inpower Group	Italy	Rome	Acquisition	54.50%	54.50%	01.01.2022	3,650,000
Elektro-Würkner	Germany	Farnstädt	Acquisition	100.00%	100.00%	01.01.2022	21,214,372
Obelisk	United Kingdom	Dublin	Acquisition	100.00%	100.00%	01.01.2022	7,642,023
MJ Quinn Solar	United Kingdom	Liverpool	Acquisition	100.00%	100.00%	01.01.2022	2,456,854
Total							34,963,249

Recognised goodwill is justified by the expected synergies arising from the activities carried out by the new companies and from access to new countries. None of the purchases gave rise to the recognition of indemnity receivables, as no contingent liabilities were identified. The total amount of goodwill determined is not tax deductible.

Purchases in Europe

Purchases in Europe gave rise to goodwill amounting to 29,749,021 euros and an increase in the Group's assets and liabilities (reported on the purchase dates) of 56,218,052 euros and 49,937,134 euros, summarised as follows:

	Inpower Group	Elektro-Würkner	Obelisk	MJ Quinn Solar	Total
Position value before acquisition					
Tangible and intangible assets	2,075,310	4,620,757	9,331,795	86,735	16,114,597
Clients	11,174,157	4,195,593	3,400,176	1,055,159	19,825,085
Other Assets	7,153,497	1,356,386	7,739,195	74,446	16,323,524
Cash and cash equivalents	1,002,997	1,117,550	1,540,571	293,727	3,954,846
Loans obtained	-1,188,549	0	-3,106,579	-14,080	-4,309,208
Other liabilities	-17,873,038	-4,766,011	-21,627,298	-1,361,579	-45,627,926
Total net assets	2,344,375	6,524,276	-2,722,140	134,408	6,280,919
Acquisition price	3,650,000	21,214,372	7,642,023	2,456,854	34,963,249
Goodwill	2,372,316	14,690,096	10,364,163	2,322,446	29,749,021
Non-controlling interests	1,066,691	0	0	0	1,066,691

Regarding inPower, the main differences between the fair value of the identifiable assets purchased and the liabilities assumed, recording an intangible asset to contracts with customers and the respective deferred tax liability. It should also be mentioned that as a result of the acquisition process, a loan of 250 thousand euros was repaid to the former majority shareholder. For the intangible calculation, the 4.9% discount rate was taken into account. For the remaining assets and liabilities, no significant differences were identified between the fair value and the respective carrying value. For calculating non-controlling interests, these were measured by the proportional contribution of the fair value of net assets. It is important to set out the amount of investment of the Company for the acquisition of this subsidiary in detail:

	Inpower Group
Acquisition cost of share participation	3,650,000
Capital increase	1,144,500
Total investment	4,794,500
Payments in the financial year	3,894,500
Contingent consideration	900,000

As far as Elektro-Würkner is concerned, in terms of the main differences between the fair value of identifiable assets acquired and liabilities undertaken, it is important to highlight the recording of an intangible asset in the amount of 3.8 million euros it relates to contracts with clients and their respective deferred tax liability, not being aware of a financial asset amounting to 7.8 million euros distributed to a former shareholder as dividend, as well as a dividend distribution in the amount of 3 million euros settled by accumulated deposits. For the intangible calculation the 3.8% discount rate was taken into account. For the remaining assets and liabilities, no significant differences were identified between the fair value and the respective carrying value.

	Elektro-Würkner
Acquisition cost of share participation	21,214,372
Payments for the purchase of equipment	2,044,395
Total investment	23,258,767
Payments during the financial year	14,784,979
Contingent consideration	8,473,788

As far as the company Obelisk is concerned, in terms of the main difference between the fair value of identifiable assets acquired and liabilities undertaken, it is important to highlight the recording of an intangible asset in the amount of 7 million euros. It relates to contracts with customers and their respective deferred tax liability, the cancellation of goodwill of 6.2 million euros, as well as the amount of 700 thousand euros relating to costs of restructuring carried out by Obelisk itself which were not correctly specialised on the 31st of December 2021. For the intangible calculation the 4.6% discount rate was taken into account. For the remaining assets and liabilities, no significant differences were identified between the fair value and the respective carrying value.

	Obelisk
Acquisition cost of share participation	7,642,023
Payment of financial debts existing at the date of acquisition	10,409,984
Total investment	18,052,007
Payments in the financial year	15,312,986
Contingent consideration	2,739,021

Finally, with regard to the company MJ Quinn Solar, no change was made to the fair value of its equity at the acquisition date.

	MJ Quinn Solar
Acquisition cost of share participation	2,456,854
Total investment	2,456,854
Payments in the financial year	1,102,446
Contingent consideration	1,202,430
Exchange rate effect	151,978

Sales/Dissolutions

During the financial year 2022 Constructel Sweden was dissolved. On the 31st of December 2021 the assets and liabilities of this company in the consolidated accounts of Constructel Visabeira were 98,164 euros and 89,549 euros, respectively. On that date, these values were considered materially irrelevant.

During the 2023 financial year, Energydisti was dissolved. On the date of dissolution, this company had no assets or liabilities.

Change of interest percentages in controlled companies

By reference, on the 31st of December 2022, there was no change in percentages of interests in controlled companies. In November 2023, Constructel Visabeira acquired a further 24% of the company Aeroprotechnik for 1.3 million euros, exceeding the value of non-controlling interests by 1.0 million euros, which was valued at 247 thousand euros.

Minority Shareholder amount paid	1,320,000
Capital value of non-controlling interest	247,512
Difference recognised in retained earnings	1,072,488

Additionally, in December 2023, Constructel Visabeira acquired the remaining 50% of the subsidiary Jayme da Costa for 6.0 million euros, recognising a capital cost of 8.1 million euros.

Minority Shareholder amount paid	6,001,789
Capital value of non-controlling interest	-2,054,589
Difference recognised in retained earnings	8,056,378

8. Discontinued operations

During the years 2023 and 2022, there were no discontinued operations. Furthermore, from the 31st of December 2023 until the date of authorisation to issue the financial statements, there were no decisions to discontinue operating activities.

9. Key activity indicators

9.1 Main indicators by activity / country

a) By area of activity

	Years	Telecommunications	Energy	Total
Turnover	2022	813,996,474	212,416,697	1,026,413,171
	2023	878,175,005	379,257,632	1,257,432,636
EBITDA	2022	81,589,205	29,399,511	110,988,716
	2023	91,400,607	44,218,041	135,618,648
Operating income	2022	61,991,839	2,781,331	64,773,170
	2023	60,471,726	29,934,306	90,406,033
Net income	2022	31,030,745	9,208,686	40,239,430
	2023	35,857,261	16,746,835	52,604,095
Tangible/Intangible assets / Right-of-use	2022	89,680,419	43,901,545	133,581,964
	2023	117,451,651	62,635,744	180,087,395
Inventories	2022	31,684,513	12,076,757	43,761,270
	2023	33,533,676	31,513,799	65,047,475

b) By geography

	Years	France	United Kingdom and Republic of Ireland	Portugal	Belgium	Germany
Turnover	2022	252,358,239	273,006,113	164,318,259	116,094,549	88,551,682
	2023	267,039,857	266,367,988	228,661,313	143,418,256	135,473,495
EBITDA	2022	19,550,648	28,950,163	13,777,841	17,232,644	14,884,411
	2023	18,955,973	34,431,355	17,236,873	18,983,775	23,217,033
Operating income	2022	8,613,912	15,235,073	9,365,182	15,314,596	10,697,298
	2023	11,897,882	19,665,487	11,254,181	17,515,798	16,991,176
Net income	2022	3,110,294	10,208,302	4,926,108	9,415,212	8,946,457
	2023	3,945,322	12,692,008	3,797,144	12,897,326	10,040,573
Tangible assets/ Intangible assets/ Right-of-use	2022	21,686,715	40,090,803	23,368,913	5,362,855	12,615,276
	2023	24,416,132	37,024,680	35,017,421	8,119,764	36,699,246
Inventories	2022	2,351,085	12,047,477	17,620,013	5,892,563	1,218,428
	2023	3,483,980	11,022,639	36,342,662	4,664,874	4,016,137

	Years	United States of America	Denmark	Italy	Spain	Total
Turnover	2022	67,521,791	11,224,277	44,307,168	9,031,092	1,026,413,171
	2023	120,421,741	13,253,257	68,598,171	14,198,558	1,257,432,636
EBITDA	2022	14,380,347	1,785,311	1,029,396	-602,045	110,988,716
	2023	16,359,499	2,527,239	3,471,199	435,700	135,618,648
Operating income	2022	5,361,177	830,244	370,816	-1,015,130	64,773,170
	2023	9,829,139	1,791,696	1,316,993	143,680	90,406,033
Net income	2022	4,108,059	494,258	138,558	-1,107,765	40,239,483
	2023	7,760,828	1,351,648	194,955	-75,709	52,604,095
Tangible assets/ Intangible assets/ Right-of-use	2022	21,444,477	1,714,502	5,044,307	2,254,116	133,581,964
	2023	26,613,397	1,360,455	8,459,347	2,376,953	180,087,395
Inventories	2022	1,096,517	37,602	2,863,571	634,013	43,761,270
	2023	1,132,823	46,634	3,395,623	942,103	65,047,475

EBITDA and Operating result were determined as follows:

Consolidated income statement		
Financial years ending on the 31 st of December 2023 and 2022		
	2023	2022
Turnover	1,257,432,636	1,026,413,171
Cost of goods sold and material consumed	-144,442,851	-83,196,898
Subcontracts	-548,766,467	-488,139,550
Gross margin	564,223,318	455,076,723
Supplies and external services	-167,985,702	-127,993,562
Personnel costs	-268,094,167	-224,689,505
Other income	16,510,277	15,466,538
Other costs	-9,035,078	-6,871,478
EBITDA	135,618,648	110,988,716
Changes in the fair value of investment properties	332,600	0
Amortisations	-44,575,094	-47,169,866
Provisions and impairment losses	-970,122	954,320
Operating income	90,406,033	64,773,170
Interest paid, net	-9,719,311	-7,393,465
Other financial expenses, net	-9,490,008	-4,412,315
Income tax	-18,592,618	-12,727,960
Net income	52,604,096	40,239,430

9.2 Assets associated with client contracts

	Years	Telecommunications	Energy	Total
Assets associated with client contracts	2022	135,993,220	20,605,437	156,598,657
	2023	138,507,377	18,440,125	156,947,502

The amounts of assets associated with client contracts are mainly from the telecommunications area. These amounts refer to services already provided according to the terms contracted with the client and not yet billed. With regard to the new acquisitions within Constructel Visabeira's Group, it is worth highlighting Tavan Tiefbau & Co. KG with 4.9 million euros, Jayme da Costa with 1.9 million euros and O+M with 1.5 million euros. Although the impact of the changes in perimeter is significant and there were significant increases in companies such as InPower (5.7 million euros), Constructel GmbH (3.5 million euros) and Constructel Modal (3.5 million euros), the variation for the year is not so positive given the effect of the decrease in assets associated with customer contracts in companies such as Constructel Belgium (8.5 million euros), MJ Quinn (6.5 million euros) and Constructel (2.6 million euros). The calculation of impairment losses was considered, according to the Expected Credit Loss model (IFRS 9). Taking into account the nature of clients and the maturity of the balances receivable, the amount calculated is immaterial. In the financial years ending on the 31st December 2023, only two customers represented more than 15% of consolidated turnover. It should be noted that there are still balances relating to customer contracts, relating to services already billed in the amount of 143 million euros (see note 24).

9.3 Liabilities associated with client contracts

	Years	Telecommunications	Energy	Total
Advances from clients	2022	842,630	18,964	861,594
	2023	1,967,795	3,804,574	5,772,369
Billing made for services to be billed	2022	24,250,724	11,090,908	35,341,633
	2023	17,646,272	28,147,701	45,793,974
Liabilities associated with clients' contracts	2022	25,093,354	11,109,872	36,203,227
	2023	19,614,067	31,952,275	51,566,342

The increase in liabilities associated with client contracts in the Energy segment is explained by the entry into the consolidation perimeter of Jayme da Costa, which contributed approximately 10.7 million euros to the development of this item.

Regarding the Telecommunications sector, although Constructel Belgium's decrease of 7.3 million euros caused a negative variation in the amount of this item for this sector, it is important to highlight the positive impact of the entry of Tavan Tiefbau & CO. Kg, totalling 1.2 million euros.

10. Other income and other costs

	2023	2022
Other income		
Supplementary income	15,603,025	15,004,904
Operating subsidies	481,024	461,634
Works between the Group's companies	426,228	0
Total	16,510,277	15,466,538
Other costs		
Taxes	4,806,306	4,553,595
Other operational costs	4,228,772	2,317,883
Total	9,035,078	6,871,478

"Supplementary income" includes debts to subcontractors related to expenses incurred on behalf of them and also redeemed from related parties.

The "Taxes" item mainly includes taxation on the activity volume in France. "Other operating costs" are related to fines and penalties resulting from non-compliance with customer contracts, the end of leasing contracts (claims and write-offs before the end of the contract) and other unspecified regularisations.

11. External supplies and services

	2023	Weight %	2022	Weight %
Subcontracts	548,766,467	77%	488,139,550	79%
Rents and leases	40,543,572	6%	28,337,464	5%
Fuel	20,882,886	3%	21,880,392	4%
Specialised works	18,918,692	3%	11,451,818	2%
Maintenance and repair	17,733,236	2%	16,392,280	3%
Insurance	12,647,515	2%	10,332,029	2%
Travel and stays	7,111,876	1%	4,531,189	1%
Fees	6,372,521	1%	3,400,686	1%
Communication	4,161,952	1%	3,927,383	1%
Tools and utensils for fast wear	3,064,193	0%	2,982,507	0%
Representation expenses	2,138,751	0%	645,371	0%
Electricity	1,956,766	0%	1,604,089	0%
Transport of goods	1,845,229	0%	754,200	0%
Office supplies	1,340,835	0%	1,252,562	0%
Cleaning, hygiene and comfort	1,292,392	0%	972,348	0%
Commissions	1,078,917	0%	1,840,903	0%
Surveillance and safety	1,014,996	0%	530,772	0%
Advertising	440,127	0%	260,478	0%
Others	25,441,245	4%	16,897,091	3%
Total	716,752,170	100%	616,133,112	100%

The increase in subcontracts totalled around 63 million euros. Approximately 24 million euros are justified by the changes in the group of companies observed during 2023, the remaining are the result of the growth of the Group Constructel Visabeira activity, adopting the strategy of hiring external labour.

In December 2023, the increase of 12.2 million euros compared to the previous year is essentially related to rental/ lease contracts with a duration of less than 12 months.

12. Staff costs

	2023	2022
Management	3,345,062	2,375,122
Staff costs	215,268,302	180,224,242
Social Security contributions	31,578,000	27,831,198
Insurance	1,347,793	1,145,760
Social action costs	1,801,037	674,642
Others	14,753,972	12,438,541
Total	268,094,167	224,689,505

The average number of Constructel Visabeira's employees during 2023 was 6,524 (2022: 5,930).

By country *	Average number of employees	
	2023	2022
France	1,859	1,976
Portugal	2,089	1,718
United Kingdom	887	839
Belgium	384	344
Germany	651	466
Italy	293	210
Denmark	85	99
Spain	131	117
United States of America	145	162
Total	6,524	5,930

The remuneration of the key management personnel (under the terms of IAS 24) has an essentially fixed nature and does not include post-employment benefits or employment termination benefits. In 2023, it amounted to 3.3 million euros (2022: 2.4 millions of euros).

13. Amortisation and depreciation

	2023	2022
Tangible depreciations		
Land and natural resources	195,944	35,241
Buildings and other constructions	2,035,794	2,602,119
Basic equipment	3,804,295	6,371,576
Transport equipment	3,151,396	3,486,904
Office supplies	537,432	1,137,220
Others	700,447	707,344
Total tangible depreciations	10,425,309	14,340,404
Depreciations of assets under right-of-use		
Buildings and other constructions	5,021,756	3,383,701
Basic equipment	171,154	258,587
Transport equipment	17,992,725	19,746,184
Office supplies	0	190,035
Others	637,415	380,479
Intangible assets	17,210	15,776
Total depreciations of assets under right-of-use	23,840,261	23,974,762
Depreciation of intangible assets		
Development projects	1,083,104	1,275,950
Others	9,226,420	7,578,749
Total Depreciation of intangible assets	10,309,524	8,854,700
Total Depreciation of intangible assets	44,575,094	47,169,866

In 2023, the useful lives of the fixed asset registers of most subsidiaries were reviewed in order to standardise the amortisation rate policy approved by Constructel Visabeira, taking into account the state of use and life of assets. This analysis resulted in a review of the amortisation rates being applied to subsidiaries, with an impact on the consolidated accounts of around 8 million euros in the reduction of depreciation of tangible assets, namely in the subsidiaries acquired in recent years.

The useful life of transport equipment was also reviewed in right-of-use assets, so that in contracts in which ownership of the underlying asset is transferred to Constructel Visabeira at the end of the lease term, the right-of-use asset is depreciated from the date of entry in force until the end of the useful life of the underlying asset - which is estimated at between 8 and 10 years depending on the type of vehicle - with an impact of around 4 million euros on the reduction in depreciation for the year, with the greatest impact on Constructel.

14. Provisions and impairment losses

	2023	2022
Other receivables	884,549	209,236
Impairment losses clients	195,024	-188,661
Impairment losses Inventories	72,801	28,144
Retirement provisions	459,610	-1,321,200
Provisions others	-247,254	-7,085
Others	-394,608	325,247
Total	970,122	-954,320

	2023	2022
Decreases in provisions and adjustments	-59,858	-1,662,100
Increases in provisions and adjustments	1,029,980	707,780
Total	970,122	-954,320

During 2022, it is important to mention the reduction of provisions in retirement pensions in the amount of 1.3 million euros (see note 38).

It is important to note that during 2023, provisions for retirement pensions were increased by 460,000 euros (see note 38).

15. Interest expense, net

	2023	2022
Interest paid		
Loans obtained	9,687,594	6,722,413
Lease liabilities	775,579	946,522
	10,463,173	7,668,935
Interest earned		
Loans granted	-743,862	275,470
	-743,862	275,470
Total interest paid, net	9,719,311	-7,393,465

In 2023, the income is related to interest earned on bank deposits, namely from the company in the United States of America. It should be emphasised that the significant increase in interest paid is justified by the increase in interest rates and the increase in debt.

In 2022, interest income relates to the loans granted to the shareholder Visabeira Global, a loan which was fully repaid during 2022.

16. Other financial expenses, net

	2023	2022
Currency exchanges differences	24,379	235,294
Cash payment discounts granted	10,143	9,785
Other costs	9,958,678	4,099,897
Change in fair value of contingent remuneration	240,952	170,275
Impairment loss on financial investments	10,602	34,688
Cash payment discounts obtained	-15,763	-85,948
Other income	-738,983	-51,677
Total	9,490,008	4,412,315

The item "Other costs" includes interest costs relating to factoring and confirming, which increased significantly in 2023 due essentially to the increase in interest rates.

Financial discounts for advance payments to suppliers were recognised under "Other income".

17. Income tax

	2023	2022
Current tax	-17,344,301	-12,783,982
Deferred tax	-1,248,318	56,022
Income tax	-18,592,619	-12,727,960

	2022	Change to the scope of consolidation	Effect on results	Effect on equity	Reclassifications	2023
Deferred tax assets						
Adjustments and other provisions not fiscally accepted	688,306	106,921	532,661	-2,176	520,811	1,846,522
Tax losses	1,346,380	7,689,426	-242,464	-2,186	0	8,791,156
Total deferred tax assets	2,034,686	7,796,347	290,196	-4,362	520,811	10,637,678
Deferred tax liabilities						
Difference from the fair value of investment properties	1,560,125	0	17,647	0	0	1,577,772
Difference between amortisations accepted for tax purposes	4,315,222	0	3,932,387	-169,025	0	8,078,585
Adjustments and other provisions not fiscally accepted	12,935	0	0	-5,223	0	7,712
Difference from the fair value of intangible assets	2,700,826	4,480,257	-2,394,439	0	0	4,786,645
Difference from the fair value of tangible assets	309,307	649,113	-17,078	-12,869	0	928,473
Other provisions	230,000	0	0	0	0	230,000
Total deferred tax liabilities	9,128,416	5,129,370	1,538,516	-187,117	0	15,609,186

	2021	Change to the scope of consolidation	Effect on results	Effect on equity	Reclassifications	2022
Deferred tax assets						
Adjustments and other provisions not fiscally accepted	2,310,253	0	-1,311,668	85,923	-396,203	688,306
Tax losses	972,831	0	-27,500	4,846	396,203	1,346,380
Tax credit	222,440	0	0	0	-222,440	0
Total deferred tax assets	3,505,524	0	-1,339,167	90,769	-222,439	2,034,686
Deferred tax liabilities						
Difference from the fair value of investment properties	1,542,479	0	17,647	0	0	1,560,125
Difference from amortisations accepted for tax purposes	3,526,803	0	568,928	219,491	0	4,315,222
Adjustments and other provisions not fiscally accepted	7,993	0	0	7,880	-2,939	12,935
Difference from the fair value of intangible assets	2,197,501	2,476,990	-1,973,665	0	0	2,700,826
Free revaluation reserves	335,540	0	-8,099	0	-18,135	309,307
Other provisions	230,000	0	0	0	0	230,000
Total deferred tax liabilities	7,840,317	2,476,990	-1,395,189	227,372	-21,074	9,128,416

The amounts specified in the heading "Difference from fair value of intangible assets" is related to intangible assets from client contracts identified in business combination processes, as described in note 7.

In the financial years ending on the 31st of December 2023 and 2022, the "Effect on equity" column essentially included the exchange rate effect resulting from the transposition of the financial statements of subsidiaries expressed in foreign currency, namely those located in the United States of America business units.

The reconciliation between the tax rates in force in the different jurisdictions and the rate actually borne by the Group is as follows:

	2023	2022
Results before taxes	71,196,714	52,967,391
Nominal rate of tax on profits	21.00%	21.00%
Tax rate: 21%	-14,951,310	-11,123,152
Differentiated nominal tax rates	-2,095,514	-2,491,750
Tax benefits	7,123	158,703
Autonomous taxation	-465,473	-402,909
Non-deductive financial charges	0	0
Permanent differences	0	1,173,877
Local tax	-93,123	-134,150
Corrections of previous years	0	0
Gains on the purchase of untaxed subsidiary companies	0	0
Other	253,997	35,399
Total current tax	-17,344,301	-12,783,982
Deferred tax	-1,248,318	56,022
Reversal of provisions		
Tax for the financial year	-18,592,619	-12,727,960

*Differentiated tax on profits: France and Belgium 25%; UK 19%; Italy 27.9%; Denmark 22%, Spain 24%, United States of America 30% and Germany 30%.

International tax reform - Pillar 2

Constructel Visabeira will soon be covered by the minimum effective taxation rules for multinational groups (commonly referred to as "Pillar 2") which, by virtue of the transposition of Council Directive (EU) 2022/2523 of the 15th of December 2022 on ensuring a worldwide minimum level of taxation for multinational enterprise groups and large domestic groups within the European Union, will apply from the 1st of January 2024 in the jurisdictions (or most jurisdictions) where Constructel Visabeira Group operates. In Portugal, which is the jurisdiction where the Group parent company, Constructel Visabeira, is based, the Directive has not yet been enacted, but it is expected that it will be during 2024 and that the rules will take effect that year.

Council Directive (EU) 2022/2523 of the 15th of December 2022 had no impact in 2023 on Constructel Visabeira's current tax, since the legislation on Pillar 2 was not in force on the reporting date.

Constructel Visabeira is present in the following jurisdictions: Portugal, France, Italy, Denmark, Germany, Belgium, Ireland, the United Kingdom, the United States and Spain. Of these jurisdictions, only Ireland has a nominal tax rate of less than 15% (the other jurisdictions generally apply a nominal tax rate of more than 20%).

In view of the complexity of the rules laid down in Council Directive (EU) 2022/2523 of the 15th of December 2022 and what their application to Constructel Visabeira could be, a preliminary study was carried out based on Country-by-Country Reporting and 2022 financial statements for the various jurisdictions where Constructel Visabeira does business (and in accordance with the current taxation rates and tax benefits in force), to assess possible future impacts arising from its adoption on current tax or deferred taxes. It was found that, in general, the level of effective taxation by jurisdiction is higher than the minimum limit of 15% laid down in the Pillar 2 rules (even if only applying the local taxation rules), and no material impacts are estimated as a result of its application. In the case of Ireland, to the extent that a positive pre-tax result is recorded in 2024 and subsequent years (in 2022 a loss was recorded and in 2023 a profit), taking into account an applicable tax rate of 12.5%, additional tax may be assessed under Pillar 2.

18. Tangible assets

	Land	Buildings	Basic equipment	Transportation equipment
Opening Balance on the 1st of January 2022	3,582,076	18,577,262	19,861,748	7,399,353
Changes in the scope of consolidation	0	2,657,035	396,388	0
Increases	1,231,940	2,662,162	7,596,228	4,676,293
Disposals / Transfers	239,389	435,796	392,939	-527,777
Exchange rate effect	11,650	-306,720	941,439	159,453
Amortisation for the financial year	-35,241	-2,602,119	-6,371,576	-3,486,904
Closing balance on the 31st of December 2022	5,029,814	21,423,416	22,817,166	8,220,419
On the 31st of December 2022				
Acquisition costs	5,504,551	45,680,098	66,528,746	43,801,212
Accumulated depreciations	474,736	24,256,681	43,711,580	35,580,793
Tangible assets	5,029,814	21,423,416	22,817,166	8,220,419
Opening Balance on the 1st of January 2023				
Changes in the scope of consolidation	1,330,571	8,534,949	5,644,286	3,872,934
Increases	196,813	3,567,836	14,507,732	9,801,081
Disposals / Transfers	-762,754	227,490	767,097	-14,428
Exchange rate effect	-49,124	-30,518	-297,622	-68,947
Amortisation for the financial year	-195,944	-2,035,794	-3,804,295	-3,151,396
Closing balance the 31st of December 2023	5,549,377	31,687,380	39,634,362	18,659,663
On the 31st of December 2023				
Acquisition costs	6,220,058	57,979,856	87,150,238	57,391,852
Accumulated depreciations	670,681	26,292,476	47,515,876	38,732,189
Tangible assets	5,549,377	31,687,380	39,634,362	18,659,663

	Office supplies	Others tangible fixed assets	Tangible assets in progress	TOTAL
Opening Balance on the 1st of January 2022	1,317,839	1,235,850	650,367	52,624,496
Changes in the scope of consolidation	0	286,000	0	3,339,423
Increases	1,341,774	1,291,761	404,481	19,204,640
Disposals / Transfers	71,770	-136,151	-566,682	-90,715
Exchange rate effect	-5,295	-4,383	0	796,144
Amortisation for the financial year	-1,137,220	-707,344	0	-14,340,404
Closing balance on the 31st of December 2022	1,588,869	1,965,734	488,167	61,533,586
On the 31st of December 2022				
Acquisition costs	12,334,889	14,719,772	488,167	189,057,434
Accumulated depreciations	10,746,019	12,754,038	0	127,523,849
Tangible assets	1,588,869	1,965,734	488,167	61,533,586
Opening Balance on the 1st of January 2023				
Changes in the scope of consolidation	575,308	226,490	74,488	20,259,027
Increases	2,249,622	536,780	177,922	31,037,786
Disposals / Transfers	-552,294	-76,054	-271,190	-682,133
Exchange rate effect	5,957	924	0	-439,331
Amortisation for the financial year	-537,432	-700,447	0	-10,425,309
Closing balance the 31st of December 2023	3,330,031	1,953,427	469,387	101,283,628
On the 31st of December 2023				
Acquisition costs	14,613,482	15,407,912	469,387	239,232,785
Accumulated depreciations	11,283,451	13,454,485	0	137,949,157
Tangible assets	3,330,031	1,953,427	469,387	101,283,628

The most relevant changes in the scope of the group of companies, in terms of the increase in tangible fixed assets were Tavan (11 million euros), Jayme da Costa (3.3 million euros) and Arquiled (1.8 million euros), purchased during 2023. It should be noted that the increases in basic equipment essentially stem from machinery for the JFECC amounting to 7.4 million euros.

Impairment tests

The Group evaluates, as described in note 2.11, the existence of signs of tangible assets impairment.

19. Right-of-use assets

The heading "Assets under rights of use", in 2023, has the following composition:

	Land	Buildings	Basic equipment	Transportation equipment
Opening Balance on the 1st of January 2022	2,145	8,182,976	1,588,597	40,973,977
Increases	0	2,330,955	699,895	20,255,920
Reductions	0	120,173	-560,553	791,776
Amortisation for the financial year	0	-3,383,701	-258,587	-19,746,184
Closing balance on the 31st of December 2022	2,145	7,250,403	1,469,352	42,275,490
On the 31st of December 2022				
Acquisition costs	8,580	19,315,049	2,307,433	104,358,706
Accumulated depreciations	6,435	12,064,645	838,080	62,083,216
Right-of-use assets	2,145	7,250,403	1,469,352	42,275,490
Opening Balance on the 1st of January 2023	2,145	7,250,403	1,469,352	42,275,490
Increases	0	6,715,645	198,805	13,647,758
Reductions	-2,145	-64,089	-9,067	-1,772
Changes to the group of companies	0	0	0	1,047,467
Exchange rate effect	0	5,672	0	157,686
Amortisation for the financial year	0	-5,021,756	-171,154	-17,992,725
Closing balance the 31st of December 2023	0	8,885,875	1,487,936	39,133,903
On the 31st of December 2023				
Acquisition costs	6,435	25,972,276	2,497,171	119,209,844
Accumulated depreciations	6,435	17,086,401	1,009,235	80,075,941
Right-of-use assets	0	8,885,875	1,487,936	39,133,903

	Office supplies	Others tangible fixed assets	Intangible assets	TOTAL
Opening Balance on the 1st of January 2022	83,406	1,482,872	65,972	52,379,945
Increases	0	1,444,152	0	24,730,922
Reductions	0	206,593	0	557,989
Amortisation for the financial year	-190,035	-380,479	-15,776	-23,974,762
Closing balance on the 31st of December 2022	-106,629	2,753,138	50,197	53,694,096
On the 31st of December 2022				
Acquisition costs	341,542	3,808,065	103,261	130,242,635
Accumulated depreciations	448,171	1,054,927	53,065	76,548,540
Right-of-use assets	-106,629	2,753,138	50,197	53,694,096
Opening Balance on the 1st of January 2023	-106,629	2,753,138	50,197	53,694,096
Increases	0	643,232	0	21,205,439
Reductions	106,629	-527,276	-1,434	-499,154
Changes to the group of companies	0	0	0	1,047,467
Exchange rate effect	0	9,233	0	172,591
Amortisation for the financial year	0	-637,415	-17,210	-23,840,261
Closing balance the 31st of December 2023	0	2,240,911	31,552	51,780,177
On the 31st of December 2023				
Acquisition costs	448,171	3,933,254	101,827	152,168,978
Accumulated depreciations	448,171	1,692,343	70,275	100,388,801
Right-of-use assets	0	2,240,911	31,552	51,780,177

During 2023 the Group had an increase of around 14.5 million euros in total assets under right-of-use, essentially relating to the acquisition of vehicles.

20. Goodwill

	Year of acquisition	Value of goodwill	
		2023	2022
Telecommunications			
Tavan Tiefbau & Co.Kg	2023	58,127,746	0
MJ Quinn	2018	55,035,871	53,970,861
Constructel	2014	16,995,234	16,995,234
Viatel	1997.2002	14,997,178	14,997,178
Elektro-Würkner	2022	14,690,096	14,690,096
Franz Josef Braun	2020	11,860,191	11,860,191
OMV Natie	2020	11,635,976	11,635,976
Obelisk	2022	10,364,163	10,364,163
O+M	2023	7,972,091	0
Grupo Modal	2017	5,666,717	5,666,717
InPower	2022	2,372,316	2,372,316
PDT	2004	2,327,314	2,327,314
Constructel Belgium	2015	2,245,572	2,245,572
Infrassign	2020	546,503	546,503
Gatel	2015	22,590	22,590
		214,859,558	147,694,711
Energy			
Cunha Soares	2021	31,528,217	31,528,217
EIP Serviços	2021	17,278,810	16,070,135
Jayme da Costa	2023	10,401,460	0
Arquiled	2023	5,327,826	0
Visabeira	2020	5,312,398	5,312,398
Toft Hansen	2019	2,616,302	2,616,302
MJ Quinn Solar	2022	2,322,446	2,322,446
IEME	2017	1,263,270	1,263,270
Constructel Energie	2015	268,632	268,632
Tensa	2020	153,502	153,502
Aeroprotechnik	2019	61,423	61,423
		76,534,286	59,596,325
Total Goodwill		291,393,844	207,291,036

Movement during the year

During 2023, it is important to note the increase of goodwill resulting from purchases amounting to 81.8 million euros. The increase in the amount of MJ Quinn's goodwill is exclusively explained by currency appreciation of the pound sterling occurred during the financial year.

It should be noted that the value of the goodwill of various cash generating units is the initial value that arose from the business combination and that no impairment has yet been recorded.

Purchases recorded up to 2015 in the telecommunications sector, before corporate reorganization during 2019, as well as the purchase of Visabeira during 2020 were carried out within the scope of the transactions with companies under common control, in which the purchase method in compliance with the policy described in 2.3 was applied.

Impairment tests

For the purposes of impairment analysis, goodwill was distributed among the cash-generating units, which are listed above and correspond to each of the legal entities acquired, taking into account the geographical and business segregation of each one. The Board of Directors, based on the estimated future cash flows of these segments (which are largely supported by turnover already contracted), discounted at the rate considered applicable to each business, concluded that, on the 31st of December 2023, the carrying value of net assets of each business, including the corresponding goodwill, does not exceed its recoverable value.

In the telecommunications sector, the main assumptions used in the impairment test for 2023 were the following:

Assumptions impairment tests 2023	Tavan	MJ Quinn	Obelisk	Constructel
Method used	Updated cash flow method	Updated cash flow method	Updated cash flow method	Updated cash flow method
Based used	Projection	Projection	Projection	Projection
Years of projection	5 years	5 years	5 years	5 years
Sales growth in 2024	13.97%	8.05%	18.08%	6.79%
CAGR sales 2025-2028	6.38%	2.00%	2.00%	1.84%
Perpetuity growth rate	1.99%	2.00%	2.00%	1.59%
WACC used in perpetuity	9.00%	6.39%	6.39%	5.50%

Assumptions impairment tests 2023	Viatel	Franz-Josef Braun	Elektro-Würkner	OMV Natie
Method used	Updated cash flow method	Updated cash-flow method	Updated cash-flow method	Updated cash-flow method
Based used	Projection	Projection	Projection	Projection
Years of projection	5 years	5 years	5 years	5 years
Sales growth in 2024	2.33%	0.05%	-4.99%	6.46%
CAGR sales 2025-2028	2.23%	2.07%	2.07%	1.76%
Perpetuity growth rate	1.96%	1.99%	1.99%	1.96%
WACC used in perpetuity	6.52%	4.88%	4.88%	4.84%

In the Energy sector, the main assumptions used in the impairment test for 2023 were the following:

Assumptions impairment tests 2023	Cunha Soares	EIP Serviços	Jayme da Costa
Method used	Updated cash-flow method	Updated cash-flow method	Updated cash-flow method
Based used	Projection	Projection	Projection
Years of projection	5 years	5 years	5 years
Sales growth in 2024	-9.01%	39.70%	12.05%
CAGR sales 2025-2028	2.13%	2.13%	1.70%
Perpetuity growth rate	1.96%	1.96%	1.96%
WACC used in perpetuity	6.52%	6.52%	9.24%

In the Telecommunications sector, the sensitivity of the results of impairment tests carried out on Goodwill to the main key assumptions, namely the discount rate and the growth rate in perpetuity were as follows, in thousands of euros:

Sensitivity to key assumptions 2023	Discount rate		Perpetuity sales growth rate	
	-0.50%	0.50%	-0.50%	0.50%
	MJ Quinn	27,365	-21,766	-17,652
Constructel	16,114	-12,435	-9,417	12,178
Viatel	10,870	-8,728	-8,839	11,018
Franz-Josef Braun	8,028	-5,657	-6,170	8,758
OMV Natie	32,797	-23,107	-18,199	25,829
Obelisk	6,495	-5,172	-1,790	2,250
Elektro-Wurkner	17,277	-12,177	-10,833	15,376
Tavan	8,972	-7,783	-5,362	6,185

On the 31st of December 2023, if a discount rate higher than 0.5% had been used, or a perpetuity growth rate of less than 0.5%, the results obtained in the tests mentioned above would not give rise to impairment. The value in use corresponds to the estimate of the present value of the future cash flows, calculated based on budgets and business plans duly approved by the Group's Board of Directors, which cover an average of five years.

In the Energy sector, the sensitivity of the results of impairment tests carried out on Goodwill to the main key assumptions, namely the discount rate and the growth rate of sales in perpetuity were as follows, in thousands of euros:

Sensitivity to key assumptions 2023	Discount rate		Perpetuity sales growth rate	
	-0.50%	0.50%	-0.50%	0.50%
	Cunha Soares	13,350	-10,715	-8,978
EIP Serviços	6,628	-5,321	-4,436	5,529
Jayme da Costa	2,277	-1,992	-2,039	2,340

On the 31st of December 2023, if a discount rate higher than 0.5% had been used, or a perpetuity growth rate of less than 0.5%, the results obtained in the tests mentioned above would not give rise to impairment. The value in use corresponds to the estimate of the present value of the future cash flows, calculated based on budgets and business plans duly approved by the Group's Board of Directors, which cover an average of five years.

21. Investment properties

	2023	2022
Opening balance	10,000,000	10,000,000
Changes to the group of companies	1,023,400	0
Change in fair value	332,600	0
Total	11,356,000	10,000,000

PDT Buildings

These are two buildings not used in the ordinary course of Constructel Visabeira Group's business. These buildings are located on Av. Almirante Gago Coutinho in Lisbon and were completely rehabilitated in 2017 and used as offices leased to related parties, with an annual income of 156 thousand euros. They have a combined area of 1.582 m² of construction and 3.299 m² of land.

The valuation taking into account on the 31st of December 2023, did not result in any material difference compared to the value on the 31st of December 2022.

Jayme da Costa properties

The amount of the changes compared to the previous year concerns 2 properties, a ground floor building and a plot of land located in Vila Nova de Gaia, which at the time of the company's acquisition were valued at 1.0 million euros. They have a combined land area of 13,766 m², and a building with an area of 708.63 m².

In 2023, the land was the target of a major intervention project to ensure the levelling of the land for future profitability.

In December 2023, Jayme da Costa hired an independent appraiser, Structure Value - Sociedade de Consultadoria e Valor de Ativos, Lda, who carried out the valuation of the investment property, determining a value of 1.3 million euros based on the comparative market method, using an average value of €65/m² for the land and €1,050/m² for the building. As a result of this assessment, the net value of this investment property increased by 333 thousand euros. During the year ending on the 31st of December 2023, Grupo Jayme da Costa recognised an income of 46 thousand euros in its consolidated income statement, relating to rents obtained from investment properties.

The investment property in use is measured at fair value, determined by the average of the Comparative Method and the Income Method (DFC).

The Comparative Method's reference are the values of similar properties. The survey carried out reflected the values in the market in quantity and quality sufficient to evaluate by the aforementioned method. In the survey, properties that were considered not having the necessary characteristics to make a comparison with the buildings object of this evaluation report were excluded, due to the characteristics or disparity of values with similar buildings.

In the determination of the fair value of investment property, the highest and best use is considered.

22. Intangible assets

	Development projects and software programmes	Order to backlog	Other intangible assets	Total
Opening balance on the 1st of January 2022	4,632,641	7,325,004	1,499,604	13,457,249
Changes in the scope of consolidation	143,351	12,450,818	203,822	12,797,990
Increases	112,003	0	462,053	574,057
Disposals / Transfers	112,465	0	-151,784	-39,319
Exchange rate effect	-20	0	419,025	419,005
Amortisation for the financial year	-1,275,950	-7,145,219	-433,531	-8,854,700
Closing balance on the 31st of December 2022	3,724,489	12,630,604	1,999,190	18,354,283
On the 31st of December 2022				
Acquisition costs	6,999,504	31,685,273	6,101,751	44,786,528
Accumulated depreciations	3,275,014	19,054,670	4,102,561	26,432,245
Intangible assets	3,724,489	12,630,604	1,999,190	18,354,283
Opening balance on the 1st of January 2023				
Changes in the scope of consolidation	603,459	14,722,421	294,155	15,620,035
Increases	356,751	2,004,159	1,000,527	3,361,437
Disposals / Transfers	46,703	0	-12,970	33,733
Exchange rate effect	725	0	-37,098	-36,373
Amortisation for the financial year	-1,083,104	-8,816,760	-409,662	-10,309,525
Closing balance on the 31st of December 2023	3,649,023	20,540,424	2,834,143	27,023,591
On the 31st of December 2023				
Acquisition costs	8,007,141	48,411,853	7,346,366	63,765,360
Accumulated depreciations	4,358,118	27,871,429	4,512,222	36,741,770
Intangible assets	3,649,023	20,540,424	2,834,143	27,023,591

The order to backlog are intangible assets that result from contractual rights identified at the date of acquisition of the subsidiaries according to the definition of IFRS 3. It should be noted that a significant part of the year's increase has to do with recognising intangible assets associated with contracts with customers of companies acquired during the year, namely Jayme da Costa and Tavan (see note 7).

23. Inventories

	Gross asset	Impairments	Net assets	Adjustments
2023				Movements
Raw materials	48,042,699	-345,218	47,697,480	-59,110
Goods	8,612,173	-30,350	8,581,823	-3,997
Finished products	7,556,067	-9,695	7,546,372	-9,695
Products and work in progress	1,221,800	0	1,221,800	0
Total	65,432,738	-385,263	65,047,475	-72,801
2022				
Raw materials	36,133,220	-286,109	35,847,111	-20,986
Goods	3,930,341	-26,353	3,903,988	0
Finished products	4,010,170	0	4,010,170	0
Products and work in progress	0	0	0	0
Total	44,073,732	-312,462	43,761,270	-20,986

	Raw materials	Goods	Finished products	Products and work in progress	Total
Inventories on the 1st of January 2022	24,818,377	2,898,510	1,902,481	0	29,619,368
Purchases	50,861,483	44,935,482	0	0	95,796,965
Inventory settlements	5,847	779,056	777,917	0	1,562,821
Impairments/reversals	-20,986	0	0	0	-20,986
Inventories on the 31st of December 2022	-35,847,111	-3,903,988	-4,010,170	0	-43,761,270
Cost of sales and services rendered in 2022	39,817,610	44,709,060	-1,329,772	0	83,196,898
Inventories on the 1st of January 2023					
Purchases	59,593,072	94,722,573	0	0	154,315,645
Inventory settlements	6,307,181	3,457,054	500,177	1,221,800	11,486,212
Impairments/reversals	-59,110	-3,997	-9,695	0	-72,801
Inventories on the 31st of December 2023	-47,697,480	-8,581,823	-7,546,372	-1,221,800	-65,047,475
Cost of sales and services rendered in 2023	53,990,775	93,497,795	-3,045,719	0	144,442,851

Inventory regularisations are mainly the result of changes to the group of companies. As of the 31st of December 2023, the subsidiaries acquired during the year contributed 14.6 million euros to the total under this heading. The "Finished products" inventories essentially stem from subsidiaries in the energy business area, EIP Serviços, Arquiled and Jayme da Costa, which own production units. These products are sold to their customers.

24. Clients

	2023	2022
Accounts receivable	147,790,172	104,832,259
Impairment of debts receivable	-3,866,396	-2,783,372
Total	143,923,776	102,048,886

Carrying amounts presented are net of accumulated impairment losses for doubtful debts, which were estimated by the Group in accordance with its experience and based on its assessment of the economic environment, with the calculation of impairment losses being carried out in accordance with the Expected Credit Losses model (IFRS 9). The Board of Directors believes that the carrying value of accounts receivable is close to its fair value. The companies of Constructel Visabeira that operate as infrastructures and telecommunications service providers sell to entities of recognised financial probity. This group includes entities such as local telecommunications operators, generally directly held by the Government of each country, replacing credit risk with political risk. Some examples of this are Orange, Belgacom, British Telecom, Deutsche Telekom, PT, Nos, EDP and natural gas concessionaires. The maturity of the amounts receivable is detailed as follows:

Accounts receivable	Not yet overdue	Months after the maturity date				Total
		0 - 6	6 - 12	12 - 18	> 18	
2022	70,105,988	22,232,569	6,337,537	2,022,892	4,133,272	104,832,259
2023	114,449,229	20,899,631	2,916,050	2,765,122	6,760,139	147,790,172

Debtor allowances	Not yet overdue	Months after the maturity date				Total
		0 - 6	6 - 12	12 - 18	> 18	
2022	-33,303	-13,274	-28,782	-15,311	-2,692,703	-2,783,372
2023	-3,659	-10,367	-26,243	-57,230	-3,768,897	-3,866,396

The Board of Directors finds the debt adjustment appropriate, and its evolution is detailed as follows:

	Initial balance	Reclassifications	Increases / decreases	Final balance
Adjustment of receivables	-2,783,372	-888,000	-195,024	-3,866,396

25. State and other public entities

	Liabilities	
	2023	2022
Income tax	7,196,308	7,411,724
Total	7,196,308	7,411,724
Third-party income tax withholding	2,574,866	988,140
Value-added tax	7,332,066	5,501,737
Social Security contributions	7,221,360	5,173,858
Total (See note 34.1)	17,128,292	11,663,735

26. Other accounts receivable and other assets

26.1. Other receivables

	2023	2022
Current		
Advances to suppliers	2,596,528	998,027
RETGS	1,085,040	1,664,663
Shareholder (See note 40)	506,417	196,932
Outstanding balances from suppliers	1,550,059	306,588
Other debtors	2,907,221	5,727,491
Total	8,645,265	8,893,702
Accumulated impairment of other debtors	-1,093,785	-209,236
Total other receivables	7,551,480	8,684,466

The "RETGS" is the accrued balance of the special taxation regime for Groups of national companies, dictated directly or indirectly, in at least 75% by the dominant company.

26.2. Other assets

	2023	2022
Current		
Deferred expenses	7,086,250	4,385,399
Total other assets	7,086,250	4,385,399

27. Cash and cash equivalents

	2023	2022
Demand deposits	109,341,595	90,724,929
Cash	1,929,606	1,615,892
Term deposits	1,000,397	41,500,397
Total	112,271,598	133,841,218

The amounts presented in cash and cash equivalents are immediately available to implement, which is to say, they correspond to investments maturing in less than 3 months that can be available immediately without significant loss of value.

28. Share Capital and other equity instruments

28.1. Share Capital

On the 31st of December 2021, the capital was entirely owned by Visabeira Global (64.06%, corresponding to a nominal value of 71,420,127 euros) and by Grupo Visabeira (35.94%, corresponding to a nominal value of 40,067,418 euros). In 2022, Constructel Visabeira opened its capital to new investors. Thus, on the 12th of May, Goldman Sachs increased the Company's share capital by 31,200,520 euros through 5 subsidiaries based in Luxembourg.

On this date, the nominal value of the shares was reduced from 5 euros to 0.16 euros per share, which led to a significant increase in the number of shares. On the other hand, the company's share capital was divided into four categories of shares, namely: Preferred Shares A, Preferred Shares B, Non-Preferred Shares A and Non-Preferred Shares B, with special rights being associated with each of these categories.

	No of shares
Preferred shares A	696,309,212
Non-preferred shares A	773,115
Preferred shares B	194,790,048
Non-preferred shares B	213,199
Total	892,085,574

It should be stressed that the Shareholders' Agreement and the Articles of Association of Constructel Visabeira establish rules for payment preferences that will apply in the event of a liquidation scenario corresponding to the redemption, repurchase or reimbursement of shares, or any other return, reduction or cancellation of capital or distribution of proceeds from a sale (to apply only between selling shareholders) to operate as follows:

- i) first, all proceeds will be allocated to Non-Preferred Shares B and Preferred Shares B in an overall amount equal to the Subscription Price at the date of the Settlement and, for Preferred Shares B, all accrued and unpaid amounts of the Settlement Preferred Return (i.e. 8% per annum) calculated until payment of proceeds;
- (ii) secondly, to the extent that there are still assets available for distribution after payment (i), there shall be allocated pro rata to Preferred Shares A and Preferred Shares B, up to an amount corresponding to the sum:
 - a) of the Subscription Price of Preferred Shares A and Preferred Shares B; and
 - b) of all accrued unpaid amounts of the Preferred Return calculated until payment of the proceeds;
 - c) except in terms of each Preferred Share B, any amount paid in accordance with (i);
- (iii) thirdly, to the extent that any proceeds remain payable after payment (ii), they will be allocated *pro rata* to Non-Preferred Shares A and Non-Preferred Shares B (as if such shares constituted a single class of shares), regarding each Non-Preferred Share B, any amounts paid under (i).

On the 26th of May 2022, 3 Executive directors of the Company joined the corporate structure, which led to a further capital increase of 31,205 euros. In November, another director became a shareholder, contributing to a capital increase of 14,423 euros.

It should also be mentioned that on the 14th of December 2022, three of the shareholders belonging to the Goldman Sachs Group assigned part of their shares to another shareholder of the same Group, establishing the corporate structure on 31.12.2022.

On the 7th of March 2023, a share purchase and sale agreement was established in which Grupo Visabeira transferred all shares it held, representing 28.07% of the total share capital of Constructel Visabeira, to Visabeira Global. As of this date, Visabeira Global now holds 78.11% of the company's total share capital.

The share capital was fully paid on the 31st of December 2023.

The share capital of 142,733,692 euros was fully paid up as of the 31st of December 2023 and is fully owned by Visabeira Global (78.11%), Grupo Goldman Sachs (21.86%) and other minority shareholders (0.03%).

28.2. Issue Premiums

It should be noted that three capital increases mentioned above were accompanied by share premiums, in the respective amounts of 168,799,480 euros, 184,792 euros and 81,577 euros.

Finally, it should be noted that transaction costs incurred due to the capital increase, in the amount of 5,589,889 euros, are accounted as a deduction from equity (share premium), as they represent incremental costs directly attributable to the equity transaction that would otherwise have been avoided, under the terms of IAS 32.

29. Earnings per share

	2023	2022
Basic		
Net income of the year for the purpose of calculation	51,406,622	38,670,301
Weighted average number of shares for the purpose of calculation	602,118,660	602,118,660
Basic earnings per share	0.09	0.06
Diluted		
Net income of the year for the purpose of calculation	51,406,622	38,670,301
Weighted average number of shares for the purpose of calculation	602,118,660	602,118,660
Diluted earnings per share	0.09	0.06

The calculation of basic earnings per share is identical to diluted earnings per share in that there are no factors relating to options, convertible bonds, warrants or other types of rights associated with common shares.

30. Retained earnings and other reserves

	2023	2022
Reserves	1,028,681	894,688
Foreign currency translation reserves	4,184,814	4,875,602
Other changes in equity	-204,493,119	-204,493,119
Retained earnings	178,229,529	136,002,242
Total	-21,050,265	-62,720,588

Under Portuguese law, the amount of distributable reserves is determined based on the individual financial statements of Constructel Visabeira, S.A., presented in accordance with the International Financial Reporting Standards, as adopted by the European Union (IFRS-EU). The balance of retained earnings is not fully available for distribution, as it includes gains from an increase in fair value of investment properties in the amount of 5.2 million euros.

Portuguese commercial law establishes that 5% of the year net profits must be transferred to a legal reserve until it represents at least 20% of the share capital. This reserve is not distributable and can only be integrated into the share capital or used to absorb losses after all other are exhausted.

As mentioned in the introductory note, in May 2019, Constructel Visabeira acquired 99.29% of the capital of Viatel and indirectly the remaining subsidiaries of the Group. The transaction was carried out for 266 million euros, and in the context of consolidation, the difference between the acquisition cost and the value of the equity capital of the acquired company was annulled, as it was a transaction between companies under common control, which is reflected under the heading "Other changes in equity".

The heading reserves corresponds essentially to the fiscal revaluation and legal reserves set up in each subsidiary. The variation in currency conversion Reserves is largely due to the appreciation of the US dollar.

31. Non-controlling interests

	% Non-controlling interests		Book value		Attributed results	
	2023	2022	2023	2022	2023	2022
Inpower	46%	46%	2,017,822	2,405,706	-17,665	383,516
Aeroprotechnik	25%	49%	405,849	889,417	148,070	292,222
Cunha Soares	20%	20%	1,382,208	1,178,164	1,105,865	890,555
Others			-38,241	3,786	-38,796	2,836
Total			3,767,637	4,477,073	1,197,473	1,569,129

During 2023, dividends were distributed in the amount of 1.3 million euros to non-controlling interests, 400 thousand euros to Aeroprotechnik shareholders and 902 thousand euros to Cunha Soares.

Additionally, there was a decrease in the percentage attributable to interests that do not control Aeroprotechnik due to the acquisition by Constructel Visabeira (see note 7).

The financial information of these companies is as follows:

2023	Cunha Soares	Inpower
Net assets		
Tangible and Intangible assets and Right-of-use	1,449,673	2,269,798
Clients	3,217,016	9,673,034
Other assets	6,431,483	25,209,230
Cash and cash equivalents	4,148,616	1,770,720
Bank loans	0	-4,750,000
Other liabilities	-8,641,018	-29,511,710
Total net assets	6,605,769	4,661,073
Consolidated business revenue	19,375,219	42,110,204
Net result	4,730,345	6,054

32. Debt

	2023			2022		
	Current	Non-current	Total	Current	Non-current	Total
Commercial paper	20,000,000	5,000,000	25,000,000	0	0	0
Bank loans	43,342,987	25,948,328	69,291,315	21,952,399	29,001,833	50,954,232
Bond loans	54,832,626	0	54,832,626	0	54,408,178	54,408,178
Total	118,175,612	30,948,328	149,123,941	21,952,399	83,410,011	105,362,409

The development of indebtedness can be represented as follows:

	Commercial paper	Bank loans	Bond loans	Total indebtedness
Opening balance on the 1st of January 2022	9,650,000	84,555,875	54,408,178	148,614,053
Transactions with cash impact:				
Financing activities				
Receipts of loans	0	32,609,265	0	32,609,265
Amortisation and repayment of loans	-9,650,000	-67,524,131	0	-77,174,131
	-9,650,000	-34,914,867	0	-44,564,867
Transactions without cash impact:				
Exchange rate variation	0	-248,320	0	-248,320
Recognition of amortised cost	0	332,900	0	332,900
Changes to the group of companies	0	1,228,643	0	1,228,643
	0	1,313,223	0	1,313,223
Closing balance on the 31st of December 2022	0	50,954,231	54,408,178	105,362,409

	Commercial paper	Bank loans	Bond loans	Total indebtedness
Opening balance on the 1st of January 2023	0	50,954,232	54,408,178	105,362,409
Transactions with cash impact:				
Financing activities				
Receipts of loans	50,000,000	55,468,562	0	105,468,562
Amortisation and repayment of loans	-25,000,000	-53,503,337	0	-78,503,337
	25,000,000	1,965,225	0	26,965,225
Transactions without cash impact:				
Exchange rate variation	0	25,557	0	25,557
Recognition of amortised cost	0	-256,642	424,448	167,807
Changes to the group of companies	0	16,602,942	0	16,602,942
	0	16,371,858	424,448	16,796,306
Closing balance on the 31st of December 2023	25,000,000	69,219,315	54,832,626	149,123,941

32.1 Bank loans

Bank loans have the following geographic division:

	2023			2022		
	Current	Non-current	Total	Current	Non-current	Total
Authorised bank overdrafts	113,573	39,724	153,297	225,372	128,406	353,778
Germany	25,973	0	25,973	0	0	0
Denmark	0	0	0	137,772	0	137,772
Spain	87,600	39,724	127,324	87,600	128,406	216,006
Loans obtained	43,229,413	25,908,605	69,138,018	21,727,027	28,873,427	50,600,454
Portugal	33,600,769	4,185,685	37,786,454	14,610,079	8,613,037	23,223,116
France	4,168,944	7,890,823	12,059,767	4,440,682	11,918,295	16,358,977
England	305,015	1,690,257	1,995,273	318,072	1,977,002	2,295,074
Italy	1,482,323	4,287,962	5,770,285	803,726	1,767,350	2,571,076
Belgium	1,022,063	3,374,253	4,396,316	1,051,849	4,340,292	5,392,141
Germany	2,463,843	4,336,126	6,799,969	376,215	69,805	446,020
Spain	186,456	143,499	329,955	126,404	187,645	314,049
Total	43,342,987	25,948,328	69,291,315	21,952,399	29,001,833	50,954,232

The interest rate varies depending on the country, the company, the type, guarantees and maturity of financing. Note that there are still some lines of credit financed under the COVID-19 pandemic, which have a 0% margin. Overall, the average rate for the various lines of credit was 4.3% in 2023 (compared to 3.0% in 2022).

32.2 Bond loan

The bond loan concerns two syndicated issues by Constructel, with the first issuing date on the 27th of September 2018, and the second on the 23rd of November 2018, with a global face value of 55 million euros, maturing on the 27th of September 2024, with a 4.2% fixed rate coupon, payable semi-annually on the 27th of March and on the 27th of September.

32.3 Commercial paper

	2023			2022		
	Current	Non-current	Total	Current	Non-current	Total
Viatel, S.A.	0	5,000,000	5,000,000	0	0	0
Constructel Visabeira, S.A.	20,000,000	0	20,000,000	0	0	0
Total	20,000,000	5,000,000	25,000,000	0	0	0

32.4 Debt maturity and contracted currency

	Portugal	France	Germany	The United Kingdom	Others	Total
2024	53,600,769	59,001,570	2,489,816	305,015	2,778,442	118,175,612
2025	3,220,368	4,100,968	1,499,110	1,682,583	2,334,088	12,837,117
2026	965,317	3,423,641	882,593	7,674	2,234,914	7,514,139
2027	0	63,357	421,253	0	1,784,745	2,269,354
2028 and followings	5,000,000	302,856	1,533,170	0	1,491,692	8,327,718
Total	62,786,454	66,892,393	6,825,942	1,995,273	10,623,879	149,123,940

On the date of the statement of financial position, the Constructel Visabeira's average debt maturity was 1.6 years. All loans are in euros, with the exception of loans traded in England, which are in pounds sterling, in Denmark in Danish krone and in the United States in dollars.

One of Constructel Visabeira's short term goals is to refinance its bank debt in order to increase the maturity of its bank debt, to provide greater financing capacity to match its debt with its growth strategy, planned for the coming years, as well as to consolidate its debt in Constructel Visabeira, S.A., allowing its operating subsidiaries to be stronger in financial terms and to focus purely on operational aspects, and consequently on business growth.

To this end, a process to refinance Constructel Visabeira's debt was launched in 2023, with a view to refinancing during the first semester.

This operation is currently being negotiated, and contracting a medium-long term line to refinance debt as planned by December 2023, a Capex line to provide Constructel Visabeira with greater investment capacity to follow its strategic plan and a Current Account line for generalised use and treasury support. As mentioned above, this operation should have a 5-year maturity, with an average life of more than 3 years.

Thus, the balance of financial debt maturing in the short term is 54.8 million euros, which is included in the aforementioned refinancing operation, and we believe we will be able to complete this refinancing process on time.

32.5 Terms and conditions

The loans contracted, namely commercial paper programmes, bond loans and mutual funds generally include, in addition to the usual terms and conditions, cross default, *pari passu* and negative pledge clauses on ownership by the Group or the majority shareholder. As part of the financial separation of the Constructel Visabeira's companies, these clauses were renegotiated so that events outside this scope do not represent early maturity. Grupo Visabeira's ownership remains in some contracts with an obligation to maintain a direct and indirect share of not less than 66.67%.

Financing operations that are subject to covenants, usually related to levels of financial autonomy and indebtedness ratios, determined based on the consolidated financial statements of Constructel Visabeira and some of the subsidiaries, were negotiated under normal market conditions. On the 31st of December 2023, no creditor could demand the early repayment of any financing granted to the Group as a result of a non-compliance of covenants.

33. Suppliers

	2023	2022
Suppliers - current account	176,732,919	140,471,752
Total	176,732,919	140,471,752

During the 2023 financial year, there was an increase in the balance of suppliers of about 35 million euros, of which 44% represent the new changes to the group of companies.

34. Other accounts payable and other liabilities

34.1. Other accounts payable

	2023	2022
Non-current		
Debt related to purchase of subsidiaries - Contingent remuneration	12,743,966	17,257,356
Selling option related to the acquisition of subsidiaries	23,635,077	11,003,837
Total non-current	36,379,043	28,261,193
Current		
Factoring	467,971	6,240,513
Confirming	39,565,461	31,708,530
Express Bill	7,191,355	1,165,921
Shareholders	87,581	155,838
State and other public entities (see Note 25)	17,128,292	11,663,735
Personnel	6,830,578	5,356,905
Client creditor balances	886,895	86,532
Debt related to purchasing subsidiaries	6,571,137	0
Selling option related to the acquisition of subsidiaries	6,037,929	5,035,122
Debt related to purchase of subsidiaries - Contingent remuneration	18,049,890	11,796,894
Others	6,866,821	14,672,854
Total current	109,683,912	87,882,845
Total other accounts payable	146,062,955	116,144,038

The increase in the non-current balance of deferred payments for purchasing subsidiaries results from contractual obligations with non-controlling interests in the result of contingent remuneration and put option agreements granted. It is important to note that the fair value of the financial liability is determined based on the purchase cost determined with the previous equity owner, with the transaction value reflecting the market value. In the subsequent measurement of the fair value of the liability, the fair value is determined based on the revised projections of the UGC purchased, taking into account that a significant part of the value of the contingent consideration, as well as the liability associated with the put option varies depending on the performance of the UGC purchased. The main performance projections are on the EBITDA and net debt of acquired CGUs, and the multiple agreed with the previous capital holder is applied to the projected EBITDA. Multiples range from 4 to 7. The estimated acquisition cost is then discounted to present value, with discount rates varying between the different CGUs acquired, ranging from 3% to 4%.

It should be noted that the heading "Debt related to acquisitions of subsidiaries" includes 6.6 million euros relating to balances payable to shareholder Visabeira Global relating to the acquisition of Jayme da Costa. This payment is expected to occur in 2024.

In 2022, under the heading "others", 9.4 million euros were included relating to balances payable to Cunha Soares shareholders (see note 7), and this payment was made during 2023.

Confirming balances were contracted in Portugal and Italy.

34.2. Other liabilities

During 2023, the increase in the heading "Work in progress not billed by suppliers" relates mainly to the increase in the activity within the telecommunications and energy areas, as well as the acquisition of new subsidiaries.

	2023	2022
Current		
Remunerations payable	7,089,387	5,643,830
Work in progress not invoiced by suppliers	65,154,506	53,569,642
Total other liabilities	72,243,893	59,213,472

35. Lease liabilities

The detail of the lease liabilities, and the respective movement during 2023, is broken down as follows:

Lease liabilities	2023
Non-current lease liabilities	27,553,386
Current lease liabilities	25,197,498
Opening balance on the 1st of January 2023	52,750,884
Increases	25,218,709
Debt amortisation	-29,641,429
Closing balance the 31st of December 2023	48,328,164
	2023
Financial institution	14,941,415
Other creditors	5,743,082
Total non-Current lease liabilities	20,684,498
Financial institution	9,740,244
Other creditors	17,903,422
Total current lease liabilities	27,643,666
Total lease liabilities	48,328,164

The detail of the lease liabilities, and the respective movement during 2022, is broken down as follows:

Lease liabilities	
Non-current lease liabilities	32,081,620
Current lease liabilities	19,503,346
Opening balance on the 1st of January 2022	51,584,966
Changes to the group of companies	
Increases	28,870,507
Debt amortisation	-27,704,589
Closing balance on the 31st of December 2022	52,750,884
2022	
Financial institution	13,039,072
Other creditors	14,520,709
Total non-Current lease liabilities	27,553,386
Financial institution	9,816,469
Other creditors	15,385,726
Total current lease liabilities	25,197,498
Total lease liabilities	52,750,884

35.1 Maturity of lease liabilities

	France	England	Portugal	Belgium	Germany	Others	Total
2024	7,196,388	13,000,060	3,438,252	1,494,465	1,429,358	1,085,144	27,643,666
2025	4,041,058	1,747,328	2,495,170	1,266,427	995,920	928,479	11,474,382
2026	1,854,452	0	1,926,503	880,593	504,241	524,047	5,689,836
2027	415,115	0	930,392	748,832	118,906	418,176	2,631,420
2028 and following	74,464	0	213,664	402,229	0	198,503	888,860
Total	13,581,477	14,747,388	9,003,981	4,792,545	3,048,426	3,154,349	48,328,164

36. Financial Risks

Constructel Visabeira's control matrix always prioritises its exposure to a diverse set of risks arising from its different business areas and, therefore, undertakes the management of credit risk and the protection of its treasury as a priority, recognising, within this context, the importance of credit insurance as an essential instrument, both in the domestic and foreign markets.

In this context, the importance of adopting an active management of the different financial risks has always been assumed, in order to minimise its potential negative impacts on the company's cash flow, profit and value. For this reason, always aware of the paramount importance of this issue, Constructel Visabeira promotes an accurate and proactive management of these risks, aiming at applying the most appropriate coverage measures for each situation. Within this context, Constructel Visabeira is fully aware that the success of its operations critically depends on the mitigation and control of any risks that can significantly affect all of its assets (equipment, service quality, information, facilities) and seeks to avoid risks, thereby jeopardising its strategic goals.

Market risks

• Interest rate risk

Constructel Visabeira exposure to interest rate risk comes primarily from borrowings, since investments are usually contracted at short-term and consequently the impact resulting from variations on the interest rates does not significantly affect the accounts. The balance of financial debt for Constructel Visabeira and its subsidiaries at the end of December 2023 has Euribor as its main index in its various maturities for national financing.

The bond loan issued in 2018 in France and with a bullet maturity in 2024 in the amount of 55 million euros, was contracted at a fixed rate and is not subject to interest rate risk.

For the remaining financing, an increase of 25 basis points in the interest rate on variable rate financing would imply for Constructel Visabeira, using by reference the consolidated accounts, an increase in financial charges of around 432 thousand euros.

• Exchange rate risks

Constructel Visabeira's subsidiaries choose, whenever possible, to use a natural hedge currency risk.

MJ Quinn, a company operating in the United Kingdom within the telecommunications infrastructures sector for British Telecom. The company trades in British Pounds and has the cost of the factors essentially in the same currency and therefore is not exposed to relevant transaction risks. Integrating the company in the consolidated accounts is subject to the exchange rate fluctuation of the pound sterling against the euro - transpose risk. Future dividends will also be exposed to said exchange rate fluctuation. The pound sterling started the year at 1.12748 euros and ended the year at 1.15068 euros.

The incorporation of J.F. Edwards, a subsidiary based and operating in the United States of America, exposed Constructel Visabeira to risks of transposition. Like MJ Quinn, this subsidiary's revenue is in local currency as well as a relevant part of the cost of production factors. The US dollar started the year at 0.93756 Euros and ended the year at 0.90498 euros.

The following table shows the change in net assets if the exchange rate varies by 5% against the euro.

2023	Exchange rate sensitivity Effect on Equity	
	+5% valuation	-5% devaluation
J.F. Edwards	762.0	-842.2
MJ Quinn	444.3	-491.1

• Credit risks

Credit risk is an important and complex activity that is present in the everyday life of its associated companies, whatever the nature of their business. Risk assessments imply credit decisions, at times, based on incomplete information, within a scenario of uncertainty and constant change. Considering the business itself, the business areas in which it operates, or the risk of the region and country, the classification and assessment of the credit risk of a given customer is usually summarised in a credit record, which includes available and relevant information such as the customer's nature, management capacity, assets, history, financial information, credit guarantees and payment terms that will inform an opinion on a given credit transaction. The assessment of credit risk reflects the multiplicity, quality and origin of the information available to the credit analyst. Constructel Visabeira has had the support of a credit insurer for years, with which it maintains credit insurance policies, leaving the analysis of credit granting to professionals who are specialised in debt recovery, receiving from the credit company the indication of exposure - credit limit - adjusted to the credit capacity of each client. Thus, management can be primarily focused on operational issues. The coverage of this risk allows a compensation of 95% for the unpaid credits. The last few years have been marked by increased restrictions on credit being granted by the insurance company. In view of this scenario, and in order to meet the credit risk coverage needs in foreign markets, in which the limits granted under the base policies are insufficient, the Group has insured additional coverages that allow it to increase the partial coverage of its risks, up to twice the amount granted in the base policy, and also as to obtain coverages for risks that have no value attributed in the said base policy, up to the limit of fifty thousand euros. At the same time, it is the organisation's purpose to obtain coverage for risks that have no value attributed in the aforementioned base policy, through non-recourse factoring.

The greater restrictions on the external coverage of the credit granted imply of increased rigour and a greater requirement in the appraisal of the requests for the concession is internal credit.

Companies in Constructel Visabeira that operate as infrastructure and telecommunications service providers sell to entities of recognised financial probity, which accounted for about 55% of consolidated turnover in 2023. This group includes entities such as local telecommunications operators, generally directly held by the Government of each country, replacing credit risk with political risk. Examples of most prestigious operators in the group's portfolio: France Telecom; Proximus (Belgacom); Telekom Deutschland; MEO – Serviços de Comunicações e Multimédia; NOS Comunicações; Geodesia (Grupo Altice); Altice France; E-Redes; Fiberklaar B.V.; REN – Rede de Eletricidade Nacional; GRDF – Distribution de Gaz Naturel en France; ERDF – Électricité Réseau Distribution France; TDC A/S; and natural gas companies, among others.

Liquidity risk

The associated companies of Constructel Visabeira carry out a liquidity risk management in order to ensure the assets funding according to maturity delays, adequate rates and adequate settlement of its financial compromises. Concurrently, appropriate balances of cash and short-term lines are held, which allow for the proper management of the available short-term financial commitments.

The cash and investments of all Group companies are managed by a centralised global organisation, which reduces the risk of cash flows, avoiding exposure to variations that may affect the results of companies. The use of factoring allows, on the other hand, the use of factoring allows for a reduction in the average collection periods, with the inherent anticipation of receipts, and it enables a better cash management, due to the timely obtaining of the necessary working capital to finance the operational cycle, a fundamental condition for sustained economic and financial growth, in addition to reducing the risk of receiving from customers where credits are transferred without recourse on the adherent. Constructel Visabeira also maintain additional contracted short-term current accounts to meet occasional needs. At the balance sheet date, Constructel Visabeira has cash and cash equivalents amounting to 112.3 million euros.

2023	0-1 year	1 - 2 years	2 - 3 years	3 - 4 years	> 4 years	Total
Suppliers	176,732,919	0	0	0	0	176,732,919
Financing	118,175,612	12,837,117	7,514,139	2,269,354	8,327,718	149,123,940
Lease liabilities	27,643,666	11,474,382	5,689,836	2,631,420	888,860	48,328,164
Debt related to purchase of subsidiaries - Contingent remuneration	18,049,890	8,181,128	4,562,839	0	0	30,793,856
Debt related to purchasing subsidiaries	6,571,137	0	0	0	0	6,571,137
Selling options	6,037,929	704,595	12,197,817	10,732,664	0	29,673,006
Total	353,211,155	33,197,222	29,964,631	15,633,439	9,216,578	441,223,024

Constructel holds a share of the debt, in the amount of 55 million euros, financed in a five-year bullet structure maturing in 2024, under a bond loan and the remainder essentially related to financial leasing operations in repayment.

Constructel Visabeira's control matrix always prioritises its exposure to a diverse set of risks arising from its different business areas and, therefore, undertakes the management of credit risk and the protection of its treasury as a priority, recognising, within this context, the importance of credit insurance as an essential instrument, both in the domestic and foreign markets.

In this context, the importance of adopting an active management of the different financial risks has always been assumed, in order to minimise its potential negative impacts on the company's cash flow, profit and value. For this reason, always aware of the paramount importance of this issue, Constructel Visabeira promotes an accurate and proactive management of these risks, aiming at applying the most appropriate coverage measures for each situation. Within this context, Constructel Visabeira is fully aware that the success of its operations critically depends on the mitigation and control of any risks that can significantly affect all of its assets (equipment, service quality, information, facilities) and seeks to avoid risks, thereby jeopardising its strategic goals.

One of Constructel Visabeira's short-term goals is to refinance its bank debt in order to give it greater maturity and bring its indebtedness in line with the growth strategy planned for the coming years. Moreover, it will also make it possible to consolidate the structural financial debt at Constructel Visabeira, S.A., allowing its subsidiaries to be stronger in financial terms so that they can focus on purely operational aspects and consequently on business growth.

To this end, a debt refinancing file for Constructel Visabeira was launched in 2023 with a view to being completed during the first semester of 2024. This operation is currently being negotiated, and contracting a medium-long term line is planned to refinance the financial debt as of December 2023, a Capex line to provide Constructel Visabeira with greater investment capacity to follow its strategic growth plan and a Current Account line for generalised use and treasury support. This operation should have a maturity of 5 years.

In December 2023, the balance of the financial debt relating to the bond loan maturing in the short-term amounts to 54.8 million euros, and we believe that it will be repaid within the scope of the conclusion of the ongoing refinancing operation.

Constructel Visabeira's capital management

For purposes of Constructel Visabeira's capital management, capital includes issued capital, share premium and all other equity reserves are attributable to the parent company's shareholders.

The main purpose of the Group's capital management is to maximize shareholder value. Constructel Visabeira manages its capital structure and makes changes based on economic changes and financial covenant requirements. To optimize its capital structure, the Group has several mechanisms such as the distribution of dividends, return of capital or issuance of new shares. The Group monitors its capital using the Gearing ratio as a reference, which is net debt divided by total capital plus net debt. The Group includes in its debt: loans, lease liabilities and operating debt less cash and short-term deposits.

	2023	2022
Total bank loans	149,123,941	105,362,409
Total lease liabilities	48,328,164	52,750,884
Factoring (note 34)	467,971	6,240,513
Confirming (note 34)	39,565,461	31,708,530
Cash and cash equivalents	-112,271,598	-133,841,218
Net debt	125,213,938	62,221,118
Total equity	315,604,051	274,643,264
Capital and net debt	440,817,989	336,864,382
Gearing ratio	28%	18%

To achieve this purpose, the Group's capital management, among other things, aims to ensure compliance with financial clauses associated with the loans. There were no financial agreements non-compliance of any loan during the current period.

In October 2021, an agreement was signed between Constructel Visabeira and Goldman Sachs for 21.83% of the company's capital in the amount of 200 million euros. The completion of this operation was carried out in 2022. The entry of this capital ensured financing for M&A operations, maintaining the expansion cycle that has occurred to date. No changes were made to capital management purposes, policies or processes during 2023 and 2022.

Other disclosures on financial instruments

As defined by IFRS 9, the carrying value of each of the categories provided is broken down as follows:

	2023	2022
Financial assets recorded at amortised cost		
Cash and cash equivalents	112,271,598	133,841,218
Clients	143,923,776	102,048,886
Other receivables	6,001,421	8,377,878
Other financial instruments recorded at fair value through profit or loss		
Other financial investments	1,979,222	1,371,734
Financial liabilities recorded at amortised cost		
Paid loans	149,123,941	105,362,409
Suppliers	176,732,919	140,471,752
Other accounts payable	55,325,525	59,387,094
Lease liability	48,328,164	52,750,884
Financial liabilities at fair value		
Other bills to pay - Contingent remuneration and put option relating to the purchase of subsidiaries	67,038,000	45,093,209

Measured at fair value

The following table presents the fair value hierarchy of the assets and liabilities held by the Group, as of the 31st of December 2023 and 2022:

Assets measured at fair value - 2023	Total	Level 2	Level 3
Investment properties	11,356,000	10,000,000	1,356,000
Investment in the C2 Capital Partners fund	850,000	0	850,000
Other financial investments	1,129,222	0	1,129,222
Assets measured at fair value			
Other bills to pay - Contingent remuneration and put option relating to the purchase of subsidiaries	67,038,000	0	67,038,000
Assets measured at fair value - 2022			
Investment properties	10,000,000	10,000,000	0
Investment in the C2 Capital Partners fund	850,000	0	850,000
Other financial investments	608,294	0	608,294
Assets measured at fair value			
Other bills to pay - Contingent remuneration and put option relating to the purchase of subsidiaries	45,093,209	0	45,093,209

At the outset, the fair value of the financial liability is determined based on the purchase cost determined with the previous equity owner, with the transaction value reflecting the market value.

In the subsequent measurement of the fair value of the liability, the fair value is determined based on the revised projections of the CGUs purchased, taking into account that a significant part of the value of the contingent consideration, as well as the liability associated with the put option varies depending on the performance of the CGUs purchased.

The main performance projections are on the EBITDA and net debt of acquired CGUs, and the multiple agreed with the previous capital holder is applied to the projected EBITDA. Multiples range from 4 to 7. The estimated acquisition cost is then discounted to present value, with discount rates varying between the different CGUs acquired, ranging from 3% to 4%.

It should be noted that financial liabilities, which amount to 67 million euros, include several CGUs, with emphasis on the most recent acquisitions: Tavan with 19 million euros and Jayme da Costa with 12 million euros, as mentioned in note 7.

Regarding the level 3 Investment Fund, the fair value is determined based on the Investment Fund's valuation, which are in accordance with its accounts reported on the 31st of December 2023. The Fair Value of the Investment Fund in question is measured in accordance with the Discounted Cash Flows method.

Regarding financial assets measured at amortized cost, the Board of Directors of Constructel Visabeira believes that the value at which financial assets, relating to Customers and Other accounts receivable, are recorded in the statement of financial position is close to their fair value.

Moreover, the Board of Directors of Constructel Visabeira believes that the value at which the financial liabilities relating to Suppliers, Other accounts payable and interest-bearing loans referred to are recorded in the statement of financial position is close to their fair value.

Environmental risks

The development and progress of Constructel Visabeira's activities are essential for economic growth, however, these activities also present environmental risks that require careful attention and implementation of mitigation measures.

The main environmental risks associated with Constructel Visabeira's activities are essentially related to impacts on natural ecosystems, soil degradation, air and water pollution, consumption of natural resources and emission of greenhouse gases.

Using machines and equipment, as well as using and handling chemical products, presents an intrinsic risk of causing environmentally related accidents, which may inadvertently result in damage to the environment.

The environmental risks that Constructel Visabeira companies are exposed to may result in fines and sanctions to be applied by Government Entities.

As such, Constructel Visabeira has intensified its measures to promote responsible and proactive behaviours. This is accomplished through the creation and implementation of measures adding value to the business, the environment and society. Thus, Constructel Visabeira undertakes to:

- Comply with all environmental legislation and regulations applicable to its activities and the services it provides in all jurisdictions it operates in;
- Regularly assess the impact of its operations on the environment, continually seeking to reduce negative impacts;
- Measure, monitor and reduce greenhouse gas (GHG) emissions resulting from its operations, in accordance with scientific goals;
- Use renewable electricity in all markets it operates in, whenever available;
- Cooperate with customers, suppliers and all other parties to continually reduce waste, pollution and emissions in its value chain;
- Use all resources wisely, optimising the use of energy, water and raw materials through the implementation of efficient practices, promoting conservation, enabling regeneration and exploring opportunities for renewable alternatives.

37. Contingencies

a) Proceedings with probable losses

On the 31st of December 2023 and 31st of December 2022, several legal claims and other tax contingencies filed against various companies in Constructel Visabeira continued, which are classified as proceedings with probable losses, in accordance with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets. Based on the opinion of internal and external legal advisers, Constructel Visabeira recorded provisions (note 38) for these legal claims and tax contingencies in order to face the likely outflow of resources.

b) Proceedings with possible losses

On the 31st of December 2023 and 2022, there were several legal claims and other tax contingencies filed against certain companies in the Group, for which the possibility of future cash disbursement was considered possible, according to information from lawyers and advisers following these proceedings, and for this reason, no provisions were recorded. The detail and nature of those proceedings are as follows:

	2023	2022
Other legal and tax contingencies	4,307,410	2,596,731
Total	4,307,410	2,596,731

38. Provisions for other risks and expenses

	2022	Changes to the group of companies	Increases/Decreases	2023
Provisions				
Retirement pensions	679,271	0	459,610	1,138,881
Others	4,554,448	-368,389	-247,254	4,675,583
Total	5,233,719	-368,389	212,355	5,814,464

38.1 Retirement Pensions

In accordance with French law, an estimate is made of the amount payable to employees when they reach retirement age, which is why it is a defined benefit pension plan. The company's commitments in terms of retirement benefits are calculated based on the projected unit credit method with end-of-career maturities, taking into account the provisions of collective agreements, the probabilities of being employed and being in the company's assets, with its updated value.

Company	2022	Increases/Decreases	2023
Constructel	398,934	142,054	540,988
Gatel	39,163	613	39,776
Escotel	41,214	318,719	359,933
Constructel Energie	199,960	-1,776	198,184
Total	679,271	459,610	1,138,881

Company	2021	Increases/Decreases	2022
Constructel	944,229	-545,295	398,934
Gatel	66,108	-26,945	39,163
Escotel	667,292	-626,078	41,214
Constructel Energie	322,842	-122,882	199,960
Total	2,000,471	-1,321,200	679,271

To calculate this estimate, the following assumptions were used:

	Assumptions on 12/31/2023	Assumptions on 12/31/2022
Discount rate	3.20%	3.75%
Inflation rate	1.00%	1.00%
Salary growth rate (Inflation included)	1.00%	1.00%
Retirement age	Total fee	Total fee
Retirement compensation Type	Resignation	Resignation
Employer contribution rate	Fee by category and entity	Fee by category and entity
Mortality table	INSEE 2024	INSEE 2022
Turnover table	Table by category and age	Table by category and age

The assumptions for calculating retirement pensions are the same as those on the previous year, with the exception of the discount rate fixed at the iBoxx index.

38.2 Others

In "Others", it is important to highlight the value registered in IEME which corresponds to the provisions required by local labour regulations - 809 thousand euros (813 thousand euros in 2022) for compensations related to terminating employment.

The remaining amount of the provisions is intended primarily to cover liabilities estimated based on the information obtained from lawyers and arising from proceedings related to contracts, labour and taxes, in which Group companies are involved.

39. Guarantees provided

Guarantees provided	2023	2022
Actual guarantees	66,395,418	36,357,001
Technical guarantees/ good workmanship	117,467,544	73,970,767
Financial guarantees	3,725,577	1,349,207
Total	187,588,538	111,676,975

The increase in the amount of guarantees is justified by the most significant increase recorded in JF Edwards, Constructel Belgium, IEME and Jayme da Costa – Energia e Sistemas, SA (which became part of the Constructel Visabeira at the end of 2023).

During 2023, real guarantees represent an amount of 66.4 million euros and relate to guarantees provided under leasing contracts (26.3 million euros) and loans (40 million euros): especially in regards to the property given as guarantee in the financing of Quinn Constructel Limited (1.9 million euros), as well as the pledge of shares to guarantee the partial purchase of OMV Natie, for financing Constructel Modal (3.9 million euros).

On the 31st of December 2023, the technical and financial guarantees provided to third parties as bank guarantees and bond insurance, namely to customers whose works are in charge of different companies that make up the Constructel Visabeira's group of companies, detailed by currency, are presented as follows:

Technical guarantees/ good workmanship	2023	2022
USD	65,847,324	48,668,058
EUR	55,156,790	31,216,123
DKK	189,008	191,641
Total	121,193,121	80,075,822

It should be noted that the main variation in technical guarantees of 21.5 million euros is recorded in the company JF Edwards. Moreover, a significant increase has been verified in Constructel Belgium (around 8.4 million euros), in Ieme (4 million euros) and in Jayme da Costa with (6.7 million euros - which as previously mentioned became part of the Constructel Visabeira). In terms of financial guarantees, their variation is justified by an increase in financial guarantees allocated to JF Edwards and, the biggest impact (1.8 million euros), recorded by the change in Jayme da Costa's group of companies.

On the 31st of December 2023 and 2022, the details of the guarantees provided by company are detailed as follows:

Technical guarantees/ good workmanship	2023	2022
JF Edwards	65,652,755	43,912,210
Constructel Belgium	17,890,427	9,432,044
Visabeira Infraestruturas	9,898,357	8,858,087
Jayme da Costa	8,537,349	0
EIP Serviços	8,120,910	7,015,410
Ieme	5,471,683	1,354,244
Viatel	2,091,131	2,772,099
Cunha Soares	893,481	775,296
Other companies	2,637,028	1,200,584
Total	121,193,121	75,319,974

40. Related parties

	Years	Income to related parties	Related parties' expenses	Interest paid	Interest earned	Amounts receivable from related parties	Amounts payable to related parties	Amounts receivable from clients	Amounts payable to suppliers
Shareholders	2023	1,372,379	4,450,588	200,406	57,498	506,417	7,113,922	1,361,598	3,748,396
	2022	1,362,241	5,040,579	204,853	244,999	196,932	155,838	22,510	875,749
Grupo Visabeira Companies	2023	3,971,070	6,883,192	63,455	177	1,742,757	2,760,788	3,264,491	3,807,712
	2022	5,474,888	5,418,232	63,514	177	1,786,263	1,011,676	4,729,616	1,090,720

With regard to expenses, transactions with the shareholder(s) are related to acquiring shared services (accounting, consulting, finance, information system, legal, among others), as well as management services. With companies within the Grupo Visabeira group of companies, the main activity is subcontracting civil construction works for a telecommunications and energy project in Portugal.

Regarding income obtained from related parties, the majority relates to the provision of services in the telecommunications area.

It should be noted that the amounts payable to related parties include 6.6 million euros for the acquisition of Jayme da Costa, payable to the shareholder Visabeira Global. This amount is considered a debt related to the acquisition of subsidiaries (note 34).

41. Subsequent events

After the end of the period in question, but before the financial statements received authorisation for issuance, the company Constructel Visabeira US was established. This company will own the subsidiaries to be acquired in the United States of America.

There are no other events subsequent to the date of the Financial Position Statement and up to the date of the accounts issuing that could have a material impact on the financial statements.

Visau, 29th of April 2024

Chartered Accountant

The Board of Directors

Daniel Augusto Soares Pereira

Alvaro F. Reis

Antonio da Silva

Antonio

Antonio

Antonio

Antonio

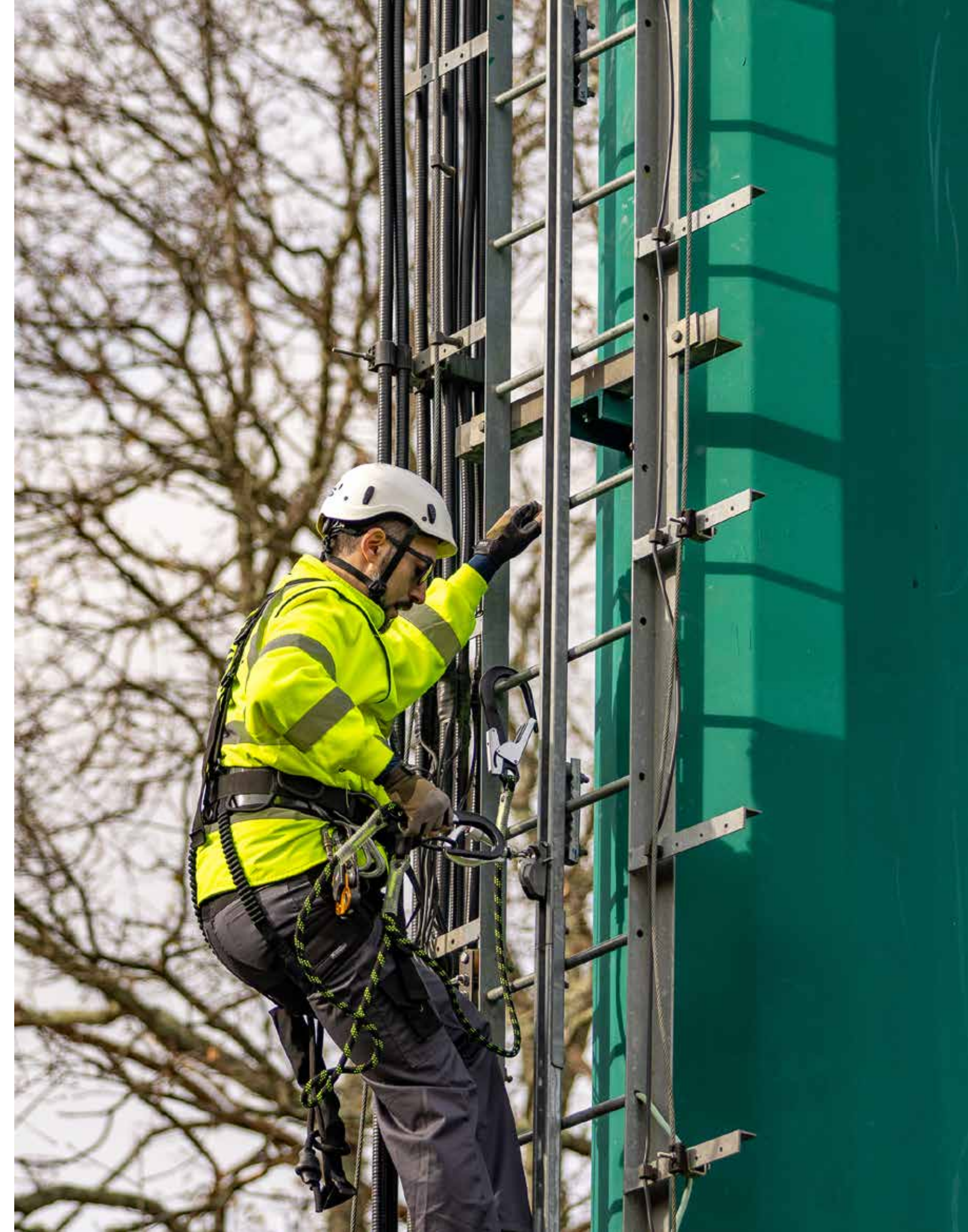
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ASSESSMENT AND CERTIFICATION DOCUMENTS





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(Translation from the original Portuguese language. In case of doubt, the Portuguese version prevails.)

Statutory and Auditor's Report

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Constructel Visabeira, S.A. (the Group), which comprise the Consolidated Statement of Financial Position as at 31 December 2023 (showing a total of 988.282.222 euros and a total equity of 315.604.051 euros, including a net profit for the year of 52.604.095 euros), and the Consolidated Statement of Profit and Loss by Nature, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Constructel Visabeira, S.A. as at 31 December 2023, and of its consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and guidelines as issued by the Institute of Statutory Auditors. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. We are independent of the entities comprising the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Institute of Statutory Auditors' code of ethics.

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

Responsibilities of management for the consolidated financial statements

Management is responsible for:

- ▶ the preparation of consolidated financial statements that presents a true and fair view of the Group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union;
- ▶ the preparation of the Consolidated Management Report in accordance with the laws and regulations;
- ▶ designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ▶ the adoption of accounting policies and principles appropriate in the circumstances; and
- ▶ assessing the Group's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern that may cast significant doubt on the Group's ability to continue as a going concern.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from

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Constructel Visabeira, S.A.
Statutory and Auditor's Report
31 December 2023

fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- ▶ obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion; and
- ▶ communicate with those charged with governance, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibility also includes the verification of the consistency of the Management Report with the consolidated financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the Consolidated Management Report

Pursuant to article 451, nr. 3, paragraph e) of the Commercial Companies Code, it is our opinion that the Consolidated Management Report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited consolidated financial statements and, having regard to our knowledge and assessment over the Group, we have not identified any material misstatement.

Porto, 28 June 2024

Ernst & Young Audit & Associados - SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Represented by:

(Signed)

Rui Manuel da Cunha Vieira (ROC n.º 1154)
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*(Translation from the original document in the Portuguese language.
In case of doubt, the Portuguese version prevails)*

Report and Opinion of the Sole Supervisor

To the Shareholders,

In compliance with the requirements of article 420 par. g), together with article 508-D nr. 1 of the Commercial Companies Code, it is our responsibility to issue the annual supervisory report and to issue an opinion on the individual and consolidated Management Report, the Individual and Consolidated Financial Statements and the proposal for appropriation of results presented by the Management of Constructel Visabeira, S.A. (the Entity), for the year ended 31 December 2023.

During the year, we have monitored the activity of the Entity and we have performed the following procedures:

- ▶ Verified, to the extent considered appropriate, the accounting records and related supporting documentation;
- ▶ Verified, as necessary, to a nature and extent we considered appropriate, the existence of goods and other assets owned by the company or held by it as security, deposit or otherwise;
- ▶ Verified that the determination of the scope of the consolidation and the consolidation procedures performed are in accordance with those in the consolidation standards;
- ▶ Reviewed the Statutory Auditors Reports issued by the Statutory Auditors, and the reports and opinions issued by the Sole Supervisors/Supervisory Boards of the consolidated companies;
- ▶ Verified the completeness and reasonableness of the individual/separate and consolidated financial statements;
- ▶ Verified that the accounting policies and the measurement criteria adopted in the consolidated accounts lead to a fair presentation of the financial position and the operations of the Group for which the Entity is the parent-company;
- ▶ Been available to receive communication of irregularities from shareholders, Entity employees and others;
- ▶ Confirmed that the Management Report of the individual/separate accounts, the Statement of Financial Position, the Income Statement by Nature, the Statement of Comprehensive Income, the Statement of Changes in Shareholders Equity, the Statement of Cash Flows and the accompanying notes comply with legal requirements and reflect the underlying accounting records at the end of the year;
- ▶ Confirmed that the Consolidated Management Report, the Consolidated Statement of Financial Position, the Consolidated Income Statement by Nature, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Shareholders Equity, the Consolidated Statement of Cash Flows and the accompanying notes comply with legal requirements and reflect the underlying accounting records at the end of the year;
- ▶ Verified the company's compliance with the law and with the articles of association of the Entity;
- ▶ Performed all the other responsibilities required by law.

During the course of the procedures, we performed to comply with our supervisory duties, we obtained from the Management and from the Entity's personnel all information and documentation we consider necessary. Within the scope of the statutory audit work, the Statutory Auditor Opinion was issued today on the individual/separate and consolidated accounts without qualifications and without emphasis of matter.

In this context, we issue the following opinion:



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Opinion of the Sole Supervisor

To the Shareholders,

We have performed our supervisory functions of Constructel Visabeira, S.A. in compliance with article 420 par. g) together with article 508-D nr. 1 of the Commercial Companies Code, and, consequently, it is our opinion that:

- (a) The proposal for the appropriation of the results included in the Management Report of the 2023 year complies with the requirements regarding the constitution of the legal reserve and the limits on distribution of profits to shareholders foreseen in the Commercial Companies Code;
- (b) The Management Report and the Consolidated Management Report of the 2023 year complies with requirements foreseen in the Commercial Companies Code;
- (c) The Statement of Financial Position, the Income Statement by Nature, the Statement of Comprehensive Income, the Statement of Changes in Shareholders Equity, the Statement of Cash Flows and the accompanying notes comply with legal and accounting requirements; and
- (d) The Consolidated Statement of Financial Position, the Consolidated Income Statement by Nature, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the accompanying notes comply with legal and accounting requirements.

Porto, 28 June 2024

Ernst & Young Audit & Associados - SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Represented by:

(Signed)

Rui Manuel da Cunha Vieira (ROC nº 1154)
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