

ANNUAL REPORT 2022

ANNUAL REPORT 2022

CREATIVITY
INNOVATION
DYNAMICS
COMPETITIVENESS
AMBITION

Grupo Visabeira Annual Report 2022 Gold on blue

In this year of exceptional performance, the design of Grupo Visabeira's Annual Report takes on a concept that emphasises gold on blue, which is the identification mark of this brand.

The expression "gold on blue" in Portuguese conveys the idea of being beautiful, good or favourable. It also refers to a positive circumstance, something that is in full swing and which, in everyone's imagination, symbolises something that is bright, exceptionally sharp and of high quality.

This association is based on the fact that the contrast between yellow and blue is the best defined of all the other colours, in fact, being complementary colours, they create a rich contrast showing excellent distinction and rare beauty. What's more, this contrast is even more impressive with the brightness of gold against blue, the gold multiplying the effect and reflecting an image of unavoidable charm, quality and richness.

The age-old idiom (gold on blue) likely originated in antique rifles, where the finest specimens bore gold inscriptions on tempered steel, which took on a bluish colour. This idiom also refers to the Baroque period, when it gained greater meaning as rich gilded woodwork was placed over the blue shades, predominant in the "Pombal" period blue tiles, which gave churches and monuments a voluptuous appearance never seen before. Due to its grace and allure, this combination was also very common in the clothing of kings and queens, from the Renaissance onwards, from the 16th until the 18th century, the Age of Enlightenment.

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1

GRUPO VISABEIRA

Chairman of the General and Supervisory Board

Fernando Campos Nunes

During 2022, Grupo Visabeira recorded outstanding performance, driving impressive growth and surpassing historic highs in the main indicators. This important milestone is all the more noteworthy because it was achieved in an extremely complex world scenario associated with huge challenges and uncertainties on multiple fronts. In fact, this financial year was also strongly marked by the transition from the restrictive period of the Covid-19 pandemic to the new framework of the endemic phase; by the outbreak of war in Eastern Europe, following Russia's invasion of Ukraine, and its multiple collateral impacts, such as major difficulties in supplies, associated with critical problems in logistics circuits, lack of materials, shortage in terms of electronic components and food products; to which was added a deep crisis in energy, particularly in the fuel sector. A host of factors contributed to an extremely complex environment, to which may be added the strong surge in inflation that had not been otherwise felt for decades.

It was against this adverse backdrop that we took important steps to strengthen our path, which has always been marked by creativity, innovation, dynamics, competitiveness and ambition, also strengthening our position as a leading global brand, based on the Grupo's traditional leading role in the main areas of economic activity, particularly in telecommunications and energy network engineering services, industry and tourism.

The Grupo has always been able to adapt quickly and assertively to each and every new demanding reality, adapting to every difficulty it encountered. Moreover, in its main business areas it has created the conditions for it to become a pillar of development in the macro-trends of the digital transition, as well as the current modernisation of the energy infrastructure and its commitment towards renewable energies. In addition, the company was aware of new opportunities and the

adaptation of its businesses to assume a leading role in the assertive and objective contribution to the emerging needs and demands of the new reality that society and markets had to face.

In this complex, difficult and challenging context, the Grupo has always been able to define essential goals. Always focusing on the quality and capabilities of its services and products, it has managed to surpass itself once again and reach historic milestones, of which I am pleased to highlight the 1.45 billion euros in turnover, corresponding to a significant growth of 24% year-on-year, having doubled its turnover during the last 4 years.

EBITDA totalled 210 million euros, an increase of 14.4% (representing a new high) which is worth highlighting in view of the huge difficulties experienced in an extremely adverse environment during the entire financial year.

The Grupo's geographic diversification and its international expansion, especially its growth within the European markets, continues to be a pillar of our strategy. During 2022, in terms of the activity in Europe, outside of Portugal, it grew by 31.5% and represented 62.2% of the Grupo's total turnover. Moreover, the company strengthened its presence in the United States of America and continued to grow in Portugal and Africa. We were thus able to leverage the Grupo's activity in foreign markets to a new high of 78.8%, corresponding to an increase of 2.3 p.p. compared to the previous year.

The Visabeira team, which continues to play a decisive role as a key lever in overcoming the challenges that have marked this year, has also grown. Currently, we are more than thirteen thousand six hundred people, across the four corners of the world, the true ambassadors of the brand and its country. This vast team is what has driven the company towards its goals of strengthening the competitiveness, innovation and growing ambition which

characterise the entire company. Together, we have been able to leverage a brand that has gained the trust of the markets due to its ability to overcome challenges and offer competitive, innovative, attractive and reliable products and services, aiming for responsible competitiveness, combined with a commitment to sustainability, which we have taken on for everyone, as an essential principle of collective survival. One brand, several insignias, thousands of products and services that we believe are our future.

I would like to also thank those who contributed to meeting ambitious and demanding challenges, who are therefore our partners in success - suppliers, partners, employees, shareholders, entities, institutions and clients. Thank you for building the future with us every day.

We know that 2023 will be an even more challenging year, with more challenges to overcome, but also with new solutions and new strategies for future success.

We believe we are better prepared, stronger and increasingly focused on working with accuracy and excellence, to maintain our commitment towards our services and products, aiming at meeting the needs and expectations of people in all corners of the world.



Fernando Campos Nunes
Chairman of the General
and Supervisory Board



“I would like to highlight the fact that turnover exceeded 1.45 billion euros, corresponding to a significant growth of 24% and more than tripling this figure over the past decade”

Vision

To be an economic group of large multinational expansion, seeking leadership in every sector and market we operate in and differentiating ourselves with innovative concepts and integrated solutions that create value both for clients and shareholders.

Mission

To improve the everyday lives of thousands of people, all over the world. To offer our partners and clients increasingly complete solutions, according to their needs and fulfilling their expectations, through an increasing productive and operational capacity. Thanks to the transdisciplinarity that defines us, we manufacture a great diversity of goods, provide services in a wide number of areas and we create multiple business opportunities.

Values

The values we assume as defining elements of the Visabeira brand are common to all the professionals and the different areas of the organisation, proving to be decisive for the Grupo's evolution and its continued success.

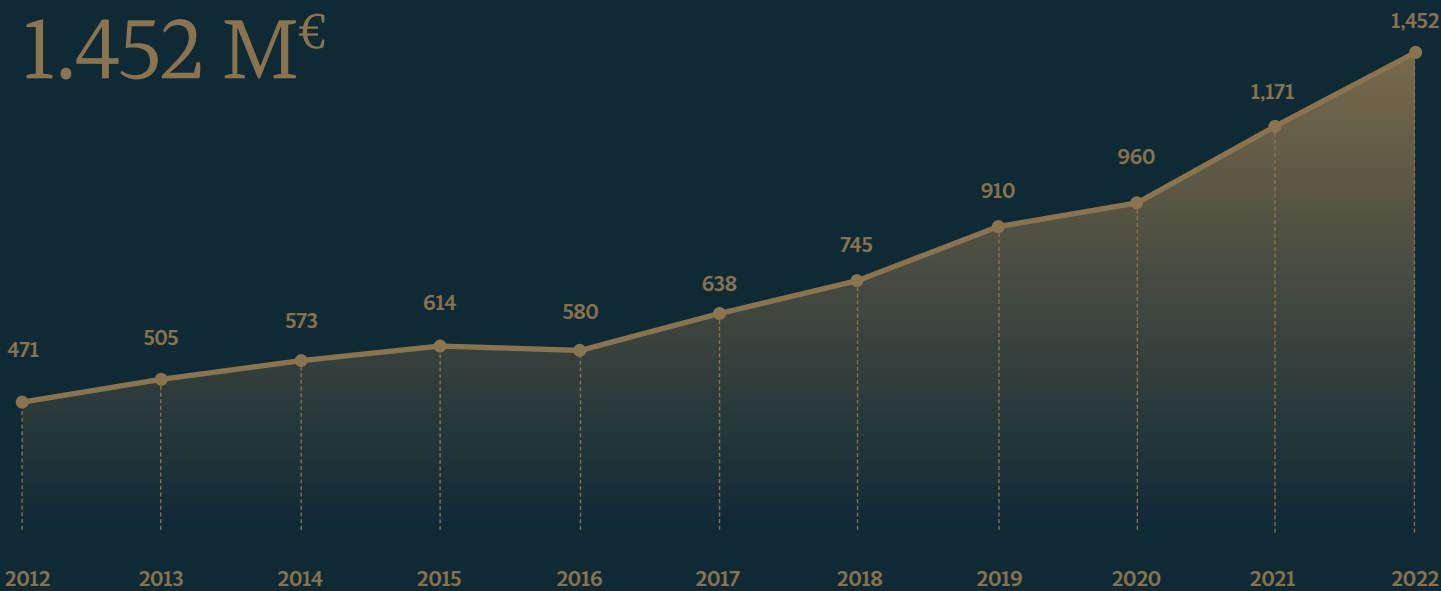
CREATIVITY
INNOVATION
DYNAMICS
COMPETITIVENESS
AMBITION

A decade in numbers

2012 - 2022

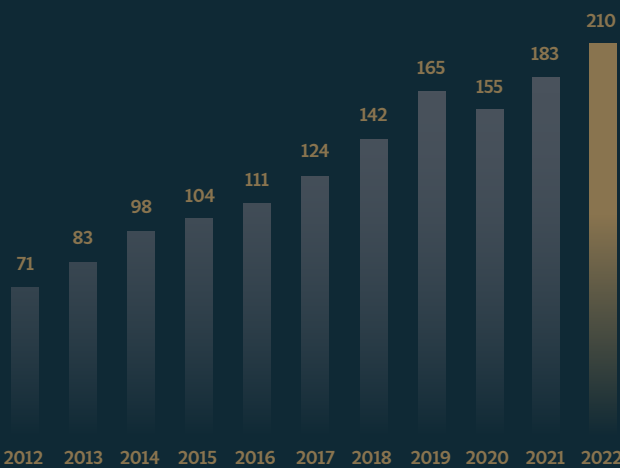
2022 Turnover

1.452 M€



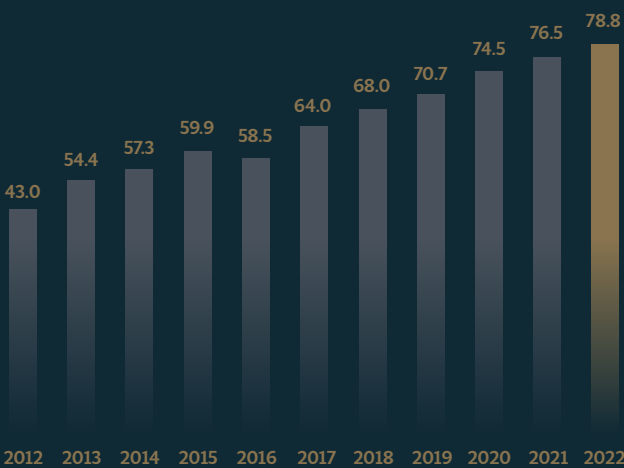
EBITDA 2022

210 M€



Foreign Markets 2022

78.8%



2022
Turnover

1.452 M€

▲ 3,1x 208%
(2012 - 2022)

EBITDA
2022

210 M€

▲ 3,0x 196%
(2012 - 2022)

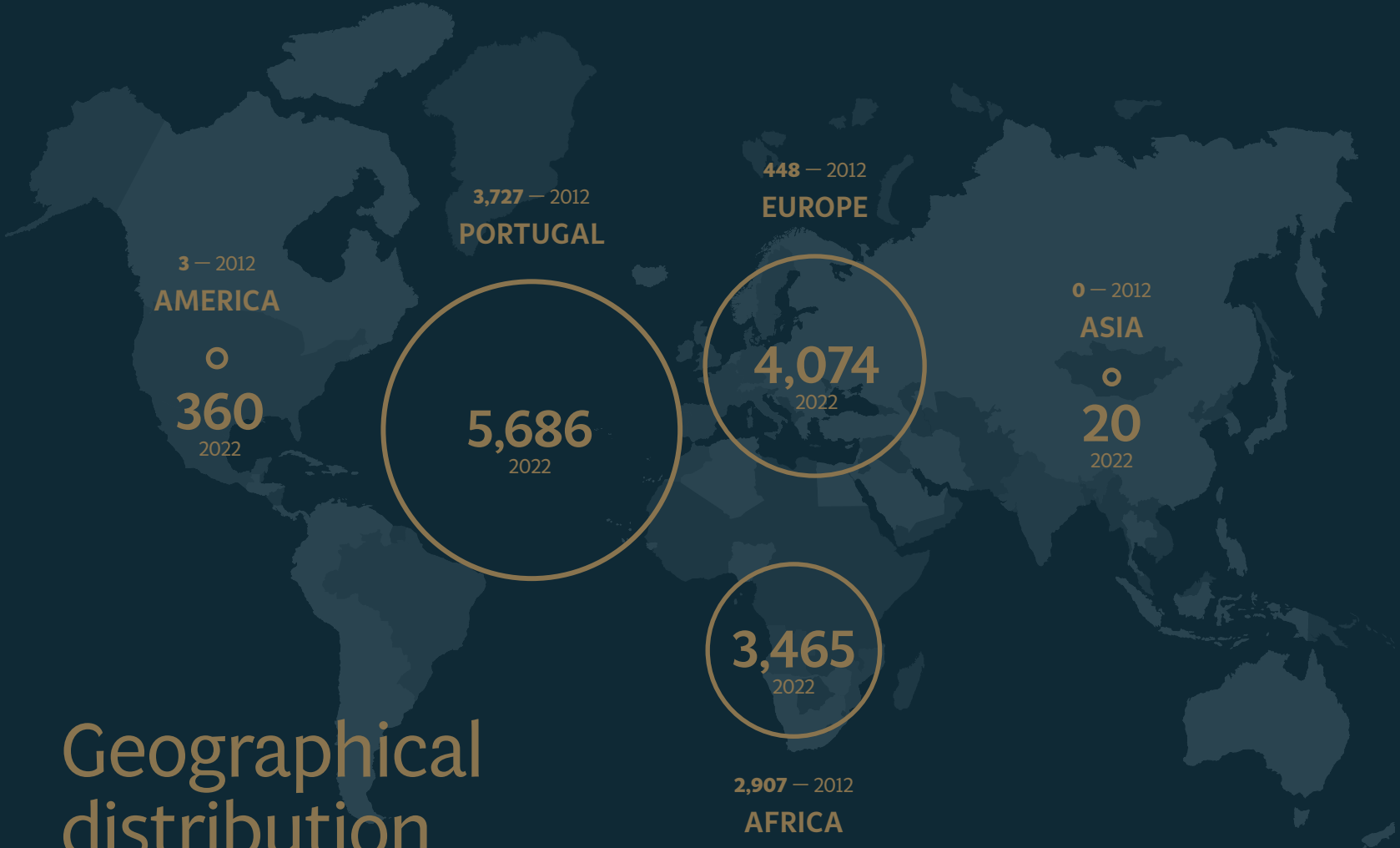
Foreign Markets
2022

78.8%

▲ 1,8x 83%
(2012 - 2022)

Employees

2012 – 2022

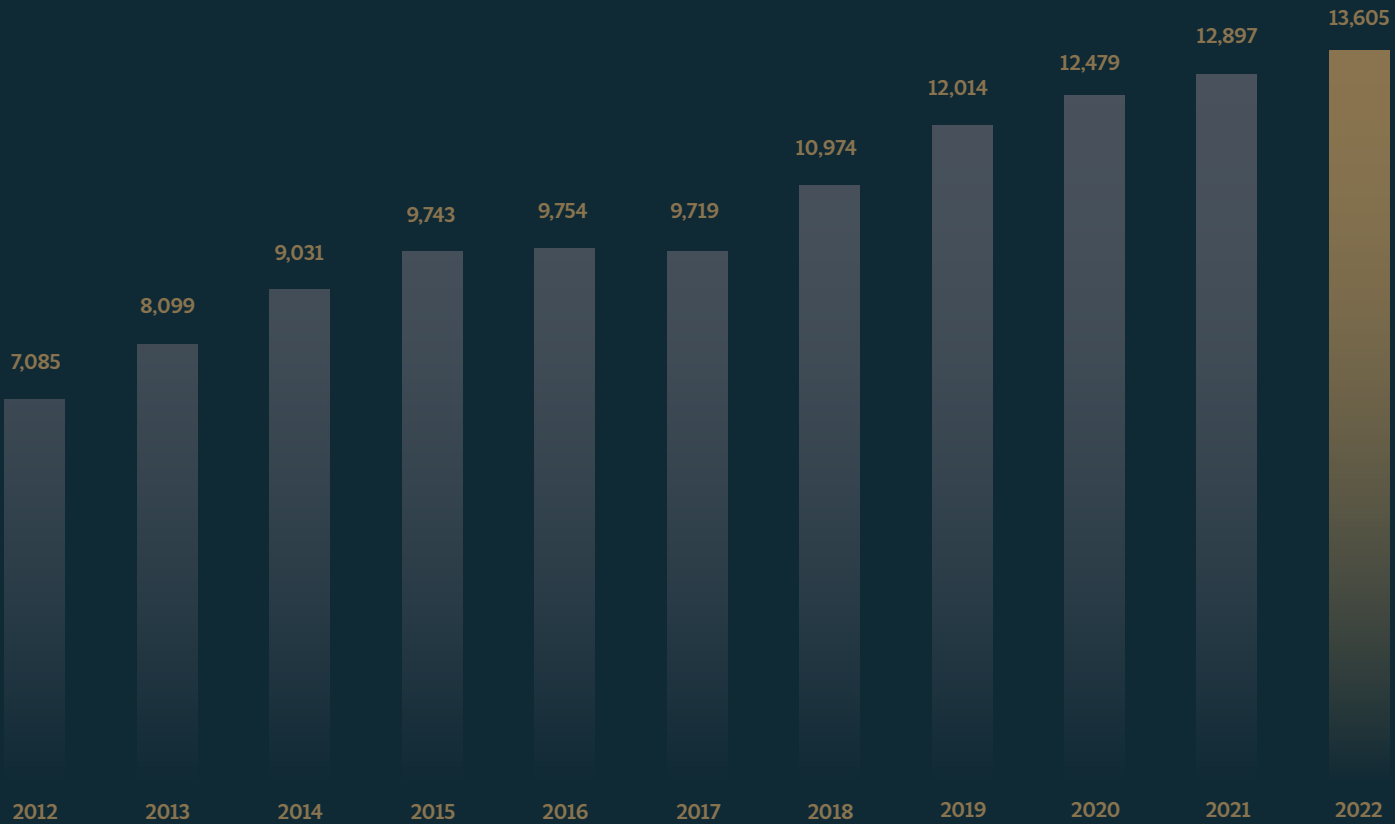


Geographical distribution



Average number of employees

2012 – 2022



Worldwide Total 2022

13,605



Where we are

Grupo Visabeira has companies in 18 countries: Portugal, France, the United Kingdom, Belgium, Mozambique, Germany, the United States of America, Angola, Italy, Republic of Ireland, Spain, São Tomé and Príncipe, Denmark, Brazil, Morocco, Mexico, Sweden and India - and sells its products and services in 134 countries.

18

INTERNATIONAL OPERATIONS
WITH COMPANIES

134

COUNTRIES WITH PRODUCTS
AND SERVICES

Companies

Europe

Portugal
France
The United Kingdom
Belgium
Germany
Italy
Republic of Ireland
Spain
Denmark
Sweden

America

USA
Brazil
Mexico

Africa

Mozambique
Angola
São Tomé and Príncipe
Morocco

Asia

India

Products — Services

Europe

Andorra
Armenia
Austria
Azerbaijan
Belarus
Bulgaria
Croatia
Cyprus
Czech Republic
England
Estonia
Faeroe Islands
Finland
Georgia
Greece
Hungary
Iceland
Latvia
Lithuania
Luxembourg
Malta
Monaco
Northern Ireland
Norway
Poland
Romania
Russia
Serbia
Scotland
Slovakia
Slovenia
Switzerland
The Netherlands
Turkey
Ukraine
Wales

America

Antigua
Argentina
Aruba
Belize
Bolivia
Canada
Chile
Colombia
Costa Rica
Cuba
Ecuador
El Salvador
French Guiana
Guadalupe
Guatemala
Guiana
Haiti
Honduras
Jamaica
Martinique
Panama
Paraguay
Peru
Suriname
The Caribbean
The Dominican Republic
The United States of America
Trinidad and Tobago
Uruguay
Venezuela

Africa

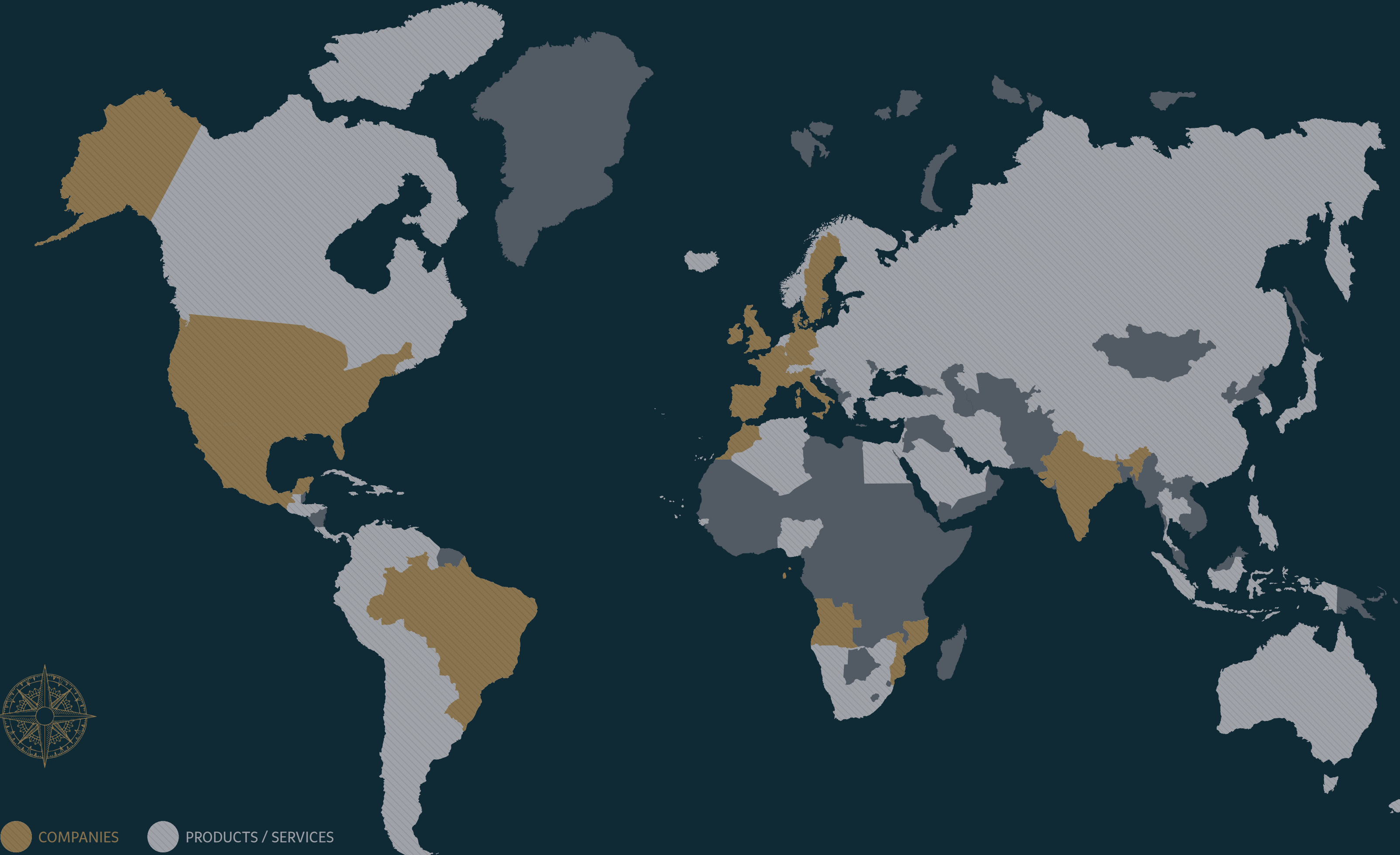
Algeria
Cape Verde
Congo
Egypt
Equatorial Guinea
Guinea-Bissau
Libya
Malawi
Mali
Mauritius
Namibia
Nigeria
Kenya
Senegal
Seychelles
Sierra Leone
South Africa
Sudan
Swaziland
Togo
Tunisia
Zambia
Zimbabwe

Oceania

Australia
New Zealand

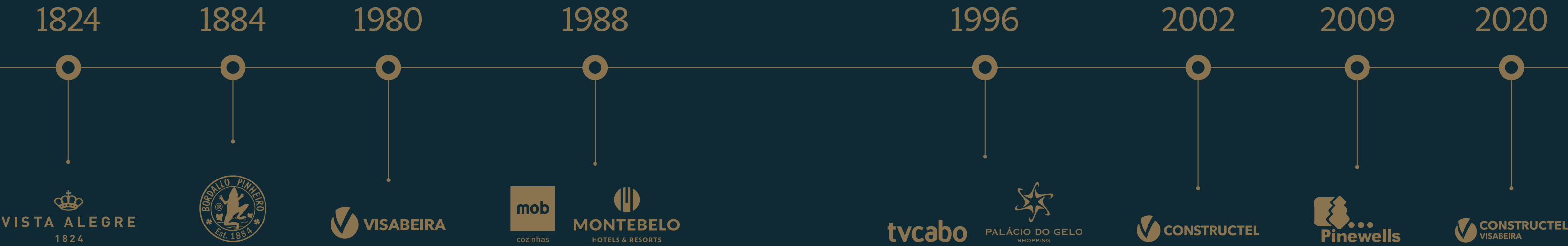
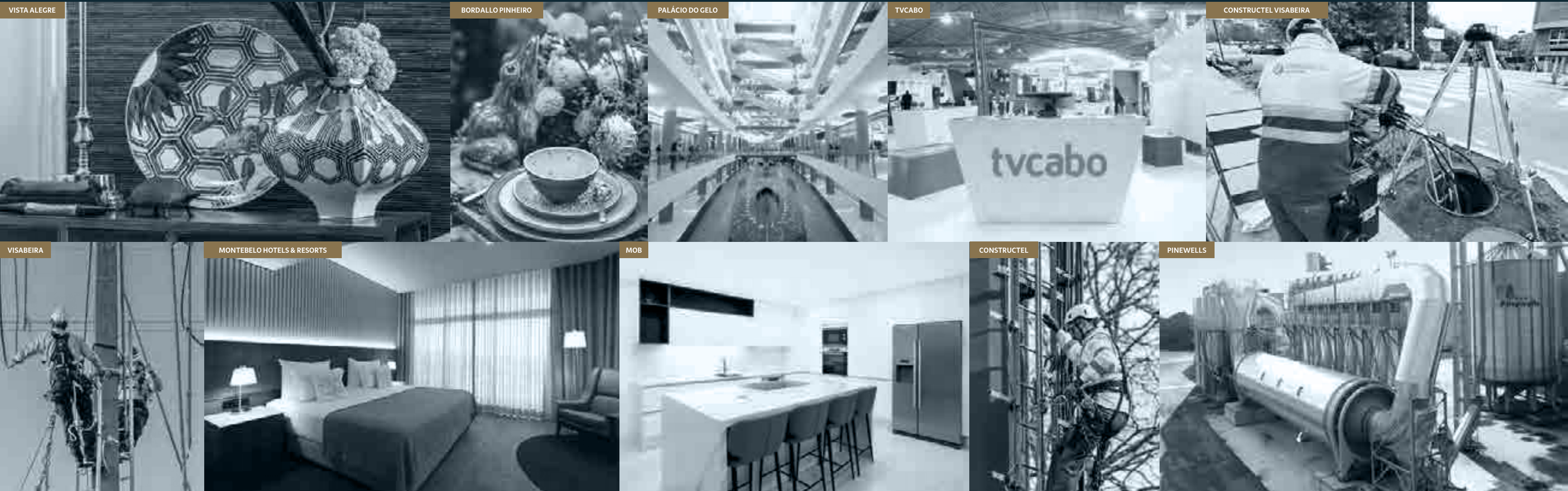
Asia

Bahrain
China
East Timor
Hong Kong
Indonesia
Iran
Iraq
Israel
Japan
Jordan
Kazakhstan
Kuwait
Lebanon
Macao
Malaysia
Oman
Qatar
Saudi Arabia
Singapore
South Korea
Sri Lanka
Taiwan
Thailand
The Philippines
UAE
Vietnam

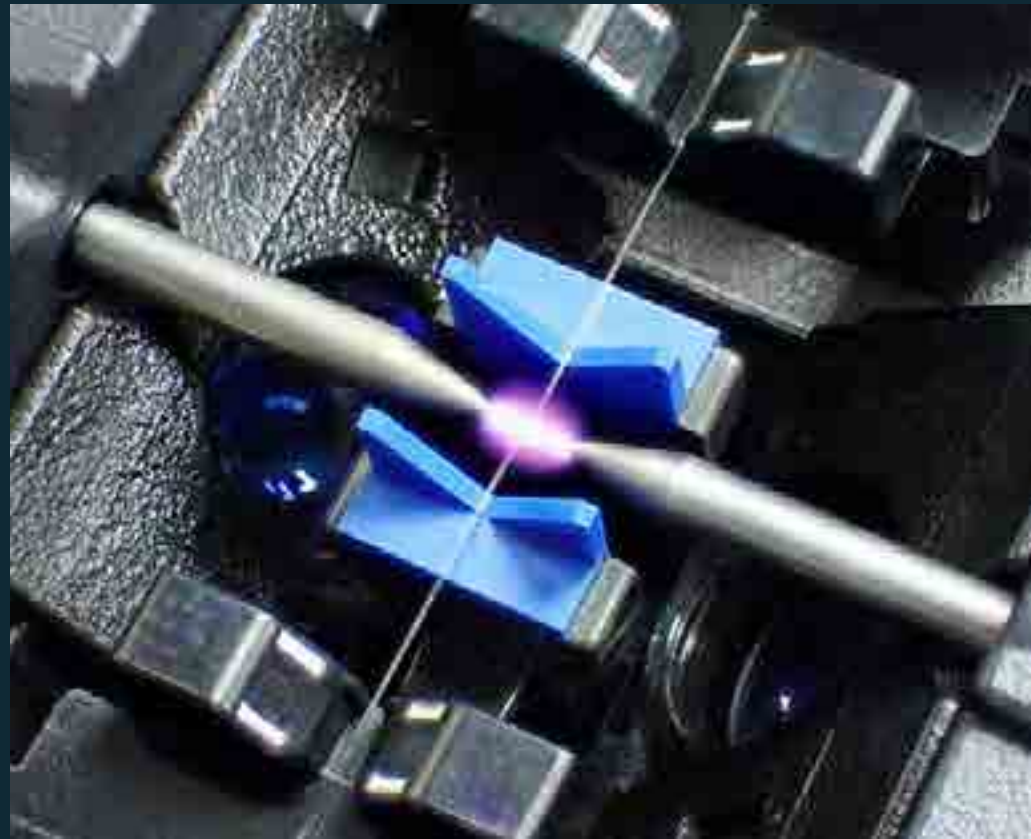


Our Brands

Grupo Visabeira's brands have acquired national and international recognition whether associated with or independent from its reputation, but all of them benefit from the efficiency in communication that the Grupo has maintained over the years. This is the case of the brand dating back to the nineteenth century, which gained new brilliance after bringing together its portfolio of companies, growing exponentially through global exposure.



Main Business



Global

Telecommunications
Energy
Technology
Construction

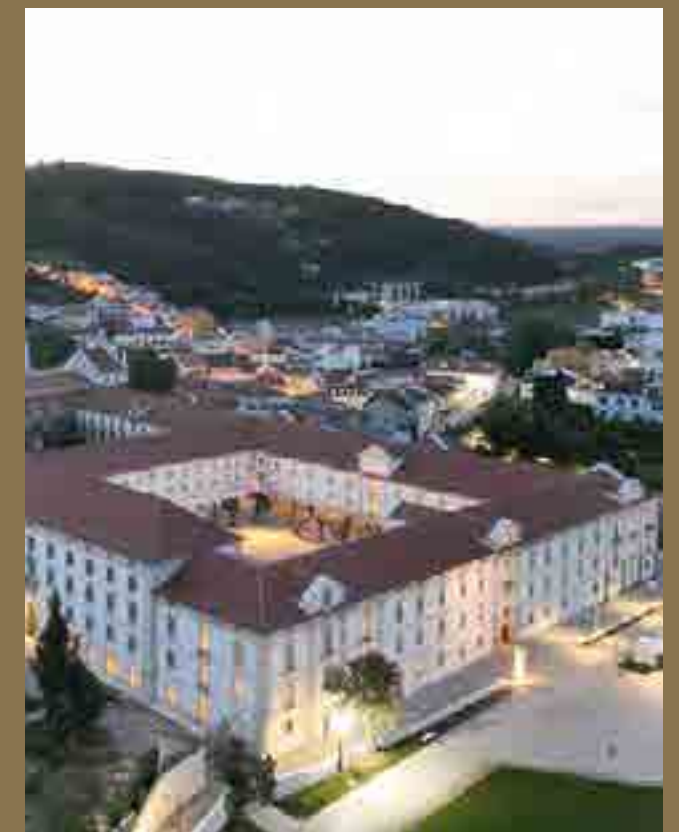
Industry

Ceramics and glassware
Kitchen furniture
Biofuels and
thermal energy



Tourism, Real Estate and Services

Hotels
Restaurants
Shopping centre
Real estate
Services



Global



Telecommunications
Energy
Technology
Construction

Performing Telecommunications

- Mobile and wireless telecommunications engineering;
- Technological infrastructures;
- Specialised technical solutions for telecommunications networks, transport, defence and security;
- Television, internet and voice operations using cable and optical fibre.

Performing Energy

- Construction, installation and maintenance of infrastructures and equipment related to electricity, gas and renewable energy sources, including solar, wind, cogeneration and biofuels;
- Project and technical assistance.

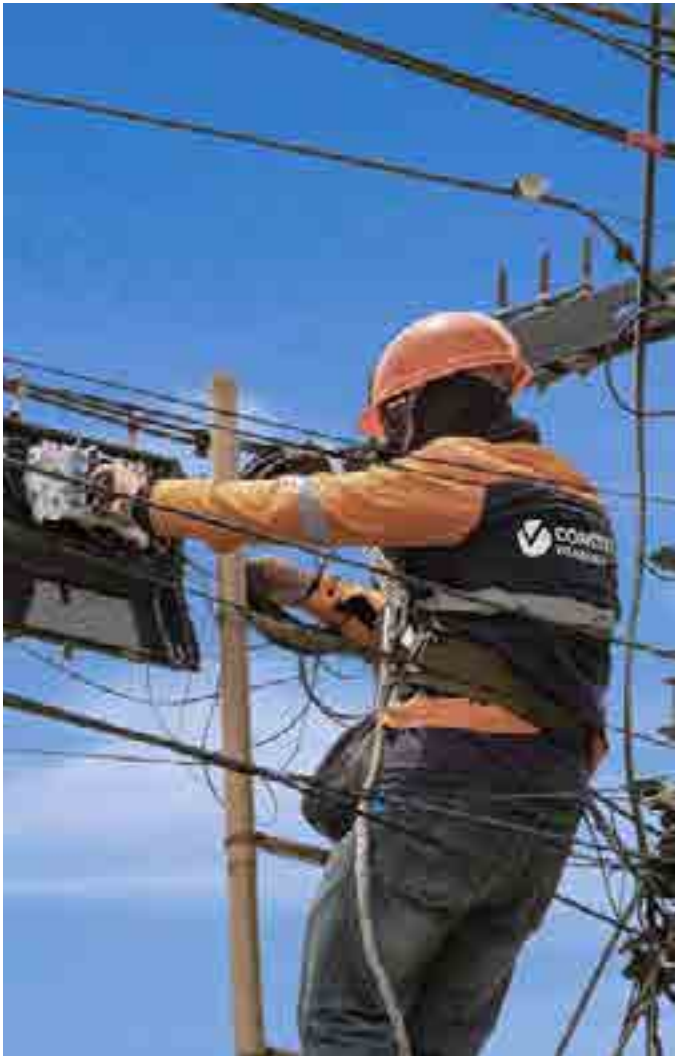
Performing Technology

- Solutions and services related to engineering, information and communication systems, mobility, innovation and georeferencing;
- Integration of solutions;
- Maintenance and technical service.

Performing Construction

- Construction and civil engineering;
- Design, construction, refurbishment and maintenance of buildings and infrastructures.

Telecommunications and Energy



CONSTRUCTEL VISABEIRA
PORTUGAL
FRANCE
THE UNITED KINGDOM
BELGIUM
GERMANY
USA
ITALY
REPUBLIC OF IRELAND
SPAIN
DENMARK
SWEDEN

Telecommunications

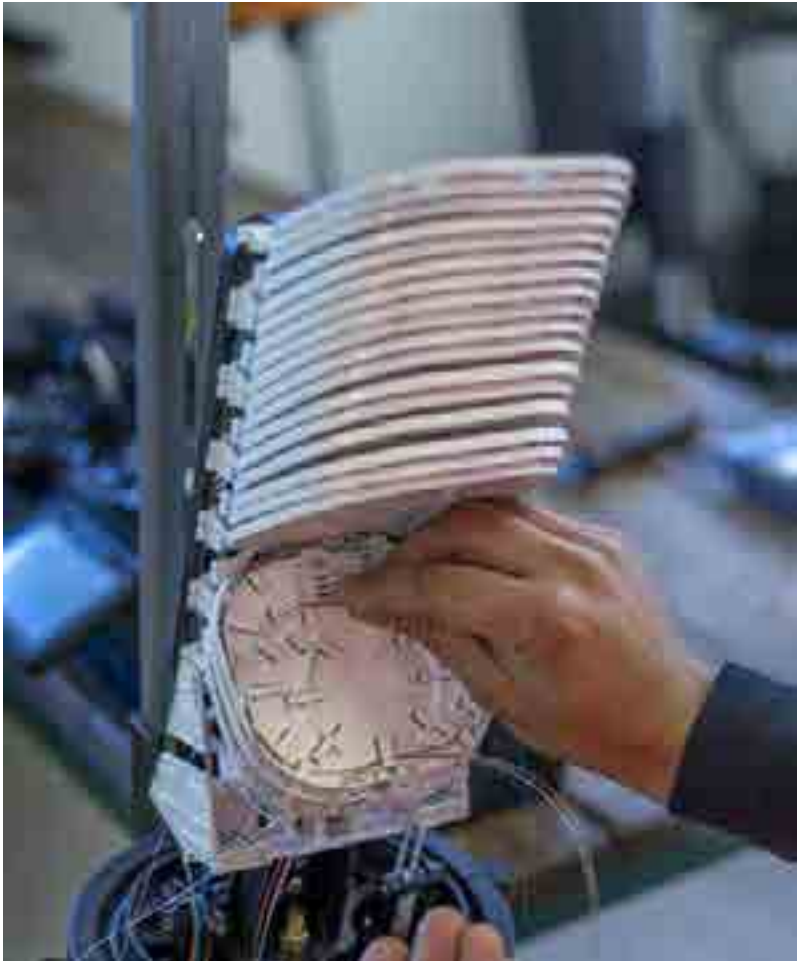


- MJ QUINN (UK)**
- CONSTRUCTEL FRANÇA (FR)**
- CONSTRUCTEL BELGIUM (BE)**
- CONSTRUCTEL MODAL (BE)**
- OBELISK (IR)**
- CONSTRUCTEL GMBH (DE)**
- ELECTRO-WÜRKNER (DE)**

Telecommunications



VIATEL (PT)
PDT (PT)
INPOWER (IT)
OMV NATIE (BE)
FRANZ JOSEF BRAUN (DE)
ESCOTEL (FR)
GATEL (FR)



IEME (IT)
CONSTRUCTEL DENMARK (DK)
IUTEL (PT)
TOFT HANSEN (DK)
INFRASIGN (BE)
VISACTYS (FR)
SCI CONSTRUCTEL (FR)

Telecommunications



TELEVISA (MZ)
COMATEL (AO)
ESCOTTELECOM MAROC (MR)



TVCABO ANGOLA
TVCABO MOÇAMBIQUE
COMPANHIA SANTOMENSE DE TELECOMUNICAÇÕES

Energy



MJ QUINN (UK)
JF EDWARDS (USA)
VISABEIRA INFRAESTRUTURAS (PT)
OBELISK (IR)
ELECTRO WÜRKNER (DE)
CUNHA SOARES (DE)
EIP SERVIÇOS (PT)
CONSTRUCTEL ENERGIE (FR)

Energy



IEME (IT)
TENSA (ES)
TOFT HANSEN (DK)
MJ QUINN SOLAR (UK)
NATURENERGIA (PT)
ENERGYDIST (UK)



ELECTROTEC (MZ)
SELFENERGY (MZ)



Technology



REAL LIFE TECHNOLOGIES
AEROPROTECHNICK
VISABEIRA I&D

Construction



EDIVISA (PT)
MARTIFER VISABEIRA (MZ)
VISACASA (PT)
SOGITEL (MZ)
FERREIRA E COELHO (PT)
HIDROÁFRICA (MZ)

Industry



Ceramics
Crystal and Glass

Kitchen Furniture
Biofuels and Thermal Energy

Performing Industry

- Manufacture and trade of ceramics (porcelain, earthenware, stoneware), crystal and glass, for the segments of tableware, giftware, decorative and hotelware;
- Manufacture and trade of multifunctional and customisable kitchen furniture;
- Design and development of heating boilers and energy recovery systems and associated services;
- Production of organic pellets/ biomass.

Ceramics



VISTA ALEGRE
BORDALLO PINHEIRO
RIA STONE
CERUTIL

Crystal and Glass



VISTA ALEGRE

Kitchen Furniture



MOB
ÁLAMO

Biofuels and Thermal Energy



PINEWELLS
AMBITERMO

Tourism, Real Estate and Services



Hotels
Restaurants
Leisure

Real Estate
Services

Performing Tourism

- Operation of hotel units (hotels, resorts and lodges);
- Restaurants;
- Entertainment areas, leisure, wellness and sports complexes;
- Hotel chain in Portugal and Mozambique, for leisure and business, including hotels in the congresses, meetings, and tourism segments;
- Charm, nature, sport, culture and history segments.

Performing Real Estate

- Design, construction, trade, mediation, maintenance and management of real estate projects;
- Diversified portfolio of superior quality for the upper and middle-upper segments;
- Residential, offices, commercial and tourist spaces, parks and other complementary areas;
- Management and services.

Performing Services

- Multiple offer of products and services or turnkey solutions;
- Study, development and projects;
- Specialised services in multi-sectors;
- Assistance and consulting services.

Hotels - Portugal



MONTEBELO

MOSTEIRO DE ALCobaça HISTORIC HOTEL
VISTA ALEGRE Ílhavo HOTEL
AGUIEIRA LAKE RESORT & SPA
VISEU CONGRESS HOTEL
PARADOR CASA DA ÍNSUA

VISTA ALEGRE LISBOA CHIADO HOTEL
LISBON DOWNTOWN APARTMENTS
PALÁCIO DOS MELOS VISEU HISTORIC HOTEL
PRÍNCIPE PERFEITO VISEU GARDEN HOTEL

Hotels - Mozambique



MONTEBELO
INDY MAPUTO CONGRESS HOTEL
GIRASSOL MAPUTO HOTEL
LICHINGA HOTEL BY MONTEBELO

MILIBANGALALA BAY RESORT
GORONGOSA LODGE & SAFARI
SONGO HOTEL BY MONTEBELO

Restaurants



CERVEJARIA ANTÁRTIDA (LISBON AND VISEU)
SQUISITO RISTORANTE ITALIANO (LISBON AND VISEU)
ZAMBEZE RESTAURANTE (LISBON)
FORNO DA MIMI & RODÍZIO REAL (VISEU)
AMAZÓNIA (VISEU)
RODÍZIO DO GELO (VISEU)

Real Estate



AGUIEIRA VILLAS (PT)
QUINTA DO BOSQUE (PT)
QUINTA DA ALAGOA (PT)
FORUM RESIDENCE (PT)
VILLATRIUM (PT)
VILABEIRA VILLAS (PT)
PATEO VERA CRUZ (PT)

AREIRO SELECT (PT)
GLORIA RESIDENCE (PT)
FIGUEIRA NOVA (PT)
PARQUE DESPORTIVO DE AVEIRO (PT)
VISABEIRAHOUSE (PT)
IMOVISA (MZ)
NAMPULA BUILDING (MZ)

Services



FUNDAÇÃO VISABEIRA (PT)
VISAUTO (MZ)
MERCURY (MZ)
AUTOVISA (MZ)



LOOKING BACK
ON 2022

Chairman of the Executive Board of Directors

Nuno Terras Marques



We have reinforced our strategy focused on strong and sustainable growth, increasingly supported by a robust and continuous portfolio of contracts which, on the 31st of December, exceeded 4 billion euros.

The year 2022 was marked by an extremely adverse context as a result of the outbreak of war in Ukraine, with its many collateral impacts, such as major difficulties in supplies, critical problems in logistics and distribution circuits, a lack of materials and a shortage of electronic components and food, as well as a deep crisis in the energy sector, particularly in the fuel sector, to which was added a surge in inflation on a scale that had not been felt for over three decades.

Within this complex environment, with increased uncertainties and challenges, Grupo Visabeira excelled once again, continuing to grow and expand its business activity at an international level, achieving new records in terms of the main indicators: 1.45 billion euros in turnover, with an increase of 24% and 210 million euros in EBITDA, with an increase of 14.4%, increasing to a new historical high of 78.8% in terms of the international weight of its turnover.

The 2022 financial year also will be remembered as the year of great results in Constructel Visabeira's statement on the global market, exceeding the threshold of one billion euros in turnover, leading to an impressive growth of more than 20%. The company has thus confirmed the growth path of the previous year and has become one of the main European players in the sector of integrated offering of engineering services for telecommunications and energy networks.

Within this context, it is important to highlight the capacity for growth in both telecommunications, which amounted to 814 million euros, and the energy sectors, which totalled 212 million euros. Moreover, it is also worth mentioning the American market, which has already accounted for around 6.5% of consolidated turnover.

Constructel Visabeira's expansion was marked by strong growth, predominantly organic, with the United Kingdom, Belgium, Germany and Italy being the main drivers of the increase in turnover. At the same time, within the scope

of its acquisition policy, the four companies which were brought into our portfolio should be highlighted: Elektro-Würkner which operates in Germany, Obelisk which operates in the Republic of Ireland, Inpower which operates in Italy as well as MJ Quinn Solar which operates in the United Kingdom. Special mention goes to the partnership with Goldman Sachs Asset Management, which resulted in an investment of 200 million euros, for the acquisition for a minority shareholding of 21.86% in Constructel Visabeira. The proceeds of this investment will be used predominantly to accelerate organic and inorganic growth through acquisitions, leveraging the company's expansion strategy.

Constructel Visabeira has thus reinforced its position, combining view of markets, operational competence and unique execution capacity, its international platform and Goldman Sachs' global resources to develop business and accelerate value creation in Constructel's portfolios of activities.

We have reinforced our strategy focused on strong and sustainable growth, increasingly supported by a robust and continuous portfolio of contracts which, on the 31st of December, surpassed 4 billion euros in services and strategically diversified by the largest telecommunications operators and energy utilities in Europe and in the United States of America.

As far as the Industry area is concerned, Grupo Vista Alegre, which includes Bordallo Pinheiro in its portfolio, broke its sales record, totalling 143 million euros. The international markets of the United States of America and Brazil, and the markets of the Netherlands, France, Spain and Germany in Europe, were the main contributors to sales in the foreign market, representing 72% of Vista Alegre's turnover, with 103 million euros in sales. The highlight of own-brand product sales (Vista Alegre and Bordallo Pinheiro) was growth of 21.3% compared to 2021 via physical and on-line retail channels, nationally and internationally, excellent performance and illustrative of the growing recognition of our brands worldwide.

Visabeira Turismo maintained its focus on growth and, during 2022, we opened two new hotels, *Montebelo Mosteiro de Alcobaça* and *Montebelo Milibangalala Bay Resort*, in Portugal and Mozambique respectively.

Also noteworthy was the growth in turnover on the African continent, with emphasis on cable television and telecommunications operations in Angola, Mozambique and São Tomé and Príncipe.

The Grupo continues to add countries and markets to its business activities which, by the end of the year, included companies in Portugal, France, the United Kingdom, Belgium, Mozambique, Germany, the United States of America, Angola, Italy, the Republic of Ireland, Spain, São Tomé and Príncipe, Denmark, Brazil, Morocco, Mexico, Sweden and India. Moreover, its services are provided and its products are sold in more than 134 countries across five continents.

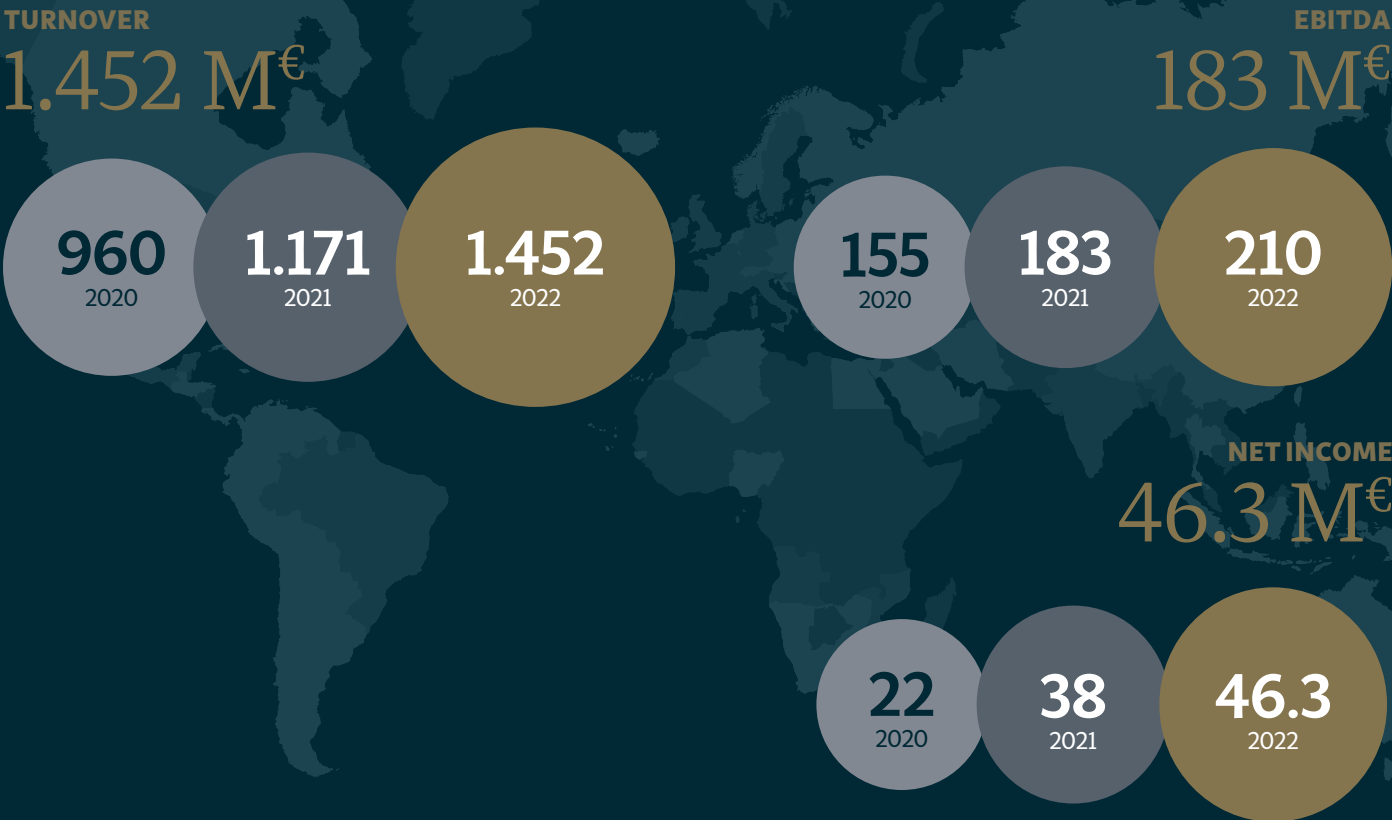
As a result of this crucial year for Grupo Visabeira, we wish to share the success achieved with all our shareholders. Our sincere gratitude goes to each and every one of us playing an essential part in this success which includes all of us. Moreover, it is important to state that this can only serve to reinforce the motivation of the whole team to continue building the future every day, overcoming increasingly ambitious challenges.

A handwritten signature in blue ink, reading "Nuno Miguel Rodrigues Terras Marques". The signature is fluid and cursive, with a long horizontal stroke at the end.

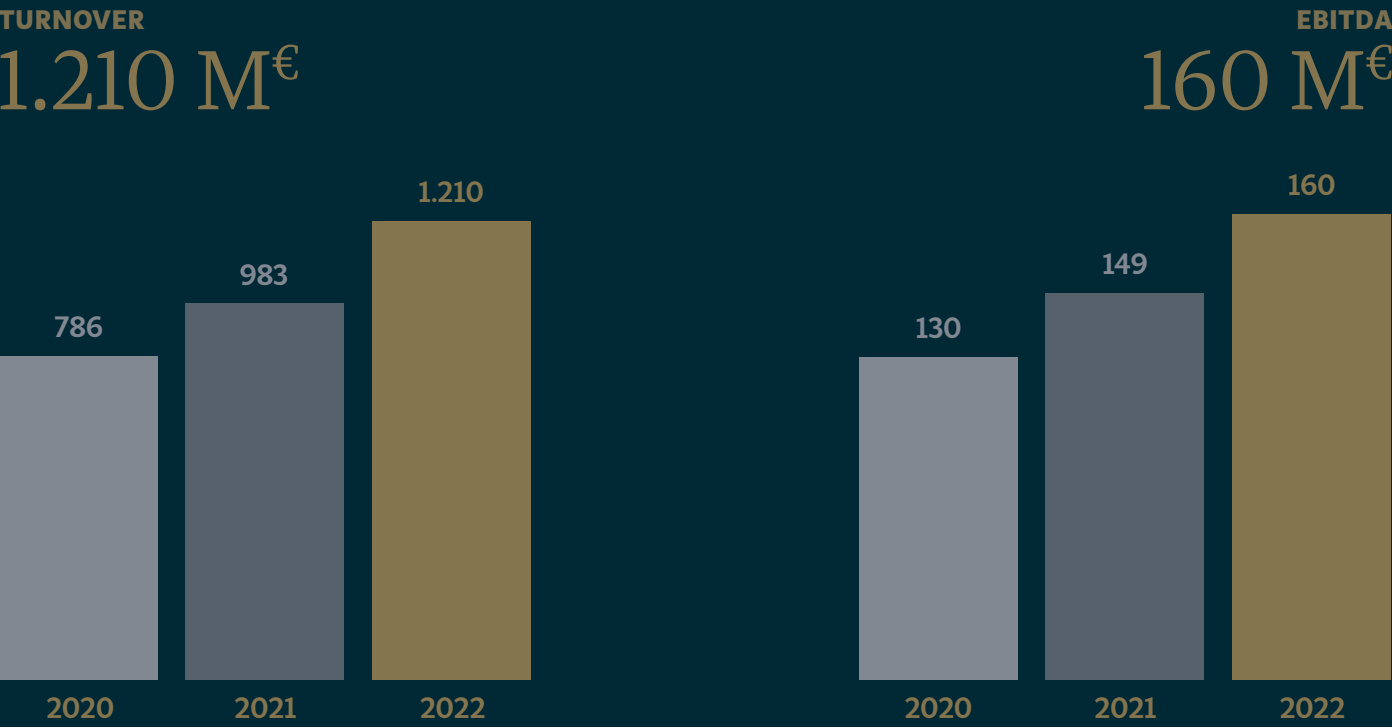
Nuno Miguel Rodrigues Terras Marques
Chairman of the Executive Board of Directors

2022 in numbers

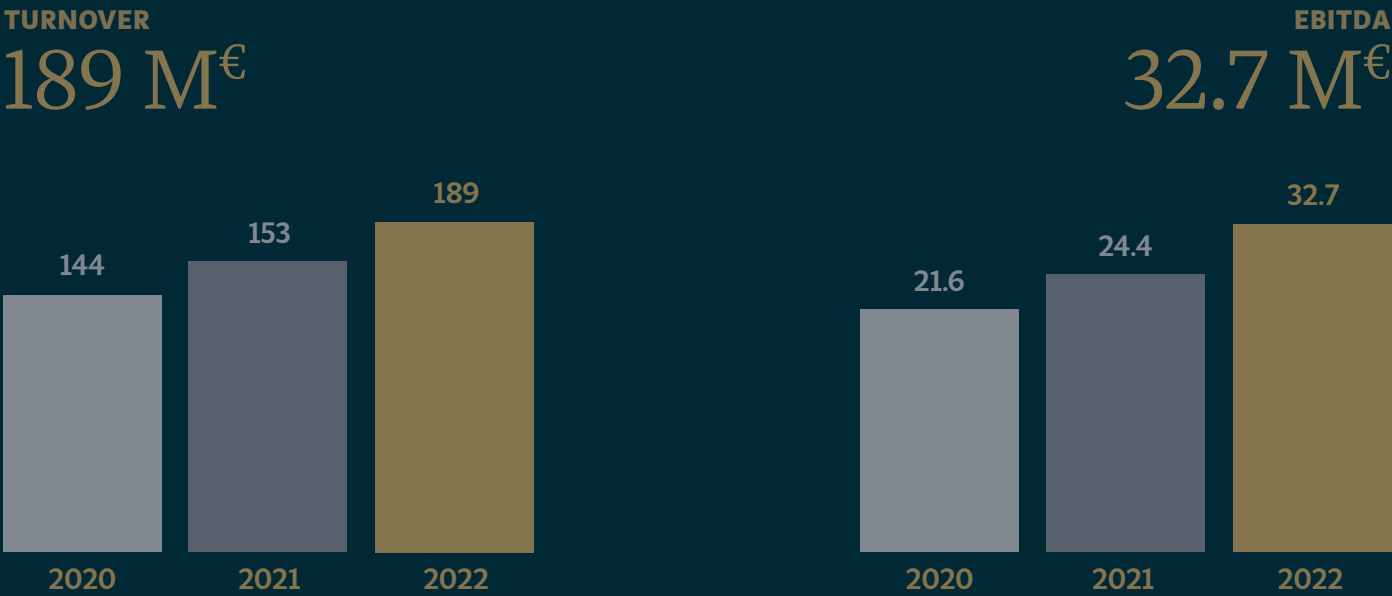
Grupo Visabeira



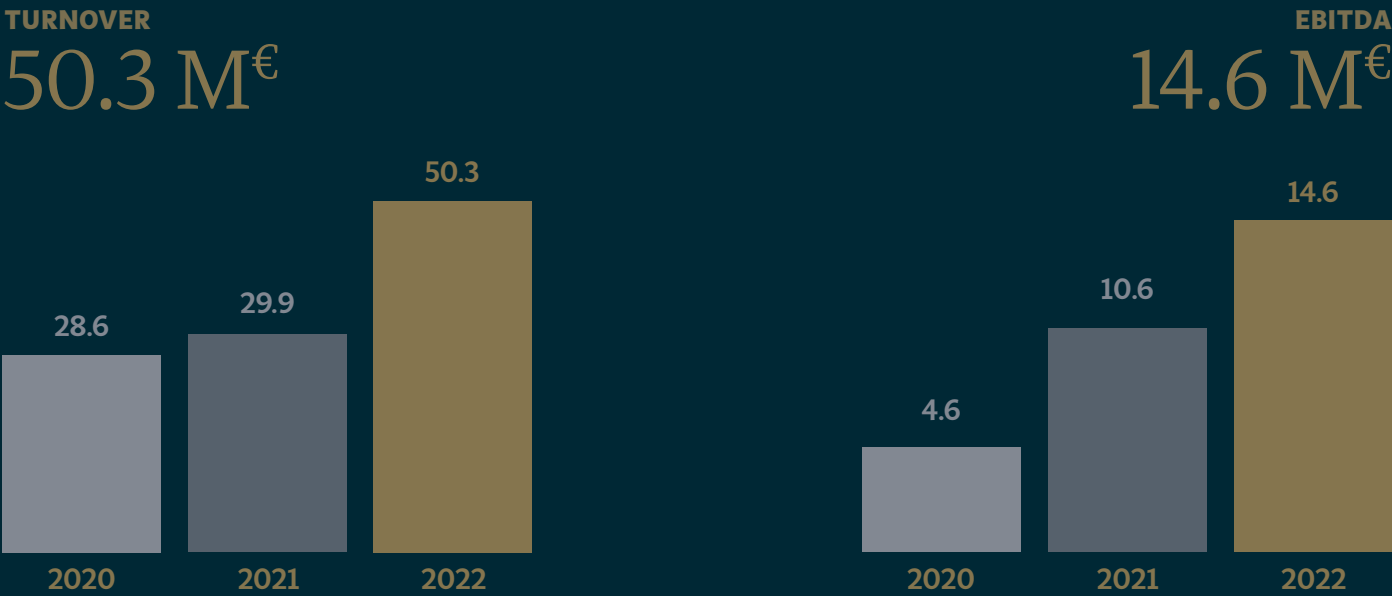
Visabeira Global



Visabeira Indústria



Visabeira Turismo, Imobiliária e Serviços*



* Does not include the company Grupo Visabeira SA

Grupo Visabeira

1.43%
Other shareholders

98.57%
NCFGEST, SA*

VISABEIRA GLOBAL

100%

EUROPE

Portugal		
Constructel Visabeira	78.11%	b)
Viatel	78.11%	
PDT	78.11%	
Visabeira	78.11%	
Edivisa	100.00%	
Real Life Technologies	65.00%	
Naturenergia	100.00%	
Visacasa	100.00%	
Iutel	78.07%	
Field Force Atlântico	100.00%	
Aeroprotechnik	39.84%	
VisaPower	74.20%	d)
VisaPower II	74.20%	
Beiragás	23.55%	a)
EIP Serviços	74.20%	d)
Cunha Soares	39.84%	e)
Ferreira e Coelho	51.00%	
Jayme da Costa	15.00%	a)
France		
Constructel	78.11%	
Constructel Énergie	77.38%	
Escotel	78.11%	
Gatel	78.11%	
United Kingdom		
MJ Quinn	78.11%	
Quinn Constructel	78.11%	
MJ Quinn Solar	78.11%	
Republic of Ireland		
Obelisk	78.11%	
Belgium		
Constructel Modal	78.11%	
Constructel Belgium	78.11%	
OMV Natie	62.49%	d)
Modal Installation	78.11%	
Cabling Station	78.11%	
Infrasign	62.49%	d)
Italy		
Ieme	78.11%	
Inpower	42.57%	
Constructel Italia	78.11%	

Germany		
Constructel GmbH	78.11%	
Elektro-Würkner	78.11%	
Franz Josef Braun	78.11%	
Constructel Bau	78.11%	

Denmark		
Constructel Denmark	78.11%	
Toft Hansen	78.11%	

Spain		
Tensa	74.20%	d)

AFRICA

Angola		
TVCabo Angola	50.00%	
Comatel	100.00%	
Edivisa	100.00%	
EIP Angola	100.00%	
Vista Power	50.00%	a)

Mozambique		
TVCabo Moçambique	50.00%	
Televisa	50.00%	
Sogitel	90.00%	
Hidroáfrica	96.79%	
Selfenergy	79.60%	
Real Life Academy	65.70%	
Real Life Mozambique	65.70%	
Electrotec	49.00%	a)

São Tomé and Príncipe		
Comp. Santomense	51.00%	

Morocco		
Escot Telecom Maroc	100.00%	

AMERICA

United States of America		
JF Edwards	74.20%	d)

ASIA

India		
Birla Visabeira	49.00%	a)

* included 0.32% directly owned by Fernando Campos Nunes.

VISABEIRA INDÚSTRIA

100%

EUROPE

Portugal		
Vista Alegre Atlantis SA	85.60%	
Ria Stone	85.60%	
Ria Stone II	85.60%	
Pinewells	100.00%	
Ambitermo	51.00%	
Cerutil	85.60%	
Mob	97.78%	
Bordallo Pinheiro	73.74%	
Bordalgest	85.60%	
Vista Alegre I.I.	85.60%	
Vista Alegre Atlantis SGPS	85.60%	
Faianças da Capôa	85.60%	
Cerexport	85.60%	
Granbeira II	100.00%	
Rodinerte	50.00%	
Besconsigo	50.00%	
Armisepi	60.00%	
France		
Vista Alegre France	85.60%	
Mob Cuisines	97.78%	
Spain		
Vista Alegre Atlantis Spain	85.60%	
United Kingdom		
Vista Alegre UK	85.60%	

AFRICA

Angola		
Alamo	99.96%	
Visaconstrói	99.96%	
Mozambique		
Celmoque	91.23%	
Vista Alegre Atlantis Mozambique	85.75%	
Agrovisa	100.00%	
Marmonte	80.00%	
Morocco		
Ambitermo Morocco	51.00%	

AMERICA

Brazil		
Vista Alegre Atlantis Brazil	76.97%	
United States of America		
Vista Alegre Atlantis USA	85.60%	
Mexico		
Mexico VA	85.60%	

ASIA

India		
Shree Sharda Vista Alegre	42.80%	

VISABEIRA TURISMO, IMOBILIÁRIA E SERVIÇOS

100%

EUROPE

Portugal		
Empreendimentos Montebelo	99.83%	
Visabeira Imobiliária, SA	100.00%	
Ifervisa	100.00%	
VAA - Empreendimentos Turisticos	99.55%	
Zambeze	50.00%	
Troppo Squisito	84.85%	
Mundicor	100.00%	
Visabeira House	100.00%	
Visabeira Saúde	100.00%	
Visabeira Imobiliária II	100.00%	
Visabeira Investigação e Desenvolvimento	100.00%	
Visabeira Serviços SGPS	100.00%	
Creative Shots	100.00%	
Gesvisa	99.85%	
Parque Desportivo de Aveiro	54.57%	a) c)
Doutibelo	20.00%	a)
Sem Amarras	20.00%	
FIMMO	100.00%	
Montebelo Alcobaça Historic Hotel	100.00%	
Asfalís	100.00%	
Spain		
Visabeira Espanha	61.00%	

AFRICA

Angola		
Visauto	99.96%	
Angovisa	70.00%	
Mercury	100.00%	
Catari Angola	50.00%	
Visabeira Angola	99.24%	
Ambitermo Angola	99.14%	
Mozambique		
Turvisa	100.00%	
Martifer Visabeira	50.00%	
Mercury	100.00%	
Imovisa	49.00%	
Combustíveis do Songo	100.00%	
Vibeiras Moçambique	64.43%	
Visaqua	51.00%	
Autovisa	100.00%	
Visabeira Moçambique	100.00%	
Inhambane	80.00%	
Real Estate Panorama	70.00%	
Milibangalala	70.00%	
Soginveste	70.00%	
Zambeze Village	63.00%	
Visa House	100.00%	
Cepheus	100.00%	
Constellation	57.14%	

a) Consolidation process through the equity method. b) Owned 40% directly by Grupo Visabeira. c) Shares held directly by Grupo Visabeira. d) Control percentage for consolidation of 100%.



Grupo Visabeira

General and Supervisory Board

CHAIRMAN

Fernando Campos Nunes

VICE-CHAIRMAN

Vítor Manuel Lopes Fernandes

MEMBERS

Alberto Henrique de Figueiredo Lopes
João Carlos Monteiro de Macedo
José Manuel Carreiras Carrilho
António Jorge Xavier da Costa



Fernando Campos Nunes

Chairman of the General and Supervisory Board



Vítor Manuel Lopes Fernandes

Vice-Chairman of the General and Supervisory Board



Alberto Henrique de Figueiredo Lopes

Member of the General Supervisory Board



João Carlos Monteiro de Macedo

Member of the General Supervisory Board



José Manuel Carreiras Carrilho

Member of the General Supervisory Board



António Jorge Xavier da Costa

Member of the General Supervisory Board



Grupo Visabeira

Executive Board of Directors

CHAIRMAN

Nuno Miguel Rodrigues Terras Marques

MEMBERS

António José Monteiro Borges
Alexandra da Conceição Lopes
João Manuel Pisco de Castro
Fernando Daniel Leocádio Campos Nunes

ROC

Ernst & Young, Audit & Associados – SROC, SA, represented by
Daniel José Venâncio Guerreiro

General Meeting

CHAIRMAN

Leopoldo de Sousa Camarinha

SECRETARY

Marta Albuquerque Santos



Nuno Miguel Rodrigues Terras Marques

Chairman of the Executive Board of Directors



António José Monteiro Borges

Member of the Executive Board of Directors



Alexandra da Conceição Lopes

Member of the Executive Board of Directors



João Manuel Pisco de Castro

Member of the Executive Board of Directors



Fernando Daniel Leocádio Campos Nunes

Member of the Executive Board of Directors



Visabeira Global

Board of Directors

CHAIRMAN

Nuno Miguel Rodrigues Terras Marques

VICE-CHAIRMAN

António José Monteiro Borges

MEMBERS

Fernando Daniel Leocádio Campos Nunes
Luís Filipe Monteiro Marques
Luís Miguel Ferreira de Figueiredo
Alexandra da Conceição Lopes
Jorge Manuel Ferreira Guimarães Sousa
José Paulo Gomes Tomás da Costa
Fernando Tenreiro Marques
António Carlos Ferreira Rocha Perpétua

ROC

Ernst & Young, Audit & Associados – SROC, SA, represented by Daniel José Venâncio Guerreiro and Pedro Jorge Monteiro da Silva e Paiva (Substitute)

General Meeting

CHAIRMAN

Leopoldo de Sousa Camarinha

SECRETARY

Marta Albuquerque Santos



Nuno Miguel Rodrigues Terras Marques

Chairman of the Board of Directors



António José Monteiro Borges

Vice-Chairman of Board of Directors



Fernando Daniel Leocádio Campos Nunes

Member of the Board of Directors



Luís Filipe Monteiro Marques

Member of the Board of Directors



Luís Miguel Ferreira de Figueiredo

Member of the Board of Directors



Alexandra da Conceição Lopes

Member of the Board of Directors



Jorge Manuel Ferreira Guimarães Sousa

Member of the Board of Directors



José Paulo Gomes Tomás da Costa

Member of the Board of Directors



Fernando Tenreiro Marques

Member of the Board of Directors



António Carlos Ferreira Rocha Perpétua

Member of the Board of Directors



Visabeira Indústria

Board of Directors

CHAIRMAN

Nuno Miguel Rodrigues Terras Marques

MEMBERS

Alexandra da Conceição Lopes
Fernando Daniel Leocádio Campos Nunes
Lázaro Ferreira de Sousa
Cristina Isabel Sousa Lopes
Paulo Alexandre Rodrigues Ferraz

ROC

Ernst & Young, Audit & Associados – SROC, SA, represented by Daniel José Venâncio Guerreiro and Pedro Jorge Monteiro da Silva e Paiva (Substitute)

General Meeting

CHAIRMAN

Leopoldo de Sousa Camarinha

SECRETARY

Marta Albuquerque Santos



Nuno Miguel Rodrigues Terras Marques

Chairman of the Board of Directors



Alexandra da Conceição Lopes

Member of the Board of Directors



Fernando Daniel Leocádio Campos Nunes

Member of the Board of Directors



Lázaro Ferreira de Sousa

Member of the Board of Directors



Cristina Isabel Sousa Lopes

Member of the Board of Directors



Paulo Alexandre Rodrigues Ferraz

Member of the Board of Directors



Visabeira Turismo, Imobiliária e Serviços

Board of Directors

CHAIRMAN

Fernando Daniel Leocádio Campos Nunes

VICE-CHAIRMAN

Jorge Manuel Esteves Costa

MEMBERS

Maria Isabel Lopes Peres
Alexandra da Conceição Lopes
Cristina Isabel Sousa Lopes
José Eduardo Arimateia Antunes
Paulo Alexandre Rodrigues Ferraz

ROC

Ernst & Young, Audit & Associados – SROC, SA, represented by Daniel José Venâncio Guerreiro and Pedro Jorge Monteiro da Silva e Paiva (Substitute)

General Meeting

CHAIRMAN

Leopoldo de Sousa Camarinha

SECRETARY

Marta Albuquerque Santos



**Fernando Daniel
Leocádio Campos Nunes**
Chairman of the
Board of Directors



**Jorge Manuel
Esteves Costa**
Vice-Chairman of Board
of Directors



**Maria Isabel
Lopes Peres**
Member of the Board of Directors



**Alexandra da
Conceição Lopes**
Member of the Board of Directors



**Cristina Isabel
Sousa Lopes**
Member of the Board of Directors



**José Eduardo
Arimateia Antunes**
Member of the Board of Directors



**Paulo Alexandre
Rodrigues Ferraz**
Member of the Board of Directors

Analysis of consolidated results



Macroeconomic background

Our global economy faces ever-increasing challenges. Growth has lost its strength, high inflation persists, confidence has weakened and uncertainty is high. Russia's invasion war against Ukraine, has multiplied collateral impacts around the world, substantially raising prices, especially as far as the energy sector is concerned, increasing inflationary pressures at a time when the cost of living has already been rapidly increasing. Global financial conditions have tightened significantly amidst vigorous policy measures by central bank policies to raise interest rates in recent months, weighing on interest-sensitive spending and increasing the pressures faced by many emerging market economies.

Labour market conditions have remained generally restrictive. Salary increases have not kept pace with price inflation, weakening real household incomes, despite the measures taken by many governments to minimise the impact of rising food and energy prices on households and companies. Global GDP growth is forecast to be 3.1% in 2022, around half of what was observed in 2021 during the pandemic recovery, and it is expected to slow further to 2.2% in 2023, well below the rate forecasted before the war began. In 2024, global growth is expected to be at 2.7%, aided by initial measures carried out by several countries to ease interest rates.

High uncertainty, slowing growth, strong inflationary pressure and the impact of the war in Ukraine on energy markets have left policy makers with difficult choices to maintain macroeconomic stability and improve prospects for sustainable and inclusive growth in the medium term. Higher interest rates, the appreciation of the US dollar and a deterioration in terms of trading, increase the challenges of high external debt service and deficits, particularly if growth slows dramatically and global financial conditions become tighter.

In the European context, after a strong first semester, real GDP growth is expected in 2022 at 3.3% and then just 0.5% in 2023 due to the war in Europe, monetary policy tightening and the global slowdown. Growth is forecast to recover to 1.4% in 2024 as consumption and investment recover. Inflation is expected to ease only gradually, remaining above the purpose in 2024, resulting from high energy prices and tight labour markets.

Consumer price inflation - 8.3% in 2022 and 6.8% in 2023 - will lead to a contraction in real disposable income in 2022 and 2023 and a slowdown in private consumption growth. Investment will be held back by the slowdown in terms of demand, although additional funding of around 0.5% of GDP/year through recovery funds will moderate this slowdown. Inflation is expected to reach moderate levels only in 2024.

In Portugal during 2022, the Portuguese economy grew by 6.8%. The forecasts point to a significant slowdown in growth to 1.5% in 2023, with a projected acceleration to close to 2% in 2024 and 2025. Private consumption grew 5.9% in 2022, due to grow 0.2% in 2023 and 1% on average during the 2024-25 period.

The strong growth during 2022 occurs within a context of recovery to the pre-pandemic level, stagnation of real available income and reduction in the savings rate to historically low values (4.4%). Families increased consumption, particularly in terms of goods and services, as expenses had been postponed during the previous two years, using part of the savings accumulated during the pandemic. For 2023, a very small increase in private consumption is expected, associated with a lower financial cushion for families, an increase in debt services and low consumer confidence. Public consumption, after having grown by 4.6% in 2021, slowed down in 2022, growing by just 2%, reflecting the reduction in the effects associated with the pandemic, including lower job growth in public administration bodies. Inflation, measured by the variation in the HICP, increased throughout 2022, more quickly and persistently than expected, standing at 8.1%, compared to 0.9% in 2021. The increase in inflation during 2022 reflects external pressures on energy and food to a large extent, later spreading to the remaining categories of goods and services. The normalisation of monetary policy in the euro area should continue, along with an increase in interest rates, in order to restrain pressure over the prices and keep inflation expectations anchored. Inflation is expected to gradually decrease by 5.8% in 2023, 3.3% in 2024, and 2.1% in 2025.

Grupo Visabeira

Consolidated indicators

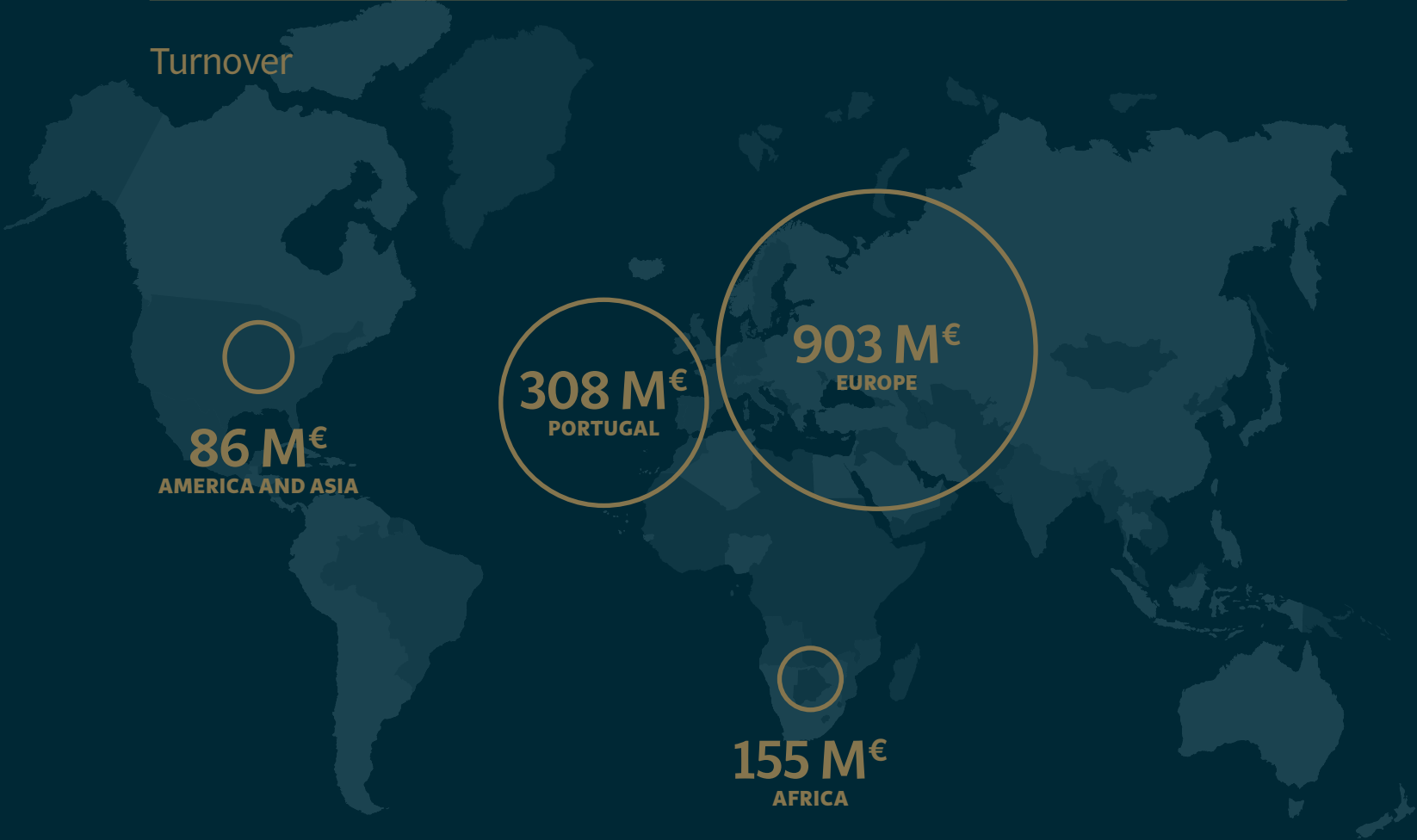
	2022	2021	Var YoY
Turnover	1.452	1.171	24%
EBITDA	210	183	14.4%
EBITDA Margin	14.4%	15.7%	-1.2 pp
Recurring operating income*	106.2	100.9	5%
Operating margin	7.3%	8.6%	-1.3 pp
Net income	46.3	38.0	22%
Net investment	77.3	87.9	0%
Debt	741	769	-4%
Inventories	158	133	20%
Fixed assets (including investment property and goodwill)	1.445	1.344	8%

* Operating result excluding the effect of changes in fair value of investment properties and provisions.

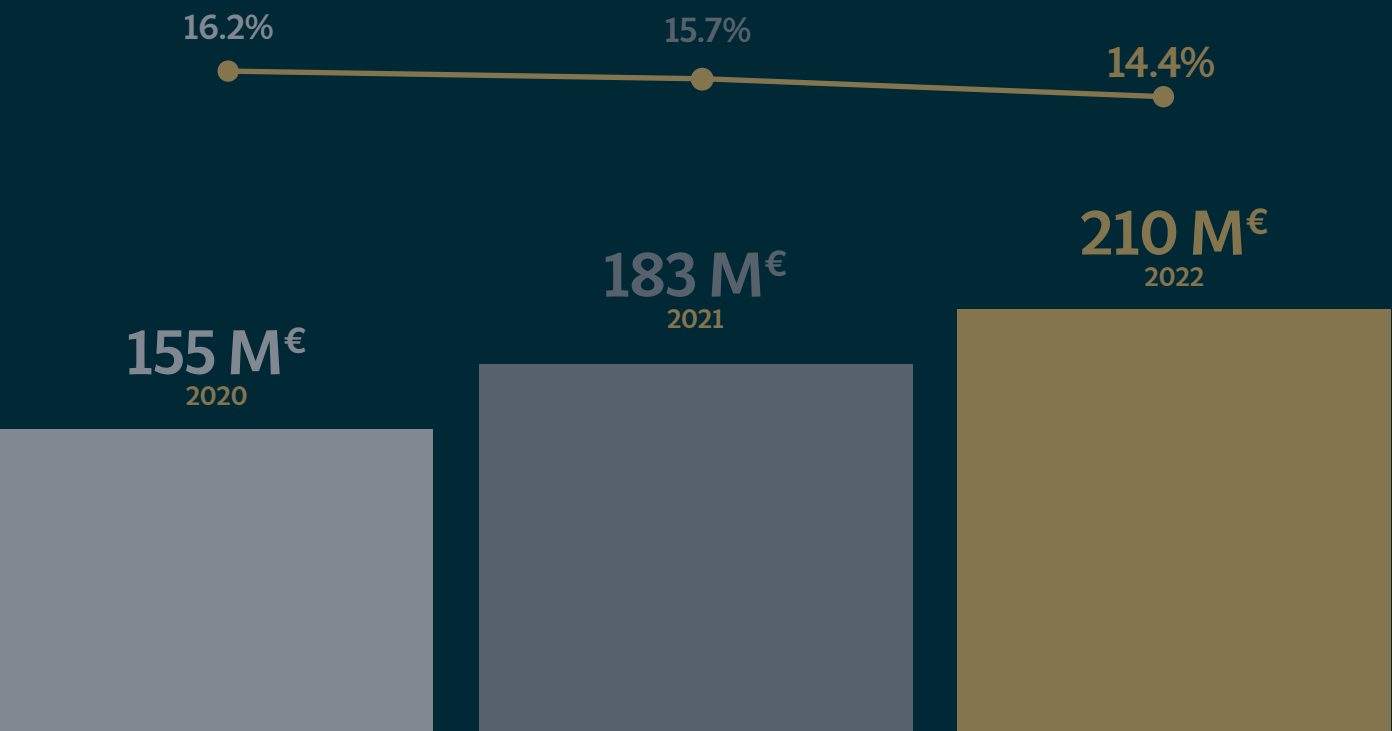
Turnover

1.452 M€

Turnover



EBITDA and Margin



Results

For Grupo Visabeira, 2022 was marked by a historic performance, with turnover reaching a new high of 1,452 million euros, surpassing the previous year's turnover of 1,171 million euros and reflecting growth of 24%. Moreover, EBITDA totalled 210 million euros, an increase of 14.4% over the same period the previous year. In 2022, Grupo Visabeira's operating result reached 106 million euros, a figure also higher than was reached in 2021, when it stood at 101 million euros. Net profit totalled 46.3 million euros, an increase of 22% on the 38 million euros of the previous year.

Grupo Visabeira maintained its strategy of strengthening internationalisation as a major pillar of its growth. During 2022, the foreign market accounted for 78.8% of turnover, which represented a growth of 2.3 p.p. compared to the same period during the the previous year. This increase in activity within foreign markets is the result of the Grupo's growing investment in various international markets, namely in Europe, where there was continued focus on its core activities - provision of telecommunications and energy services - for the main operators and the strengthening of its position in these markets.

The policy of acquiring companies operating in the telecommunications and energy sectors in several strategic markets where the company operates, as well as in new markets, in order to increasingly expand its area of operation has contributed decisively to the Grupo's international presence. The European market continues to be the most important foreign market for the Grupo's activities, representing a turnover of 903 million euros in 2022. The countries in this market with the greatest weight in Grupo Visabeira's consolidated turnover are: France (32.0%), The United Kingdom (31.2%), Belgium (13.3%) and Germany (9.2%).

Visabeira Global is the most important in terms of its contribution to Grupo Visabeira's continued growth, maintaining an important operational role in engineering services for telecommunications and energy networks, both domestically and internationally, as well as in its own cable television operations in Angola, Mozambique and São Tomé and Príncipe, representing 83.3% of turnover and 76.5% of total EBITDA for Grupo Visabeira. Visabeira Global's turnover amounted to 1,210 million euros and EBITDA totalled 160 million euros, representing a growth of 23.1% in turnover and of 76% in EBITDA compared to the same period last year. As far as Visabeira Indústria is concerned, the good worldwide operational performance of its emblematic brands, is noteworthy: Vista Alegre and Bordallo Pinheiro, which contributed to the growth of Visabeira Indústria's turnover to a remarkable 189 million euros, represented an increase of 23.7% compared to 2021 and contributed 13.0% to Grupo Visabeira's consolidated turnover. EBITDA in this area totalled 32.7 million euros, resulting in an increase of 33.9% compared to 2021.

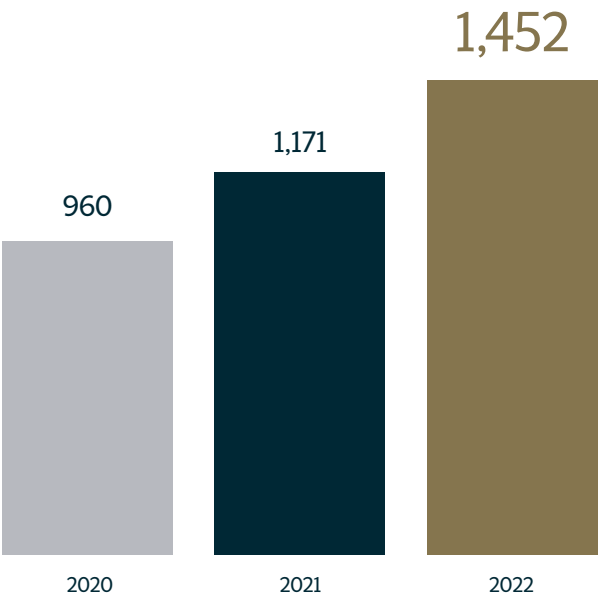
The difficult period experienced caused by the Covid-19 pandemic was followed by a new complex world scenario with impacts that are still not fully measurable yet the company Visabeira Turismo, Imobiliária e Serviços has been able to recover its activity and ended 2022 with a turnover of 52.9 million euros (including Grupo Visabeira SA), and has reached a growth of 56.0% compared to 2021, representing around 3.6% of the Grupo's total turnover. As far as this area is concerned, EBITDA totalled 16.6 million euros, a significant increase of 76.5%.

Average annual growth

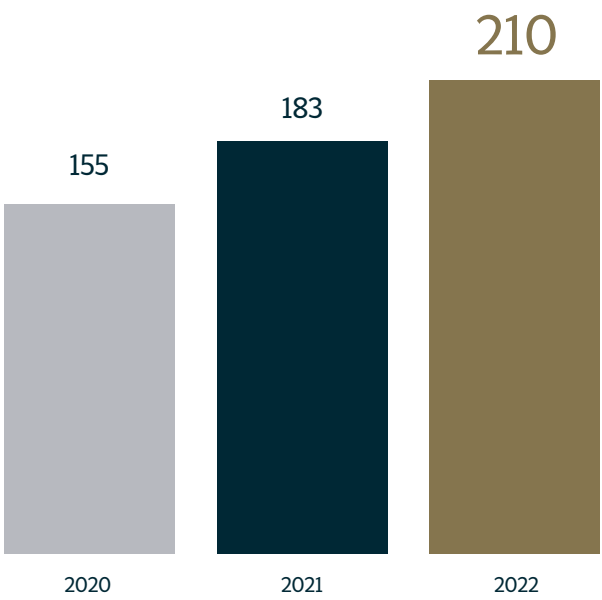
	2021/ 2022	2012 / 2022
Aggregate turnover - 1.610 million euros	26%	11%
with a consolidated turnover of 1.452 million euros.	24%	12%
Foreign markets 78.8%	2.3 pp	3.6 pp
EBITDA 210 million euros	14%	11%
EBITDA Margin 14.4%	-1.3 pp	-0.1 pp
Productivity - 42 million euros	14%	6%
Employees 13,605	4%	7%

Grupo Visabeira

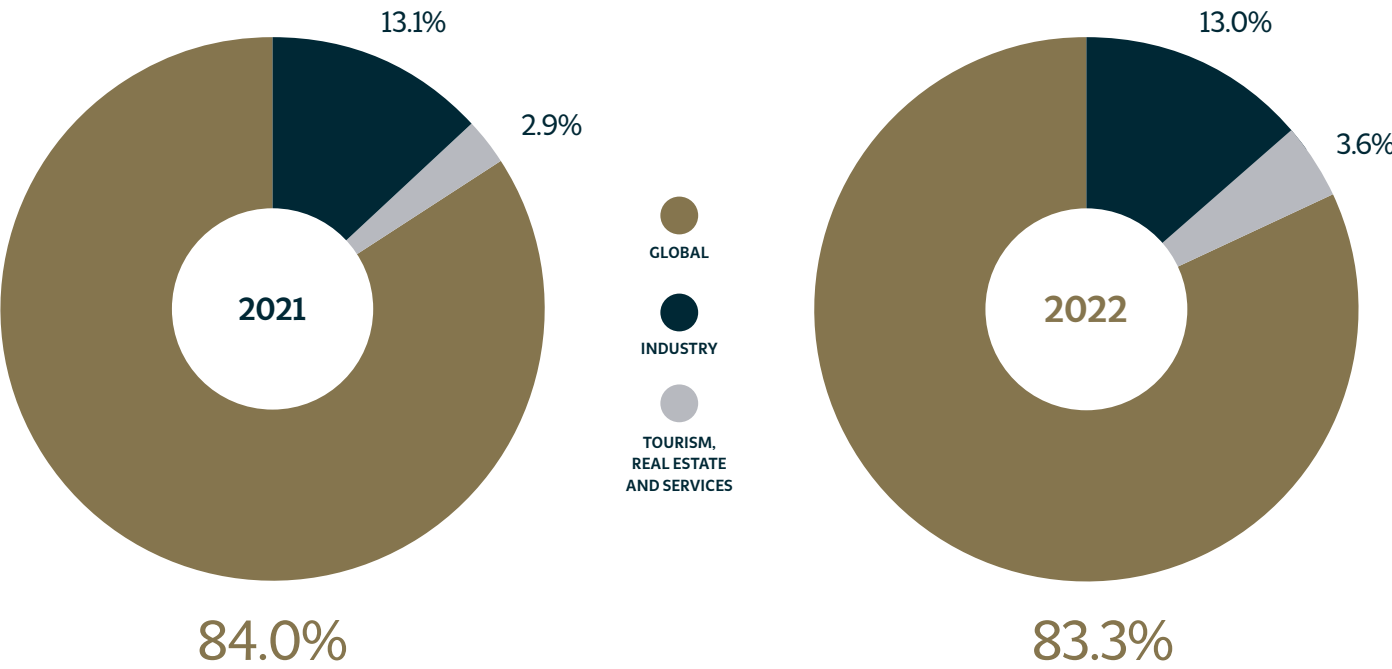
M€ TURNOVER



M€ EBITDA



Turnover by business area



Balance

On the 31st of December 2022 Grupo Visabeira owned a total of assets amounting to 2,328 million euros, an increase of 13.5% compared to 2,051 million euros in 2021. This growth is sustained mainly by international expansion.

The Grupo's equity, including minority interests, increased by 42.2% in 2022, thanks to the appreciation of the exchange rate, as well as the IPO of the subsidiary Constructel Visabeira to Goldman Sachs, selling 21.86% of the company's capital for 200 million euros, through a capital increase. The entry of this capital was foreseen in the company's strategy, thus ensuring the financing of future M&A operations to accelerate organic and inorganic growth, driving the company's expansion cycle.

During the same period, Grupo Visabeira strengthened the solidity of its capital structure, recording a degree of financial autonomy of 23.4%, benefiting from a 14.5% reduction in net financial debt, which thus totalled 593 million euros, representing 2.8x in terms of EBITDA for the year, in line with the goal set by the Grupo of a progressive reduction in the medium and long term.

In 2022 investments amounted to 77.3 million euros, 54% of which were in the Visabeira Global sub-holding, 24% in the Visabeira Indústria sub-holding and 22% in the Visabeira Turismo, Imobiliária e Serviços sub-holding.

At Visabeira Global, the amount invested mainly concerns investments in information systems and renewal of the vehicle fleets of the various companies.

As far as Visabeira Indústria is concerned, investments in Portugal were channelled towards purchasing equipment in the porcelain, crystal, glass and oven segments, in order to enhance operational efficiency and reduce costs. With regard to the company Visabeira Turismo, Imobiliária e Serviços, investments in Portugal were channelled to the requalification and improvement of spaces as well as in new hotels and restaurants. Investments in foreign markets accounted for 52% and were mainly used in France and Belgium, representing 7% (5.1 million euros), the United States, representing 10% (7.5 million euros) and Africa, representing 28% (21.6 million euros).

In Europe, namely in France, Belgium and Germany, investment was essentially for purchasing vehicles and equipment necessary for carrying out the companies' activity.

In the Angolan market, it is important to highlight the investment in network construction and equipment, for growth into new areas and upgrading systems. The Grupo is thus meeting its goal, focusing on expanding its geographical area of intervention, investing in network construction in the areas of greatest urban growth, namely in the city of Luanda, the major preferred growth area, but also in other locations such as Lubango, Benguela, Zango, Soyo, Huíla, Cabinda, Huambo and Zaire.

In the Mozambican market, it is important to highlight the investment in the construction/reconstruction of the network in the areas of Maputo, Beira, Nampula, Tete and Pemba.

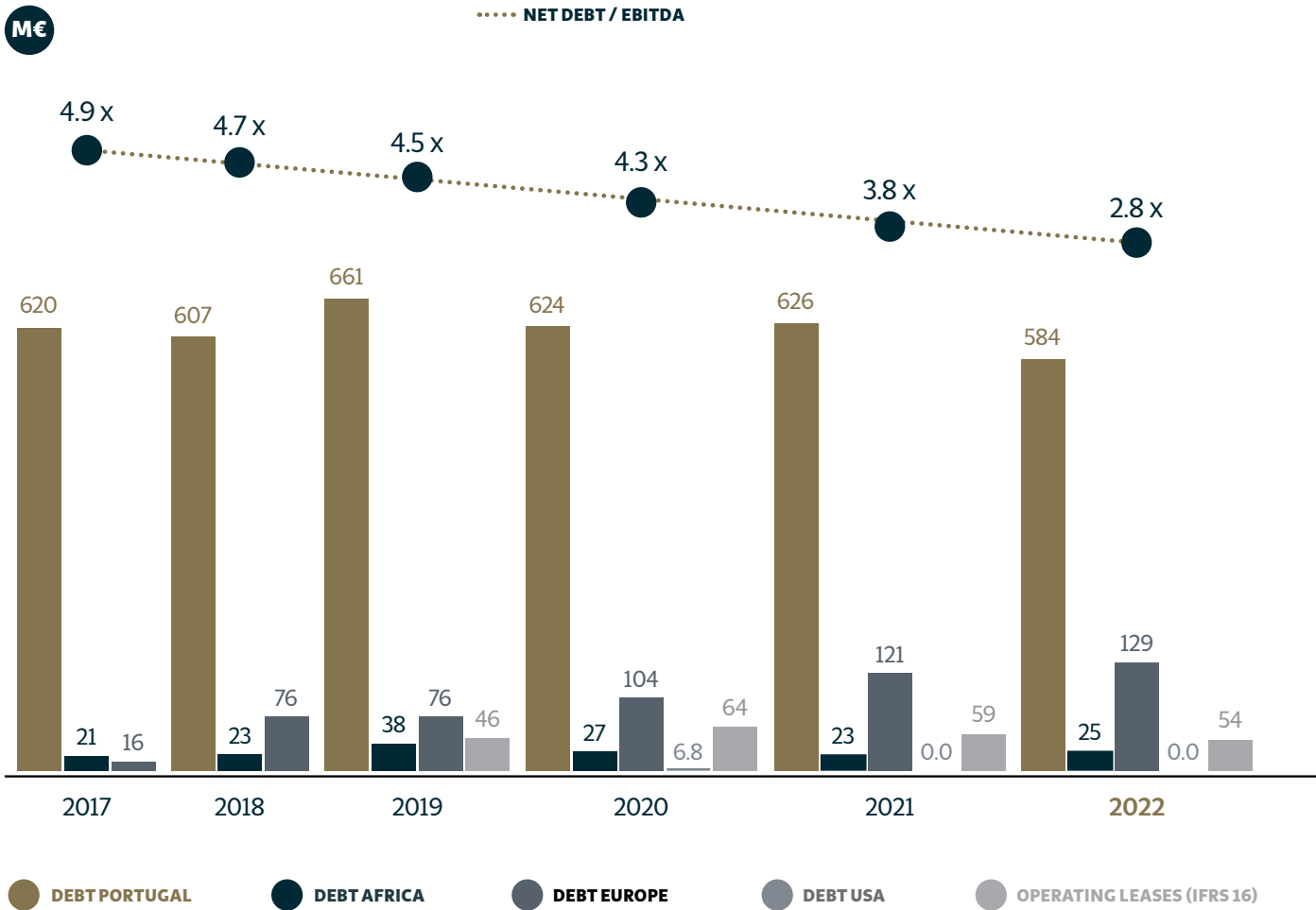


Consolidated amounts

%

	2022	2021
Total Debt (Financing)	716	740
Lease liability	79.1	88.0
Availabilities	-199	-131
Available-for-sale financial assets	-3.4	-3.2
Total net operating debt	593	694
EBITDA	210	183
Net operating debt / EBITDA	2.8 x	3.8 x

Net operating debt / EBITDA



Investments¹

	Amount
Portugal	36,837,522
Angola	12,421,461
United States of America	7,500,777
Mozambique	6,947,991
France	2,856,476
United Kingdom	2,506,418
Belgium	2,210,273
São Tomé and Príncipe	2,177,714
Germany	1,811,159
Italy	990,987
Spain	918,110
Denmark	115,454
Morocco	208
Total	77,294,550

In 2022, investments amounted to 77.3 million euros, 54% of which in the Visabeira Global sub-holding, 24% in the Visabeira Indústria sub-holding and 22% in the Visabeira Turismo, Imobiliária e Serviços sub-holding. At Visabeira Global, investments mainly concern investments in information systems and renewal of the vehicle fleets of the different companies. At Visabeira Indústria, investments in Portugal were channelled towards purchasing equipment in the porcelain, crystal, glass and oven segment in order to enhance operational efficiency and reduce costs. With regard to Visabeira Turismo, Imobiliária e Serviços, investments in Portugal focused on the requalification and improvement of spaces as well as on new hotels and restaurants.

Investments in foreign markets represent 52% and were mainly carried out in France, representing 7% (5.1 million euros), the United States of America, representing 10% (7.5 million euros), and Africa, representing 28% (21.6 million euros). In Europe, namely, in France, Belgium and Germany, investment was essentially for purchasing vehicles and equipment necessary for the performance of the companies' activity. In the Angolan market, investments in network construction and equipment stand out. Following the envisioned strategy foreseen, Grupo invested in expanding its geographical area of intervention, investing in building a network in areas with the greatest urban growth, namely in the city of Luanda, the main growth area, but also in other locations such as Lubango, Benguela, Zango, Soyo, Huila, Cabinda, Huambo and Zaire. In the Mozambican market, investment in the construction/ reconstruction of the network in the areas of Maputo, Beira, Nampula, Tete and Pemba stands out.

Financial investments

Reinforcing growth in its strategic markets, opening up to new markets and expanding its business geographically, Grupo Visabeira, through its various subsidiaries, acquired 51% of the share capital of Elektro-Würkner in Germany - a company operating in the telecommunications and energy sectors - 78% of the share capital of Obelisk in Ireland and 51% of the share capital of Inpower in Italy - companies operating in the telecommunications sector-, and 78% of the share capital of MJ Quinn Solar in the UK, a company operating in the energy sector.

[1] Investment during the year includes the increase in the items fixed tangible assets, intangible fixed assets and assets under direct use associated with leasing.

Risk factors

Grupo Visabeira maintains a firm policy of always placing the set of diversified risks deriving from its various business areas at the forefront of its control line and therefore prioritises credit risk management and the protection of its treasury, recognising in this respect 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 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, Grupo Visabeira promotes accurate and proactive management of these risks, aiming at applying the most appropriate coverage measures for each situation.

Within this context, Grupo 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 that would jeopardise its strategic objectives.

Interest rate risk

Grupo Visabeira's exposure to interest rate risk arises mainly from loans obtained, since financial investments are usually short-term investments and loans granted to its subsidiaries are mostly remunerated at a fixed rate. The impacts of changes in interest rates in recent years, which proved to be residual until the end of 2022, did not have a significant impact on the accounts. However, in view of the changes in the behaviour of the main indexes from the second quarter of 2022 onwards, with the corresponding increase in interest rates which was accentuated during the first months of 2023, financial costs associated with outstanding loans will be affected.

The balance of the consolidated financial debt of Grupo Visabeira by the end of December 2022 was contracted, for the most part, at the indexed interest rate, and the main indexing factor was the Euribor rate at the different maturities for domestic financing, and the Libor rate for loans in dollars, mostly granted to foreign companies. By the end of 2022, Grupo Visabeira's exposure to variable interest rates totalled about 2/3 of its financial debt. In order to mitigate the impact of the expected increase in interest rates, Grupo Visabeira decided to launch a programme to restructure part of its financial debt, having decided to contract financing with a fixed rate, thus reducing the risk of index fluctuations. In 2018, Grupo Visabeira had issued a fixed-rate bond loan worth 55 million euros and, in order to further reduce its exposure to variable interest

rates, it successfully completed a 450 million euro debt refinancing programme for Grupo Visabeira and Visabeira Global at the beginning of 2023, 50% of that was contracted at a fixed rate.

Following the completion of this operation, the financial debt contracted at a variable rate was reduced by about half, which represents a considerable reduction in the Grupo Visabeira's exposure to the unpredictability which fluctuations in the variable interest rate entail. In addition to these operations, Grupo Visabeira has continually sought (and has successfully completed) negotiations with the various financial institutions with which Grupo Visabeira has a relationship, in order to reduce the spreads of outstanding loans, as well as amortise existing lines, always with a view to effectiveness and efficient and rigorous management of its treasury.

On the date of the statements of financial position, Grupo Visabeira has open positions classified as hedging instruments associated with this index for 659,132 million euros, contracted in 2015 with a mark-to-market value of -25.5 thousand euros, as follows:

Company	Description	Nominal value	Operation type	Average maturity	Economic target
Naturenergia, SA	Swap Euribor 3M	659,132	Interest rate swap	8 years	Eliminate the risk of variation of the interest rate on financing

The fair value of all these derivative financial instruments is reflected in the statement of financial position, as follows:

			Book value
Company		2022	2021
Naturenergia, SA	Swap Euribor (3M)	-25,518	-13,560
Total		-25,518	-13,560

With 2022 starting at -0.57%, the 3-month Euribor stood at 2.132% at the end of the year. This upward trend in the Euribor was even more marked during the first months of 2023, which will lead to a significant increase in Grupo Visabeira's interest costs in 2023. An increase of 25 basis points in the interest rate would imply for Grupo Visabeira, by reference to consolidated accounts, an increase in financial charges of around 1.2 million euros.

It should be noted that under the refinancing operation signed in March 2023 (after the reference date of these financial statements), Grupo Visabeira also decided to fix the interest rate for a 215 million euro instalment.

Exchange rate risks

Grupo Visabeira, within its various areas of activity, is exposed to exchange rate and transaction risks. Exposure to transaction risk refers to potential changes in the value of outstanding obligations due to changes in exchange rates between the start date and settlement date and are reflected in profit-and-loss for the period. Exposure to foreign exchange risk results from the translation into national currency of the financial statements of its subsidiaries, whose assets and liabilities are denominated in currencies other than the reporting currency of the consolidated accounts - Euro - and are reflected in equity, under exchange conversion reserves.

The Grupo holds assets and liabilities denominated in US dollars in several geographies and subsidiaries, which allows partially hedging exchange rate risk vis-à-vis that currency. In foreign markets, particularly Angola and Mozambique, local companies import goods and services from the European market in euros, billing clients in kwanzas and meticals, respectively. These markets present a historic devaluation trend against the “strong” currencies, the Euro and the US Dollar, except for in the last two years. In Mozambique, during the previous year, there was a devaluation of 0.06% of the metical against the US dollar and a 5.72% appreciation of the metical against the euro. The European currency has become the benchmark for the Angolan market since the beginning of 2017 due to restrictions that affected the corresponding banks. The Angolan government initiated a process in 2018 leading to a devaluation of currency, eliminating the peg against the dollar, through auctions limited in volume and exchange rate, controlled by the National Bank of Angola (BNA), under the Macroeconomic Stabilisation Program. Another goal defined was to combat the gap between the rates in the formal and informal market, which at the beginning of 2018 stood at 159% against the dollar. In 2019, by decision of the Monetary Policy Committee of the BNA, new objectives were introduced in the context of the reform that had been carried out. The National Bank of Angola decided, at the end of that year, for the implementation of a floating exchange rate regime in which the exchange rate is freely defined by the market, i.e., according to the supply and demand of foreign currency. Ever since, the BNA continued the

process of liberalising the exchange market, continuing the work carried out in the previous years where it updated and clarified the rules and procedures for making payments abroad for foreign exchange transactions involving invisible currents, goods and capital, with the desired effect of reducing the gap between the exchange rates in the formal and informal markets against the dollar. During the last two years, there has been a tendency for the national currency to recover. In 2022, the kwanza appreciated 9.2% against the dollar and 14.5% against the euro, breaking a cycle of strong devaluation which started in 2018. Angola also saw its rating improved by the financial rating agency Moody’s, complied with an International Monetary Fund (IMF) financial adjustment program, whose performance is praised by the Fund's staff, and benefited from the increase in oil prices, the country's main raw material, worth 90% of revenues. Consolidated financial results include a currency positive impact from Angola of 2.1 million euros.

MJ Quinn, a company operating in the United Kingdom within the telecommunications infrastructures sector for British Telecom, trades in pound sterling 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 British Pound against the Euro - transpose risk. Future dividends will also be exposed to said exchange rate fluctuation. The pound sterling started the year at 1.19007 Euros and ended the year at 1.12748 Euros.

The incorporation of LLC 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 American Dollar started the year at 0.88067 Euros and ended the year at 0.93756 Euros.

An exchange rate devaluation of 5% of the reference currencies in the main countries, by reference to outstanding balances as of the 31st of December 2022 would have the following impact on the income statement headings:

Exchange 31/12/2022		Angola	Mozambique	Portugal	France	Overall Total
AOA	537438	0	-620	-7600	0	-8,220
EUR	1.000	-438,510	-1,376,395	0	0	-1,814,905
MZN	68,180	-3,750	0	55,819	0	52,069
USD	1.067	253,361	588,743	-71,250	0	770,855
ZAR	18,105	102	-4,706	233	0	-4,371
GBP	0.884	0	0	4,542	-68,041	-63,500
Total		-188,797	-792,978	-18,256	-68,041	-1,068,071

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, set against uncertainty and constant change. This has been especially experienced during the last three years, which has proved to be particularly atypical, caused by the Covid-19 spread and the endemic phase that followed it, as well as all the implications that this has entailed. Credit risk management reflects the multiplicity, quality and origin of the information available so that the credit analyst can always take the best decision, in accordance with the assumptions defined by the company.

Some of the Visabeira Global companies keep 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 90% for the unpaid credits. The last few years have been marked by an increase in restrictions on the granting credit in general. As a result of the Covid-19 outbreak, the credit insurance company recorded very significant reductions in credit line limits from various national and foreign entities, with particular emphasis on companies operating in the sectors most affected by the pandemic, which in some cases even forced some spaces to close and some activities to stop over extended periods of time. In view of this scenario, and in order to meet the credit risk coverage needs in foreign markets, where the limits granted under the base policies are insufficient, the Grupo 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 as well also to obtain coverages for risks that have no value attributed in the said base policy, up to the limit of one hundred thousand euros.

The added constraints in the external hedging of loans entail greater precision and stricter requirements in assessing applications for internal credit. The detailed analysis of a client's credit risk is normally summarised in a credit sheet, which contains the information that will allow the issuing of an opinion on a credit operation and which includes available and relevant information such as the character of the client, its management capacity, asset value, history, financial information, credit guarantees and payment terms. The Grupo believes that it does not have significant credit risk concentrations, maintaining an active credit control for all its clients, overseen by the Financial Management. It is important to note that the amount received in advance or in cash from the cable television and internet distribution business represented around 4% of this subsidiary's turnover in terms of the year under review.

Companies in Grupo Visabeira that operate as infrastructure and telecommunications service providers sell to entities of recognised financial probity, accounting about 53% of consolidated turnover in 2022. 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 prestigious operators in the Grupo's portfolio: Orange (France Telecom); British Telecom; Proximus (Belgacom); Deutsche Telekom; MEO – Serviços de Comunicações e Multimédia; NOS Comunicações; EDP Distribuição; GRDF – Distribution de Gaz Naturel en France; ERDF – Électricité Réseau Distribution France; TDC A/S; Huawei Technologies Denmark Aps; and natural gas concessionaires, among others. At the closing date, the largest credit risk restrictions refer to public telecommunications companies in Mozambique and Angola (TMCEL and Angola Telecom, respectively), which had balances of about 37.6 million euros.

Liquidity risk

Grupo Visabeira manages liquidity risk in such a way as to ensure the financing of assets by maturity date and at appropriate rates and the timely settlement of its financial commitments, while maintaining appropriate cash balances and short-term credit lines, which allow for the proper management of cash to meet short-term financial commitments.

As a way of minimising the impacts of recent adverse phenomena, such as the pandemic caused by the Covid-19 virus and the effects of the armed conflict arising from Russia's invasion of Ukraine which have caused impactful changes in economies around the world, governments continued to launch measures throughout the year aiming at continuing to support and mitigate the direct impacts that these phenomena could have on companies and their employees. Measures such as access for companies to credit lines agreed upon with the government, with access to differentiated conditions, as well as incentives and measures to support families, particularly to fight high inflation and rising interest rates, were some of the initiatives implemented throughout 2022 that companies and individuals could access.

Grupo reinforced its strategy of diversifying funding sources. In November 2022, the registration of the 75 million euro commercial paper programme on the *Mercado Alternativo de Renta Fija (MARF)* in Spain was renewed. Throughout 2022, several new issues of various maturities were recorded, with active issues totalling 44 million euros at the end of 2022. The use of this programme has reinforced the strategy of progressively reducing dependence on national banks and diversifying funding sources. Grupo Visabeira also contracted new commercial paper with the national banks, in the amount of 87.5 million euros maturing in 2023, in addition to several other refinancing operations.

The new investments made in industrial companies were financed with maturities between six and seven years.

During 2023, taking into account that the amount of debt presented in the statement of financial position on the 31st of December 2022 as payable in the short term incorporates 24.6 million euros in terms of secured current accounts and authorised overdrafts, as well as 61.5 million euros of revolving debt with corporate investors, we believe that the short term debt that may be subject to refinancing will amount to 233 million euros, representing about 33% of the consolidated debt.

Under the same assumption, if cash and cash equivalents are taken into account (although around 18.8 million euros may be subject to the restrictions currently maintained in transferring foreign currency from Angola and Mozambique), the residual short-term net debt that may be subject to refinancing will be largely covered by the value of the availabilities, which can also be addressed with the operational flows released during the year.

Grupo Visabeira, through its policy of concentrated management, ensures that the cash holdings as well as the investments of all the Grupo's companies are managed by a global and centralised organisation, especially working for this purpose, thus allowing to reduce liquidity risks as well as avoiding exposure to variations that may affect the companies' profit.

To this end, in March 2023, a 450 million euro financing contract was signed that made it possible to refinance 430 million euros of outstanding debt at the end of 2022, consolidating it into a single contract and extending the maturity (of the 430 million euros refinanced, more than 220 million euros were to come due in 2023), with this financing contract now having an average life of more than 4 years. This financing was contracted through a mix of loans and bonds and an additional treasury line totalling 20 million euros was also contracted. This operation significantly mitigated liquidity risk.

The Grupo has lines of credit approved under the *Portugal 2020* program, and under financial institutions that amount to 26.9 million euros. The Grupo will seek to obtain specific funding for the remaining investments planned for 2023. The Grupo also has support lines for cash holdings, under factoring, payment to suppliers and discount of documentary remittances to the amount of 68.6 million euros, available at the end of 2022. The use of factoring, on the other hand, allows for a reduction in the average receivable terms with the inherent anticipation of receipts and, at the same time, facilitates better cash management. This policy also ensures the working capital necessary to finance the operating cycle, which is fundamental to a sustained economic and financial growth.

On the 31st of December 2022, amounts paid in advance by clients in this format stood at 14 million euros. The Grupo has additionally contracted short-term current accounts to meet occasional cash needs.

It should also be noted that the Grupo's cash and cash equivalents amounted to 197.6 million euros, mostly concentrated in European countries, which in itself represents an important source of liquidity. ARC Rating has rated Grupo Visabeira's debt and has classified its ability to fulfil its short-term and medium- and long-term financial commitments as A3 and BBB- stable, respectively..

The general liquidity ratio in the consolidated accounts was 0.91 in 2022, which demonstrates the adequacy of the financing of current assets by current liabilities. Taking into account that current liabilities include support lines for commercial activity amounting to 61.5 million euros and which are of a revolving nature, the liquidity ratio in this context is at 0.97.

The maturity of the financial liabilities is detailed as follows:

2022	0-1 year	1 - 2 years	2 - 3 years	3 - 4 years	> 4 years	Total
Suppliers (note 36)	225,867,283	0	0	0	0	225,867,283
Loans (note 35)	305,054,755	250,219,419	85,001,998	44,972,380	30,808,701	716,057,253
Lease liability (note 38)	32,425,630	24,356,740	10,613,027	5,864,041	5,816,231	79,075,668
Debt related to purchase of subsidiaries - Contingent remuneration (note 37.2)	16,204,252	20,722,569	2,710,084	2,710,084	5,807,325	48,154,313
Debt related to purchase of subsidiaries (note 37.2)	600,000	600,000	600,000	600,000	0	2,400,000
Selling options (note 37.2)	5,035,122	7,251,381	1,582,500	2,169,955	0	16,038,959
Repurchase options from holdings (note 37.2)	4,287,739	4,188,922	0	0	0	8,476,661
Financial liability relating to the Downside Protection mechanism	0	0	0	0	26,496,451	26,496,451
Total	589,474,780	307,339,031	100,507,609	56,316,461	68,928,708	1,122,566,588

In October 2021, an agreement was signed between Constructel Visabeira and Goldman Sachs for 21.86% of the company's capital in the amount of 200 million euros, taking place on the 12th of May 2022 after obtaining the necessary authorisations, namely authorisation from competition authorities. The entry of this capital was foreseen in the company's strategy to ensure financing for future M&A operations, maintaining the expansion cycle that has occurred to date. Under the aforementioned agreement, Goldman Sachs has a Downside Protection mechanism which obliges Grupo Visabeira to cover losses in the event of negative financial performance, leading to devaluation of Constructel Visabeira shares to

a level below the investment value. On the 31st of December 2022, the liability associated with this situation amounted to 26.5 million euros* (a variation of 9 million euros compared to the date on which the agreement was reached), and the future variation in the financial liability will depend largely on Constructel Visabeira's financial performance. If the current growth outlook is confirmed, the downward trend in financial liabilities should continue during the coming years.

*Liabilities estimated using a Lattice Binominal Model.

Business development by area



Turnover by company



BUSINESS AREAS	TOTAL		GRUPO		CONSOLIDATED TURNOVER 2022		CONSOLIDATED TURNOVER 2021	
Visabeira GLOBAL								
Europe	1,095,937,891	83.8%	78,930,789	80.2%	1,017,007,101	84.1%	812,327,966	82.6%
Portugal	287,702,344	22.0%	46,849,930	47.6%	240,852,414	19.9%	212,043,330	21.6%
Visabeira Global, SGPS	1,000,513	0.1%	877,436	0.9%	123,076	0.0%	122,905	0.0%
Viatel	83,890,294	6.4%	17,633,279	17.9%	66,257,015	5.5%	69,225,438	7.0%
Visabeira	42,282,673	3.2%	3,342,658	3.4%	38,940,015	3.2%	39,539,420	4.0%
PDT	37,505,537	2.9%	2,462,096	2.5%	35,043,440	2.9%	33,707,942	3.4%
Edivisa	30,764,417	2.4%	4,410,722	4.5%	26,353,694	2.2%	25,912,188	2.6%
Real Life Technologies	28,838,847	2.2%	2,641,233	2.7%	26,197,614	2.2%	20,068,415	2.0%
Cunha Soares	19,641,821	1.5%	0	0.0%	19,641,821	1.6%	4,966,829	0.5%
EIP Serviços	21,254,292	1.6%	2,910,940	3.0%	18,343,352	1.5%	10,669,199	1.1%
Naturenergia	3,902,542	0.3%	13,209	0.0%	3,889,333	0.3%	3,189,595	0.3%
Visacasa	6,047,591	0.5%	3,375,872	3.4%	2,671,720	0.2%	2,655,184	0.3%
Ferreira e Coelho	1,580,176	0.1%	191,608	0.2%	1,388,568	0.1%	640,343	0.1%
Aeroprotechnik	1,486,777	0.1%	423,583	0.4%	1,063,194	0.1%	611,193	0.1%
Iutel	624,912	0.0%	0	0.0%	624,912	0.1%	701,799	0.1%
Visapower II	290,607	0.0%	0	0.0%	290,607	0.0%	0	0.0%
Field Force Atlântico	54,053	0.0%	30,000	0.0%	24,053	0.0%	32,879	0.0%
Constructel Europe	6,814,715	0.5%	6,814,715	6.9%	0	0.0%	0	0.0%
Visapower	1,722,578	0.1%	1,722,578	1.7%	0	0.0%	0	0.0%
France	265,373,348	20.3%	13,012,376	13.2%	252,360,973	20.9%	283,004,524	28.8%
Constructel	214,756,594	16.4%	5,367,997	5.5%	209,388,597	17.3%	236,927,868	24.1%
Constructel Énergie	19,599,987	1.5%	482,404	0.5%	19,117,583	1.6%	20,518,983	2.1%
Escotel	15,900,280	1.2%	3,597,537	3.7%	12,302,742	1.0%	18,352,804	1.9%
Gatel	14,461,949	1.1%	3,013,961	3.1%	11,447,987	0.9%	6,986,810	0.7%
Visactys	247,980	0.0%	191,364	0.2%	56,616	0.0%	36,142	0.0%
SCI Constructel	406,559	0.0%	359,112	0.4%	47,447	0.0%	181,918	0.0%
United Kingdom	242,032,447	18.5%	1,743,251	1.8%	240,154,316	19.9%	179,516,867	18.3%
MJ Quinn	235,872,267	18.0%	0	0.0%	235,872,267	19.5%	179,516,867	18.3%
MJ Quinn Solar	5,627,626	0.4%	1,346,550	1.4%	4,281,076	0.4%	0	
Energydist	134,880	0.0%	0	0.0%	134,880	0.0%	0	
MJ Quinn Constructel	397,674	0.0%	397,675	0.4%	0	0.0%	0	0.0%
Belgium	127,605,324	9.8%	11,510,775	11.7%	116,094,549	9.6%	71,377,366	7.3%
Constructel Belgium	53,307,878	4.1%	1,933,409	2.0%	51,374,470	4.2%	18,146,490	1.8%
Constructel Modal *	41,714,637	3.2%	1,721,426	1.7%	39,993,211	3.3%	35,070,898	3.6%
OMV Natie	32,474,760	2.5%	7,855,941	8.0%	24,618,819	2.0%	18,159,978	1.8%
Infrasign	108,049	0.0%	0	0.0%	108,049	0.0%	0	0.0%
Germany	72,667,438	5.6%	574,078	0.6%	72,093,360	6.0%	32,755,650	3.3%
Constructel GmbH	30,581,102	2.3%	0	0.0%	30,581,102	2.5%	22,204,582	2.3%
Elektro-Würkner	29,258,644	2.2%	0	0.0%	29,258,644	2.4%	0	0.0%
Franz Josef Braun	12,253,613	0.9%	0	0.0%	12,253,613	1.0%	10,551,068	1.1%
Constructel Bau	574,078	0.0%	574,078	0.6%	0	0.0%	0	0.0%
Republic of Ireland	32,716,917	2.5%	0	0.0%	32,716,917	2.7%	0	0.0%
Obelisk	32,716,917	2.5%	0	0.0%	32,716,917	2.7%	0	
Italy	45,430,488	3.5%	0	1.1%	44,306,743	3.7%	13,943,252	1.8%
Inpower	33,635,155	2.6%	0	0.0%	33,635,155	2.8%	0	0.0%
Ieme	11,793,508	0.9%	1,122,170	1.1%	10,671,338	0.9%	10,872,142	1.1%
Constructel Italia	1,825	0.0%	1,575	0.0%	250	0.0%	1,530	0.0%
Denmark	13,378,491	1.0%	4,115,661	4.2%	9,262,831	0.8%	12,859,100	1.3%
Constructel Dinamarca	9,268,437	0.7%	607,079	0.6%	8,661,358	0.7%	10,175,908	1.0%
Toft Hansen	4,110,055	0.3%	3,508,582	3.6%	601,473	0.0%	2,683,192	0.3%
Spain	9,031,092	0.7%	0	0.0%	9,031,092	0.7%	9,897,456	1.0%
Tensa	9,031,092	0.7%	0	0.0%	9,031,092	0.7%	9,897,456	1.0%
Africa	144,720,668	11.1%	19,542,995	19.8%	125,177,673	10.3%	84,239,221	8.6%
Angola	58,569,992	4.5%	10,582,856	10.7%	47,987,136	4.0%	30,352,011	3.1%
Tv Cabo Angola	43,826,612	3.4%	745,258	0.8%	43,081,354	3.6%	30,499,634	3.1%
Comatel	12,390,992	0.9%	8,808,504	8.9%	3,582,488	0.3%	49,588	0.0%
EIP Angola	1,285,797	0.1%	0	0.0%	1,285,797	0.1%	0	0.0%
Edivisa Angola	1,066,591	0.1%	1,029,094	1.0%	37,497	0.0%	-197,211	0.0%
Mozambique	70,586,209	5.4%	8,960,139	9.1%	61,626,071	5.1%	49,128,967	5.0%
TV Cabo	25,692,151	2.0%	245,499	0.2%	25,446,652	2.1%	20,804,092	2.1%
Electrotec	15,225,609	1.2%	51,163	0.1%	15,174,446	1.3%	8,379,895	0.9%
Martifer Visabeira	8,537,630	0.7%	5,958	0.0%	8,531,672	0.7%	5,939,927	0.6%
Televisa	10,443,193	0.8%	2,690,612	2.7%	7,752,581	0.6%	7,794,539	0.8%
Real Life Mozambique	2,589,677	0.2%	-33,879	0.0%	2,623,555	0.2%	2,903,019	0.3%
Sogitel	7,029,244	0.5%	5,508,010	5.6%	1,521,234	0.1%	2,490,033	0.3%
Hidroafrica	1,061,452	0.1%	487,026	0.5%	574,426	0.0%	918,951	0.1%
Selfenergy	7,253	0.0%	5,749	0.0%	1,504	0.0%	-101,489	0.0%
São Tomé and Príncipe	12,774,838	1.0%	0	0.0%	12,774,838	1.1%	2,246,409	0.2%
Companhia Santomense de Telecomunicações	12,774,838	1.0%	0	0.0%	12,774,838	1.1%	2,246,409	0.2%
Morocco	2,789,629	0.2%	0	0.0%	2,789,629	0.2%	2,511,834	0.3%
Holding Escot Telecom Maroc	2,789,629	0.2%	0	0.0%	2,789,629	0.2%	2,511,834	0.3%
America	67,521,791	5.2%	0	0.0%	67,521,791	5.6%	86,787,812	8.8%
United States of America	67,521,791	5.2%	0	0.0%	67,521,791	5.6%	86,787,812	8.8%
JF Edwards CC	67,521,791	5.2%	0	0.0%	67,521,791	5.6%	86,787,812	8.8%
TOTAL	1,308,180,350	100.0%	98,473,784	100.0%	1,209,706,565	100.0%	983,354,999	100.0%

*Turnover includes Constructel Modal, Modal and Cabling.



BUSINESS AREAS	TOTAL		GRUPO		CONSOLIDATED TURNOVER 2022		CONSOLIDATED TURNOVER 2021	
Visabeira INDÚSTRIA								
Europe	205,939,695	94.2%	28,559,037	96.9%	177,380,658	93.8%	144,275,813	94.1%
Portugal	197,041,394	90.1%	28,079,037	95.3%	168,962,356	89.3%	136,982,056	89.3%
Visabeira Indústria, SGPS	314,152	0.1%	314,152	1.1%	0	0.0%	0	0.0%
Vista Alegre Atlantis	92,526,340	42.3%	9,872,717	33.5%	82,653,623	43.7%	64,057,276	41.8%
Ria Stone	34,121,695	15.6%	1,936,590	6.6%	32,185,105	17.0%	28,786,136	18.8%
Pinewells	26,012,592	11.9%	128,616	0.4%	25,883,977	13.7%	19,840,148	12.9%
Ambitermo	11,369,716	5.2%	5,539	0.0%	11,364,176	6.0%	7,846,288	5.1%
Bordallo Pinheiro	12,034,326	5.5%	4,887,283	16.6%	7,147,043	3.8%	5,801,502	3.8%
Mob	6,174,134	2.8%	769,725	2.6%	5,404,409	2.9%	4,519,823	2.9%
Cerutil	12,944,281	5.9%	9,611,048	32.6%	3,333,233	1.8%	4,766,225	3.1%
Besconsigo	1,247,933	0.6%	373,829	1.3%	874,104	0.5%	846,167	0.6%
Armisepi	78,685	0.0%	12,907	0.0%	65,778	0.0%	464,592	0.3%
Rodinerte	202,700	0.1%	166,246	0.6%	36,454	0.0%	53,119	0.0%
Granbeira II	14,841	0.0%	386	0.0%	14,455	0.0%	782	0.0%
France	1,429,676	0.7%	0	0.0%	1,429,676	0.8%	967,319	0.6%
Vista Alegre France	1,429,676	0.7%	0	0.0%	1,429,676	0.8%	967,319	0.6%
Spain	7,468,626	3.4%	480,000	1.6%	6,988,626	3.7%	6,326,438	4.1%
Vista Alegre Atlantis Spain	7,468,626	3.4%	480,000	1.6%	6,988,626	3.7%	6,326,438	4.1%
Africa	3,631,920	1.7%	918,641	3.1%	2,713,279	1.4%	2,735,111	1.8%
Mozambique	2,126,334	1.0%	8,232	0.0%	2,118,102	1.1%	2,557,606	1.7%
Celmoque	1,930,045	0.9%	3,776	0.0%	1,926,268	1.0%	2,359,362	1.5%
Vista Alegre Atlantis Moçambique	191,076	0.1%	0	0.0%	191,076	0.1%	198,244	0.1%
Agrovisa	5,213	0.0%	4,455	0.0%	758	0.0%	0	0.0%
Angola	1,505,586	0.7%	910,410	3.1%	595,176	0.3%	177,505	0.1%
Alamo Angola	1,505,586	0.7%	910,410	3.1%	595,176	0.3%	177,505	0.1%
America	9,108,470	4.2%	0	0.0%	9,108,470	4.8%	6,377,134	4.2%
Brazil	4,694,083	2.1%	0	0.0%	4,694,083	2.5%	2,873,979	1.9%
Vista Alegre Atlantis Brazil	4,694,083	2.1%	0	0.0%	4,694,083	2.5%	2,873,979	1.9%
United States of America	4,139,628	1.9%	0	0.0%	4,139,628	2.2%	3,158,776	2.1%
Vista Alegre Atlantis USA	4,139,628	1.9%	0	0.0%	4,139,628	2.2%	3,158,776	2.1%
Mexico	274,759	0.1%	0	0.0%	274,759	0.1%	344,380	0.2%
Mexicova	274,759	0.1%	0	0.0%	274,759	0.1%	344,380	0.2%
TOTAL	218,680,086	100.0%	29,477,679	100.0%	189,202,407	100.0%	153,388,058	100.0%



BUSINESS AREAS	TOTAL		GRUPO		CONSOLIDATED TURNOVER 2022		CONSOLIDATED TURNOVER 2021	
VISABEIRA TURISMO, IMOBILIÁRIA E SERVIÇOS								
Europe	28,606,236	45.7%	4,266,669	34.7%	24,339,567	48.4%	17,275,876	57.8%
Portugal	28,606,236	45.7%	4,266,669	34.7%	24,339,567	48.4%	17,275,876	57.8%
Visabeira Turismo, Imobiliária e Serviços, SGPS	702,514	1.1%	501,514	4.1%	201,000	0.4%	139,630	0.5%
Empreedimentos Montebelo	15,409,839	24.6%	1,331,273	10.8%	14,078,566	28.0%	7,871,111	25.8%
VAA Empreedimentos Turísticos	4,380,323	7.0%	61,069	0.5%	4,319,254	8.6%	2,073,798	6.6%
Tropo Squisito	2,185,523	3.5%	0	0.0%	2,185,523	4.3%	962,421	3.2%
Visabeira Imobiliária, SA	2,211,733	3.5%	202,011	1.6%	2,009,722	4.0%	2,807,704	9.1%
Zambeze	1,380,828	2.2%	55,532	0.5%	1,325,296	2.6%	485,487	1.6%
Creative Shots	690,789	1.1%	284,584	2.3%	406,205	0.8%	794,249	2.6%
Asfalís	324,306	0.5%	0	0.0%	324,306	0.6%	0	0.0%
Parque Desportivo de Aveiro	112,556	0.2%	0	0.0%	112,556	0.2%	77,793	0.3%
VisabeiraHouse	103,546	0.2%	39,160	0.3%	64,386	0.1%	59,025	0.2%
Ifervisa	2,734	0.0%	784	0.0%	1,950	0.0%	1,971,412	6.6%
Mundicor	74,617	0.1%	763,814	6.2%	-689,197	-1.4%	33,245	-0.6%
Visabeira Investig. Desenvolv.	509,316	0.8%	509,316	4.1%	0	0.0%	0	0.0%
Visabeira Imobiliária, SGPS	354,394	0.6%	354,394	2.9%	0	0.0%	0	0.0%
Visabeira Participações, SGPS	163,216	0.3%	163,216	1.3%	0	0.0%	0	2.1%
Africa	33,986,935	54.3%	8,046,599	65.3%	25,940,335	51.6%	12,616,178	42.2%
Angola	6,429,254	10.3%	3,452,535	28.0%	2,976,719	5.9%	555,543	1.9%
Visauto	3,573,117	5.7%	1,280,401	10.4%	2,292,716	4.6%	527,136	4.7%
Angovisa	684,003	1.1%	0	0.0%	684,003	1.4%	2,649	1.7%
Mercury Angola	467,251	0.7%	467,251	3.8%	0	0.0%	9,263	-0.5%
Catari Angola	17,139	0.0%	17,139	0.1%	0	0.0%	13,668	0.0%
Visabeira Angola	1,687,744	2.7%	1,687,744	13.7%	0	0.0%	2,827	-4.0%
Mozambique	27,557,681	44.0%	4,594,065	37.3%	22,963,616	45.7%	12,060,635	40.3%
Imovisa	11,068,696	17.7%	522,696	4.2%	10,546,000	21.0%	5,593,274	18.7%
Turvisa	7,246,085	11.6%	433,705	3.5%	6,812,380	13.5%	3,382,596	11.3%
Mercury	3,139,971	5.0%	486,352	3.9%	2,653,619	5.3%	1,360,734	5.4%
Combustíveis do Songo	1,728,969	2.8%	236	0.0%	1,728,733	3.4%	1,167,707	3.9%
Milibangalala	650,179	1.0%	8,819	0.1%	641,359	1.3%	106,449	0.4%
Visaqua	422,184	0.7%	84,062	0.7%	338,122	0.7%	300,713	1.0%
Visa House Moçambique	114,988	0.2%	0	0.0%	114,988	0.2%	87,155	0.3%
Autovisa	935,495	1.5%	826,392	6.7%	109,103	0.2%	51,834	0.2%
Visabeira Moçambique	2,232,780	3.6%	2,213,711	18.0%	19,069	0.0%	2,322	-0.8%
Vibeiras Moçambique	18,334	0.0%	18,092	0.1%	242	0.0%	7,852	0.0%
TOTAL	62,593,171	100.0%	12,313,268	100.0%	50,279,903	100.0%	29,892,054	100.0%

HOLDING

Europe	20,953,438	100.0%	18,369,539	100.0%	2,583,899	100.0%	4,005,991	100.0%
Portugal	20,953,438	100.0%	18,369,539	100.0%	2,583,899	100.0%	4,005,991	100.0%
Grupo Visabeira	20,953,438	100.0%	18,369,539	100.0%	2,583,899	100.0%	4,005,991	100.0%
TOTAL	20,953,438	100.0%	18,369,539	100.0%	2,583,899	100.0%	4,005,991	100.0%

OVERALLTOTAL	1,610,407,045	100.0%	158,634,271	100.0%	1,451,772,773	100.0%	1,170,641,102	100.0%
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Visabeira Global

Consolidated indicators

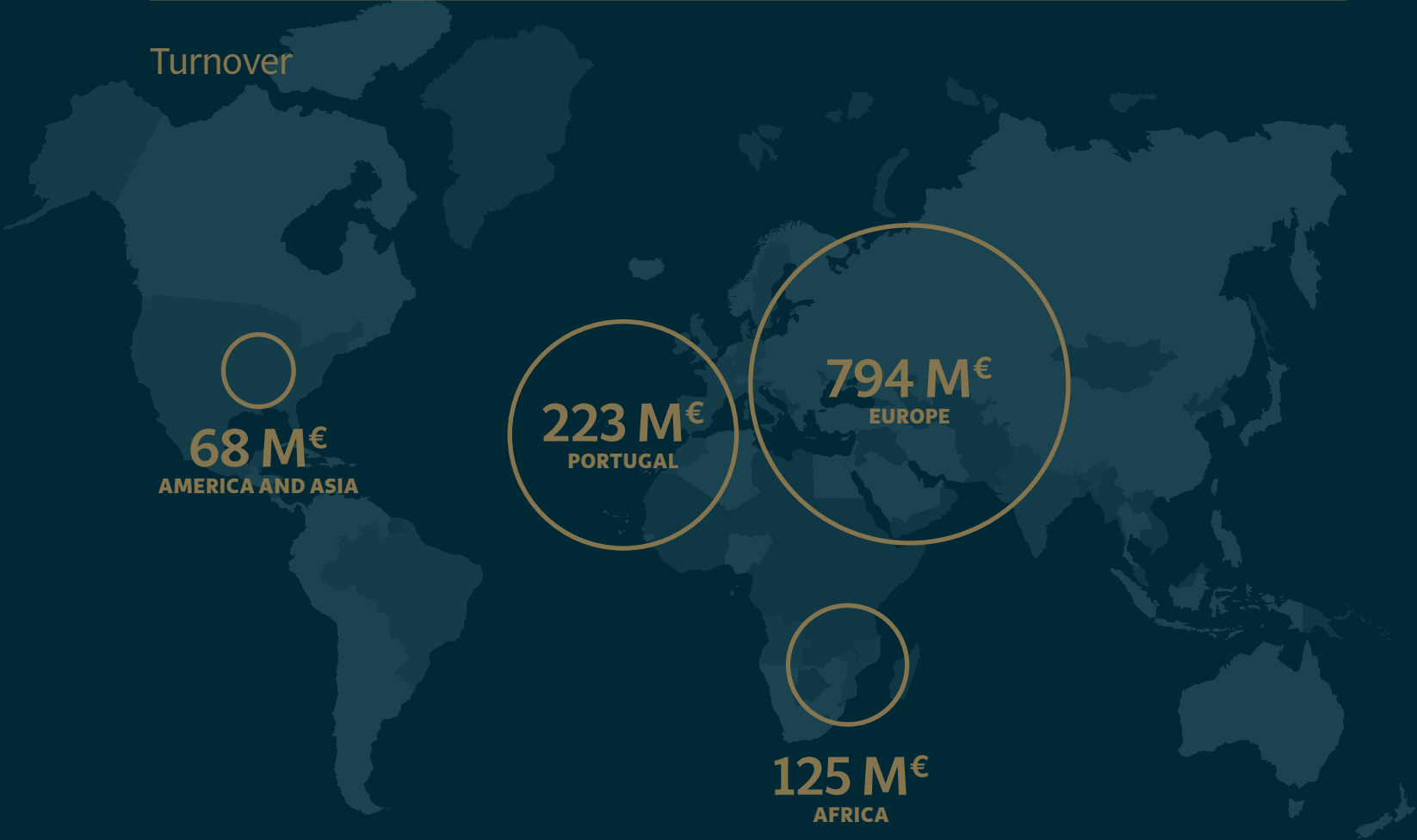
	2022	2021	Var YoY
Turnover	1,210	983	23%
EBITDA	160	149	7%
EBITDA Margin	13.2%	15.2%	-2,0 pp
Recurring operating income*	82.8	89.8	-8%
Operating margin	6.8%	9.1%	-2.3 pp
Net income	56.0	61.8	-9%
Net investment	41.9	54.9	-24%
Debt	325	350	-7%
Inventories	72.9	56.7	29%
Fixed assets (including investment property and goodwill)	708	612	16%

* Operating result excluding the effect of changes in fair value of investment properties and provisions.

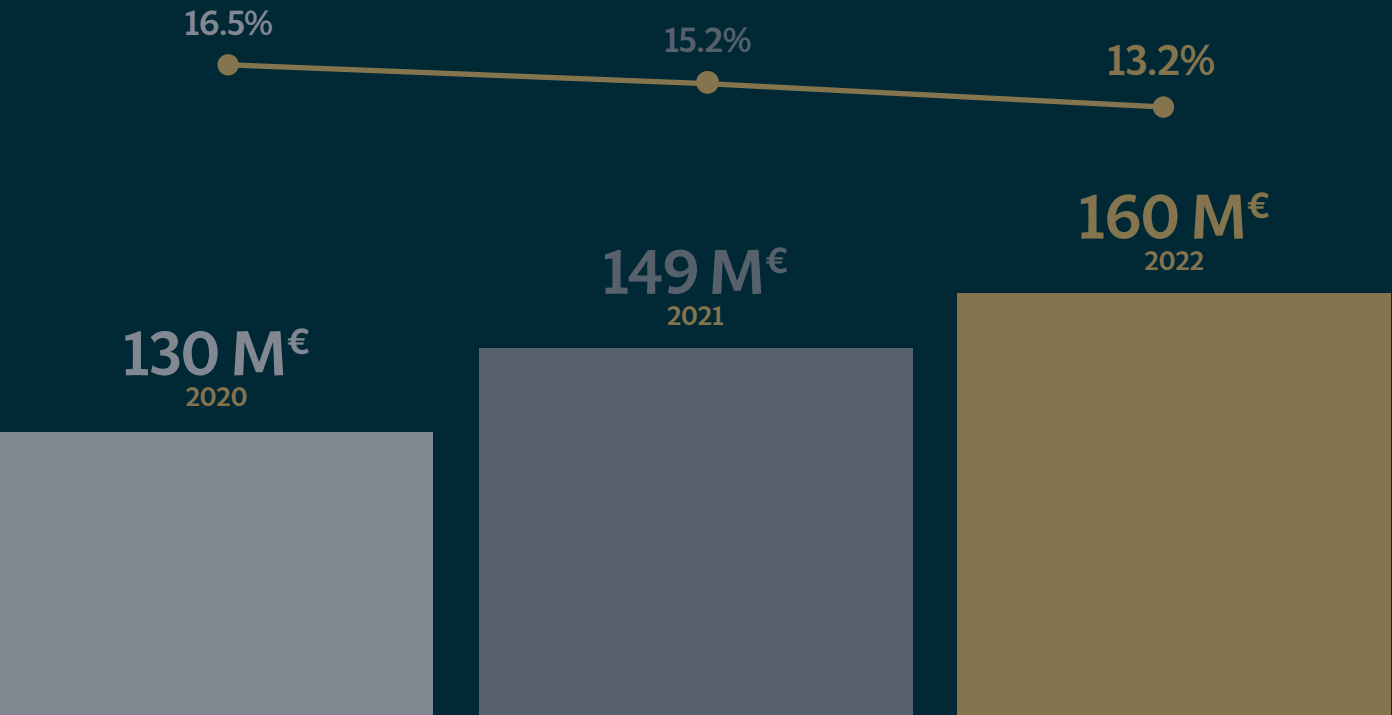
Turnover

1.210 M€

Turnover



EBITDA and Margin



Visabeira Global is the main holding company of Grupo Visabeira, and it aggregates the areas of telecommunications, energy, technology and construction. Clearly the largest holding company, it is also the holding company with the largest international presence. This multi-continental strategy stands on its operational activities abroad as well as on the dynamics of being the world’s leading player in its business. With ever-increasing geographical expansion, Visabeira Global is fully embracing the Grupo’s goal and identity as a leading multinational company.

The year 2022 will be unforgettably marked by the acknowledgement of Constructel Visabeira as one of the main European players in the network engineering segment. The company solidified its reputation and recorded remarkable performance, characterised by a significant increase in turnover that totalled 1,026 million euros, representing an impressive growth of 20.6% in terms of the group of companies and the various countries in which it operates. Moreover, the widespread recognition of its skills, competences and dynamics by the main European operators ensured the strengthening of several partnerships that will enable an even stronger growth in the short term.

Visabeira Global, driven by this scenario and by a strong growth dynamics totalled a consolidated turnover of 1,210 million euros, corresponding to a significant growth of 23% compared to 2021. Thus, with these new best performance results, Visabeira Global strengthens its position as the largest sub-holding, accounting for 83% of the Grupo’s turnover.

Telecommunications

Throughout 2022, Visabeira Global was able to reinforce the high operational performance that is its trademark in terms of engineering services of telecommunications, electricity and gas networks, in all of its subsidiary companies, both domestically and abroad.

Constructel Visabeira has been fully recognised for its comprehensive skills that position it as a market leader and ideal partner for operators in the sectors it does business in. This performance gives the company a leading role as the main pillar of Visabeira Global’s continued expansion in the various countries where, besides Portugal, it is fully established, namely France, the United Kingdom, Belgium, Germany, the United States of America, Italy, the Republic of Ireland, Denmark and Sweden. In May 2022, Constructel Visabeira, as a subsidiary of the Portuguese multinational and multi-sector holding company Grupo Visabeira, signed a 200 million euro investment contract with Goldman Sachs Asset Management, in exchange for a minority share. The funds from this investment will mainly be used to accelerate organic and inorganic growth, by means of acquisitions, focussed on supporting the company’s expansion strategy. The company thus reinforces its position, combining its unique view of markets, industries and regions and the global resources of Goldman Sachs to develop businesses and accelerate the creation of value in Constructel’s portfolios of activities.

In France, **Constructel França**’s year of 2022 was marked by the renewal of the company’s main contract with the client Orange, ensuring good visibility in terms of activity for the next five years. The slight reduction in turnover during this financial year was due to the maturity of the telecommunications market and the consequent decrease in activity in terms of construction of optical fibre networks, where the market is beginning to stabilise. Looking towards the future, the company, aiming at becoming one of the main players in terms of numbers and energy transition, this year has developed a wide range of services in SMART, IoT and renewable energy solutions.

Moreover, **Gatel** strengthened its level of activity on the French market, increasing turnover to around 11.5 million euros. The company’s performance is very much underpinned by its contribution to the Grupo’s other operations, mainly in terms of human resources

management, and the supply of equipment and materials, thus strengthening a joint growth dynamic.

Still in France, the company **Escotel** recorded a 2022 financial year characterised by the strengthening of the telecommunications markets and of the completion phase of the industrial implementation of optical fibre networks in that country, which had an impact on a reduction in terms of its activity volume, reflected in the amount of 12.3 million euros it recorded in this financial year. Within this context, throughout the year the company took the opportunity to reorganise its structure to better adapt to the new markets and to new challenges. The main focus of this policy is to maintain its position of trust as a leading local player, thus contributing to Constructel Visabeira’s integrated offer.

MJ Quinn, a company operating in the United Kingdom, recorded significant operational performance which ensured significant growth in this market and enabled it to strengthen its position as one of the main service providers for the British operator British Telecom. The prestige and skill of its performance, which are its brand image as a global service provider, were decisive in the signing of a new and important multi-year contract, which ensures the geographical expansion of its operation, now providing services to all regions of the United Kingdom and increasing the growth path that the company has been following over the last years. The company’s excellent performance is underpinned by its Training Academy in Liverpool, which is considered by clients and partners to be the best of its kind in the UK. During 2022, the company achieved a turnover of 236 million euros, which represents an increase of 31.4% compared to 2021, in line with the strong growth it had already achieved during the previous financial year.

Obelisk, which operates in the Republic of Ireland and the United Kingdom, is a company that has been part of Constructel Visabeira’s portfolio since April 2022. Obelisk is a leading provider of turnkey solutions for essential infrastructure in telecommunications, fixed and wireless, as well as in the energy sector. Obelisk’s client base includes leading global telecommunications operators such as Vodafone, Three, Cellnex and Vantage Towers, as well as global energy players such as ESB, EDF, SSE and Banks Renewables. At the heart of Obelisk’s success and as





the basis of its skills are, to a large extent, its employees and partners. Obelisk has an important track record and has been awarded locally as a Deloitte Best Managed company for 5 consecutive years, obtaining well-deserved prestige as a result of its personnel, training and development strategies. Obelisk provides end to end solutions focused on ensuring connectivity for all communities in Ireland and the UK implementing 5G and FTTP. The company is specially committed to contributing to building a more sustainable world, having to date supplied over 1MW of renewable solar energy to private and commercial clients in Ireland. Obelisk sees sustainability as a key strategy to helping communities become more responsible and efficient, making objective and positive contributions to the planet, society and the communities they operate in. By starting its new journey as part of Constructel Visabeira, Obelisk aims to strengthen this growth in an organic way with continuous investment in people and through new acquisitions. In 2022, its core business grew almost 20% with a turnover amounting to 32.7 million euros. In Belgium, **Constructel Belgium's** year of 2022 was characterised by a significant increase in turnover, justified by the construction and maintenance of optical fibre networks for several clients, such as Proximus and Fiberklaar. Against this background, the company reached a turnover of 51.4 million euros, which represented a 183% growth compared to the previous year. For **Constructel Modal**, still in Belgium and within the area of fixed networks, 2022 was marked by the renewal of the main contract with client Proximus, which will ensure the company's business sustainability for the next six years. Under this new contract, the company expanded its geographical area of operation, ensuring a national presence and making it one of the largest service providers for this historic client. The company reached a turnover of 40 million euros, which represented a 14.3% growth compared to the 2021. **Oude Markt Voerlieden Natie NV** (O.M.V. Natie), another company operating in the Belgium market based in Antwerp, was founded in 1968 and joined Visabeira Global's business portfolio in 2020. It has been strengthening the Grupo's presence in the sector and in the Belgium market. Within this context, the company reached a turnover of 24.6 million euros, which represented a 35.6% growth. In Germany, **Constructel Visabeira**, now comprising two operating companies, Constructel GmbH and Franz-Josef Braun, strengthened its position with the main clients both in the fixed and mobile network and has even received several acknowledgements with regard to its quality in workmanship. As a result of these dynamics, the works portfolio continued to grow with a short-term cycle of strong growth in the German market. Within this context, **Constructel GmbH** continues to be a benchmark in this market, mainly as a partner of Deutsche Telekom. The level of performance and quality demonstrated in its multidisciplinary action in the area of fixed and mobile networks has allowed it to maintain the leading role that characterises the company's presence in this sector of activity, mainly in the three regions of the West (Cologne), Southeast (Stuttgart) and South (Munich). In 2022, work also began on a new area in Frankfurt. The company has carried out a wide range of works, most of which are FTTH (*fiber to the home*) projects, covered by the MBfD program (*Mehr Breitband für Deutschland*) which announces: "more broadband for Germany". Noteworthy are the projects in the cities of Sprockhövel, Essen and Niederkassel (North-Westphalia region) and in Stuttgart, Baden-Württemberg region, where the Möhringen and Eberdingen projects stand out. Constructel GmbH continued to cooperate with Ericsson and Deutsche Telekom, contributing, through the Pegasus

project, to expanding the 4G network through the Rollout program, and also to launching and expanding the next generation 5G network through the AIR, Refarming and Small Cell programs. The company managed to exceed ambitious expectations and record a significant growth in turnover, reaching 30.6 million euros, a growth of 39.6%. Also in Germany, **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 12.2 million euros in turnover. Constructel Visabeira's option of purchasing this company proved to be a very effective strategy, contributing significantly to the strengthening and positioning of the Grupo in Germany. The company continues to be an important reference in the network construction market, having strengthened its reputation in 2022 by focusing assertively and swiftly on restoring and putting into service multiple German infrastructures, that were destroyed by the great summer floods this year. **Elektro-Würkner** was acquired in 2022, following the Grupo's expansion policy in Germany. This company, which was founded in 1965, currently has around 230 employees and is one of the largest German companies in the telecommunications and energy sector, developing its activity within the renewable energies sector as well. During the financial year 2022, the company recorded a turnover of 29.3 million euros. In Italy, **IEME**, a transalpine company owned by Constructel Visabeira, strengthened its position as a service provider in the area of medium and low voltage energy networks for the client ENEL and in the area of telecommunications with the client Open Fiber, the main Italian players in these sectors. Within the energy sector and representing the basis for the company's future growth, in March 2022 IEME signed two major contracts totalling 14.5 million euros, and in December 2022, two new contracts in the Emilia-Romagna area totalling 137.4 million euros, to be carried out over the next four years. Within this framework, the company expects to double its turnover from 2023 onwards and, in order to face this demanding phase of business activity, it started a programme that implied considerable investment in terms of specialised human resources and equipment. The company recorded a turnover of around 10.7 million euros this year, in line with the previous year's level of activity. **Constructel Itália** showed a level of activity consistent with its commitment to the Italian market, achieving a turnover of more than 33.6 million euros, demonstrating the dynamic growth it has taken on in this competitive market where it has positioned itself as a leading company in the sector. Constructel Visabeira's continued focus on Italy is further confirmed by the acquisition of another company in the telecommunications sector, **Inpower Group**, thus strengthening business expansion and optimising resources by taking advantage of synergies between the companies. In Denmark, **Constructel Denmark** experienced some constraints in terms of doing business throughout 2022 as a result of the complex global scenario, which objectively affects the normal functioning of its operations and which brought about reduction in the company's activity. However, despite this adverse context, the company continued to fulfil its contracts for constructing FTTH networks for the TDC operator, continuing the implementation of the so-called Fiber Factory project. Within this context, Constructel Denmark managed to record a turnover of 8.7 million euros. The company's good performance during 2022 has helped it be recognised as the service provider with the best performance in terms of implementation of the optical fibre network in

this Scandinavian country and it expects continued growth through the extension of contracts with the operator TDC.

In Portugal, **Viatel** has maintained its leading position in the market and it has even managed to increase its share in key segments in the fixed network, having recorded a slight increase in the level of activity during the last months of the year, contrary to the downward trend which characterised its market during 2022. The company was also able to increase its market share in the commercial sector, which could bring about new growth in fixed network activity. On the other hand, growth in the mobile network and technologies business area was very positive, reinforcing its position as market leader in the mobile network segment and confirming its position as an important player in the transport and defence segments. As a result of this performance and of the range of solutions it offers, Viatel has continued to be a leading company in its market, in the various segments in which it operates, strengthening the position of trust it has earned over the last four decades. As such, even in this difficult context, the company was able to total a turnover of 66.3 million euros.

Still in Portugal, **PDT** strengthened its position as the leading service provider of the NOS operator. During 2022, the company experienced a high level of activity in terms of construction, particularly boosted by the award of new construction works for the FTTH network. Within the remaining areas, PDT has remained focused on guaranteeing the quality and availability of its services, as well as on meeting the challenges posed by society, always giving an effective response to all requests from its clients. This attitude together with the usual ability to excel which characterises the company has enabled PDT to grow and exceed a turnover of 35 million euros in 2022.

In Mozambique, during 2022 **Televisa** focused on strengthening a set of key activities that have characterised its operations in the market, which allowed it to maintain its level of activity. Within this framework, and as a result of overcoming the demanding context, Televisa's performance was positively characterised by the optimisation of the company's operations and the strengthening of its leading position on the market, as a global provider of engineering services in its various key areas:

- i) construction (overhead and duct) and cable connection (fibre and copper) of primary and secondary telecommunications networks;
- ii) client network construction and client service installation;
- iii) corrective and preventive maintenance of primary and secondary networks;
- iv) rehabilitation and installation of indoor networks;
- v) construction and maintenance of mobile telecommunications sites (towers and rooftops);
- vi) radio and transmission system installation.

Televisa, a global service provider offering integrated solutions, remains committed to recovering its growth path, trying to overcome the restraint within the market in which it operates. Maintaining such focus, the company has been very determined to deliver high quality performance in response to its clients' requests, highlighting the use of new technologies, in particular the investment made by the client Vodacom, aimed at expanding the underground optical fibre network. This evolution is related to the need for strengthening infrastructures so that they are more resistant to the causes of fibre interruptions, such as bad weather and isolated cuts, and in this context, as in others, Televisa has been an active player designing the best solutions.

Within this context, Televisa maintained its level of activity, achieving a turnover of 7.6 million euros.

In Angola, during 2022 and despite the difficult environment experienced by the sector, **Comatel**, has shown total resilience and competence fully motivated to respond to new challenges and overcome difficulties,

providing suitable responses to the market, in a sector which is so strategic to people's lives and vital to society's functioning. Within this complex scenario, Comatel was able to carry out several important projects. It is important to note the activities for TVCabo Angola, where Comatel continued to carry out various construction works and ensure maintenance services of the respective network in various cities throughout the country, also ensuring maintenance of the national optical fibre backbone network. Furthermore, the company achieved a turnover of 3.6 million euros, an important growth compared to 2021 and returning to the level of activity of 2020.

CATV

TVCABO Angola, an Angolan company that has gained a leading status in the market due to its performance over the last few decades and also because it is the result of a partnership between Angola Telecom, E.P. and Visabeira Global - Sociedade Gestora de Participações Sociais, S.A., companies of recognised competence and complementary in TVCABO's business activity, is dedicated to distributing television and internet signals via a coaxial cable and optical fibre network TVCABO Angola plays a decisive role in Angola's offer of telecommunications services and is essential to guaranteeing services that are fundamental to the lives of people and companies, as it is the only operator that offers simultaneous cable distribution of television, internet and voice, with an entirely digital signal. In terms of providing TVCABO's Television service, the company maintains its leading position, supplying some of its own channels and channels from the two satellite television operators existing in Angola (ZAP and DSTV). This distinctive characteristic of TVCABO makes it possible to make more than 300 TV channels available on a single device. As far as internet service is concerned, TVCABO's offer is high quality service, reaching up to 500 Mb symmetrically, and in fixed telephone services, the company differentiates itself by offering free calls on the TVCABO and Angola Telecom networks as its main feature. The company continues to differentiate itself at a residential level, with the Triple Play service as the main focus of TVCABO's portfolio, given that it provides a varied offer, with a combination of service packages, namely combining different internet speeds, various television channels and, in terms of voice, various levels of impulses. Within the Corporate segment, the continuous development of symmetrical internet packages has allowed TVCABO to offer an assertive response to the various market requests and is an important factor in satisfying the specific needs of each client. In July 2022, TVCABO was awarded the "Specific Concession for the Exercise of Electronic Communications Activity in the Subscription Television Distribution Segment" by the Regulatory Body INACOM. The company considers the award of this licence to be extremely important for the future of its activity, as it will allow TVCABO to set up an even more comprehensive operation in all areas of the sector and provide more innovative solutions, thus becoming a potential global operator. TVCABO, despite the adverse scenario and the increased difficulties that characterised the 2022 financial year, achieved positive performance, reaching a turnover of 43.1 million euros.

At **TVCABO Moçambique**, the year 2022 was the stage for TV Cabo to once call on its characteristics of resilience, action, innovation and ability to overcome challenges, highlighting and improving the adaptability and responsiveness skills of the entire structure and team in order to overcome the challenges of this complex scenario for the normal development of the company's activity. Within this context, the performance achieved contributed largely to the company's ability to





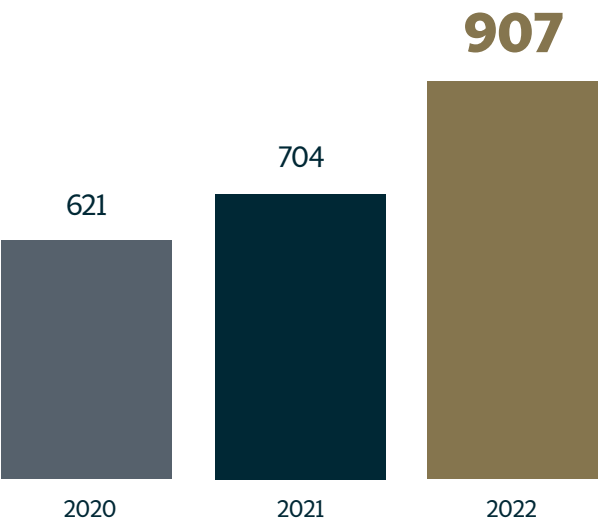
maintain continued business growth and to strengthen its position in the market as a leading operator. It should be noted that the sector in which TVCABO operates has undergone significant changes as a result of changes in the habits and behaviour of both people and companies, largely driven by the constraints of the pandemic, which are now deeply rooted in society, contributing to an increase in internet usage ratios and bandwidth per user. Bandwidth management has thus remained a fundamental base for maintaining the highest quality of service, and TVCABO has increased its direct connection capacity to Africa's largest internet exchange provider (*NAPAfrica*), as well as increasing its capacity in terms of connections to the capitals of provinces, where TVCABO has operations. Within this context, TVCABO ensured performance that managed to maintain an unparalleled level of response, the result of the persistent resilience that characterises the company, strengthening its position as a quality brand and managing, in a period of demanding challenges and ambitious goals, to surpass itself and provide the answers that society required, while maintaining the growth path it has been following over the years, reaching a turnover of 25.4 million euros in 2022, growing by 22%.

In São Tomé and Príncipe, the company **Companhia Santomense de Telecomunicações** (CST) managed to excel in 2022, despite the national and international context of crisis, resulting from the economic slowdown caused by the Covid-19 pandemic in 2020 and 2021, the semiconductor shortage and the war in Ukraine, which contributed directly to the increase in the cost of living in São Tomé and Príncipe. In this complex and adverse environment, the company continues to supply its clients with mobile and internet access via fibre. The scenario of strong regulatory intervention, which continued

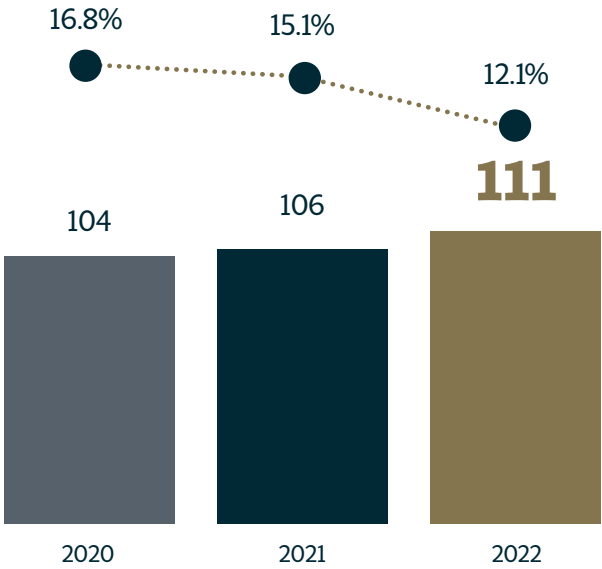
throughout the year, is a constraint that limits the company's progress towards supplying more appealing offers to respond more effectively to market demands. CST continues its policy of investing in commercial activity and innovation in order to strengthen its leadership in all sectors. Moreover, CST has maintained its strategy of investing in fibre - with constant and continuous expansion throughout the year - a future solution for the growth of its market, which is also related to the progressive increase of the need for bandwidth and the reduction in the price of the initial package for internet access via fibre, a consequence of broadband service contracts. Within this global context, and focusing on the vision of being a modern and innovative operator working throughout the country, CST has also maintained its focus on its position as a leading operator as well as on its commitment towards being recognised as the partner of companies in São Tomé and Príncipe, as a result of its integrated, personalised and convergent approach, providing services to all major national companies. As a result of this period of relaunching the brand, during 2022 Companhia Santomense de Telecomunicações had a turnover of 12.8 million euros.

Telecommunications

M€ TURNOVER



M€ % EBITDA/MARGIN



Information and Communication Technologies

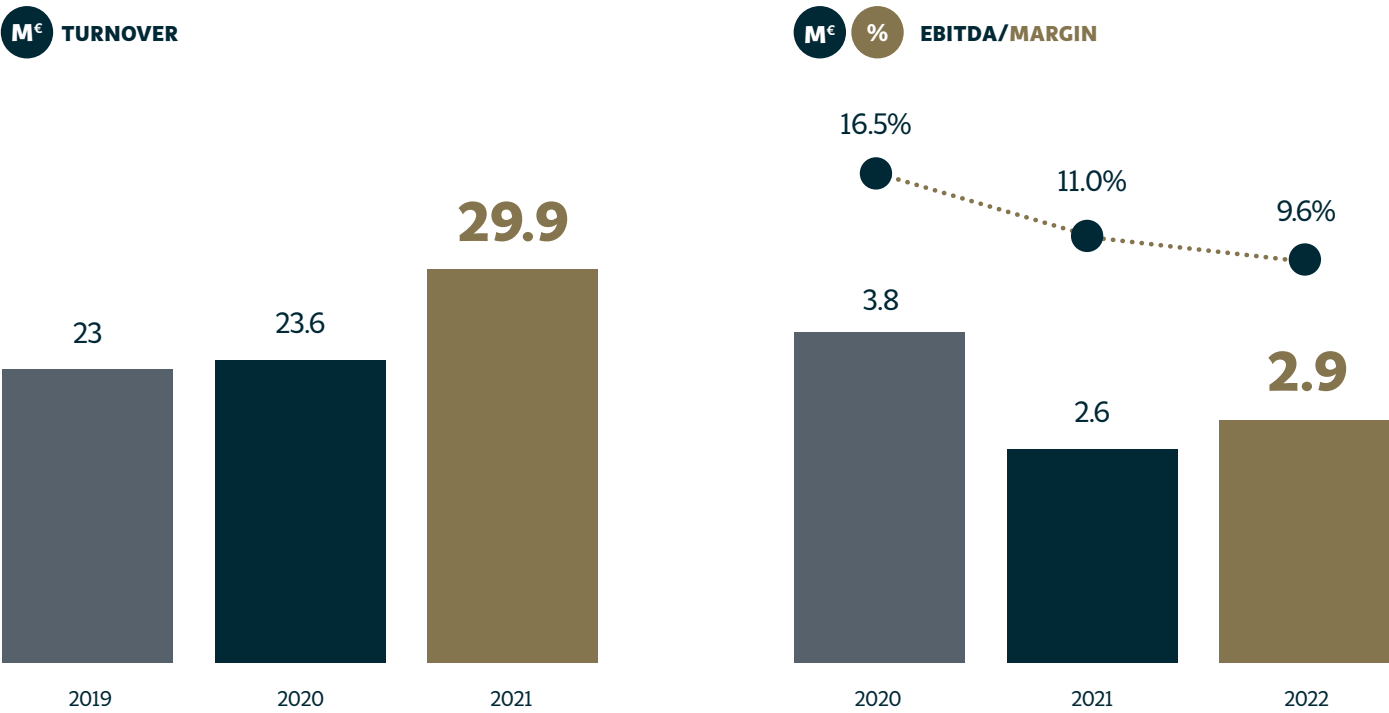
During 2022, **Viatel Tecnologias** set the goal of continuing to be a leading company in the Telecommunications and Technologies sector, where investment in technological Research and Development, as well as knowledge-generating activities are essential pillars that this department of the company has been focused on. Within this context, Viatel has maintained its investment in R&D, which is a commitment to be held in the future, since part of its growth strategy is based on the continuous investment in new technologies, innovation, research and development activities, aiming at improving production processes and innovative products/services. The company is proud to say that innovation, research and development have always been present in Viatel's activity for more than four decades. As such, the company has always been able to implement the right solutions to adapt its employees and services to new technologies and to the needs of its clients. With this in mind, the company has been able to grow and to provide assertive responses to the continuous challenges imposed by its market, playing the role of the main character in terms of progress.

The strong presence that Viatel has in the market has always been marked by its ability to create global solutions, integrating various technological areas, developing new products and services, which have contributed to strengthening the competitiveness of the company and the Grupo both in domestic and foreign markets. As such, Viatel's focus and investment in R&D is to be maintained.

Aeroprotechnik reinforced its focus on the continuous optimisation of its Advanced Inspection services for Critical Infrastructures, in the areas of Energy (photovoltaic power plants), Telecommunications (telecommunications base stations) and Transport (railway maintenance). Within this context, the company strengthened its position in terms of specialised solutions and services, ensuring clients and market loyalty, and therefore the growth of its turnover, in relation to the previous year. During this financial year Aeroprotechnik's main strategy, which favours its assertive and innovative stance, is recognised, together with its capacity to constantly develop technical solutions tailored to each client and their new needs. This attitude is based on the creativity and commitment of the entire team, which is a fundamental pillar for the company's good performance, and dynamics, which are Aeroprotechnik's brand image. With this positioning, the company has gained the trust of the operators it has been working with and has acquired a leading position in the market where it operates, managing to almost double its turnover, with over million euros, representing a growth of 73.9%.

Real Life a renowned brand in the challenging IT market, has taken on the role of a recognised company in this challenging segments, continuing to invest in the information technologies sector, always working with the main telecommunications operators in Portugal and, at the same time, as a partner for the largest technology suppliers. In this context, the company's consolidated turnover amounted to 26.2 million euros, corresponding to a growth of 30.5%.

Information and Communication Technologies





Energy

In Portugal, for **Visabeira Infraestruturas**, 2022 was marked by many activities and achievements indicating it has been the turning point for scenarios of pre-pandemic levels of activity. The various sectors of the company were able to provide the most effective responses on numerous fronts, with many works of increased relevance, making difficult to select some for the year's highlights. Within the various sectors of the company, Visabeira Infraestruturas, a leading company in the sector, the second largest contractor, in terms of turnover, for E-Redes (former EDP-Distribuição). In 2022, the last phase of the “Empreitada Contínua EC2015 – Redes” contract started operating. The project started on the 30th of March 2015 and ended on the 1st of May 2022, considering its extraordinary extension, for a period of more than two years, beyond its initial term. The year 2022 was also marked by the award and launch of the new contract for “Empreitada Contínua EC2022 – Redes”, which is to be carried out during the next years. In the renewable energies segment, Visabeira Infraestruturas, in consortium with Jayme da Costa, continued the construction project of the Alcoutim solar park. This strategic partnership is a result of a clear commitment to market diversification, with a focus on the renewable energies segment, namely in the segment of photovoltaic power plants. In the Electricity Transmission Lines market segment, 2022 proved to be a year of slow recovery in the sustainability of activity. Despite the fact that there were works carried out throughout the year, these were constrained, in terms of their execution, by disruption and/or delays in the material supply chains, namely metallic structures, accessories and insulators. Moreover, activity in the gas sector was essentially based on the execution of the Visabeira Infraestruturas / PRF consortium contract, led by Visabeira, with the distributors Beiragás and Lusitaniagás. Within this difficult and adverse context, Visabeira Infraestruturas closed the year with a turnover amounting to more than 38.9 million euros, in line with the previous year's performance.

Cunha Soares, a company based in Portugal, purchased by Viatel in 2021, operates mainly in the German market. The year 2022, despite the contingencies at the beginning of the year inherent to the Covid-19 pandemic, namely travel difficulties and increased costs, was a year marked by a remarkable growth, both in terms of volume and margin. The company's growth was mainly based in the German market, but at the same time it also carried out occasional activities in the Nordic countries (Denmark and Sweden). Within this context, in 2022 the company's consolidated turnover amounted to 19.6 million euros, corresponding to a growth of 295%.

As far as **EIP Serviços** is concerned, after a first financial year in 2021, in which the main goal was to be part of Constructel Visabeira's group of companies, in 2022 the company had a very growth-oriented financial year. In this context, the company's activity was very much characterised by a general increase in enquiries and bids to take part in new contracts, across all the areas and markets in which the company operates. This process boosted the company's order book and confirmed the expectations with the increase in terms of the company's the company's volume of activity, as was already expected as a result of the investment plans publicly announced by its main clients, REN, EDP and IP and even SNCF in France. The year was particularly challenging, given the urgent need to preserve operational capacity, with a view to maintaining the necessary response capacity for the expected workload increase. However, at the same time, activity was greatly constrained by the disruption felt throughout the entire supply chain, which jeopardised the occupation of operational capacity and the yield of available resources, kept in clear under-performance throughout almost the entire year, with the consequent negative impact on the operating results of companies in the sector. It should also be noted that in February 2022, and pursuant to the provisions of the PER (Special Process of Revitalisation) of EIP SA and the corresponding Split-Merger agreement, the company created a branch in France (EIP Serviços France), an entity for which the entire operation in that country, previously carried out by EIP SA Sucursal France, was transferred, as well as all the assets held by this entity, including employment contracts and works contracts. Against this less favourable backdrop, the company nevertheless managed to reach a turnover of more than 18.3 million euros, corresponding to a significant growth of 71.9%.

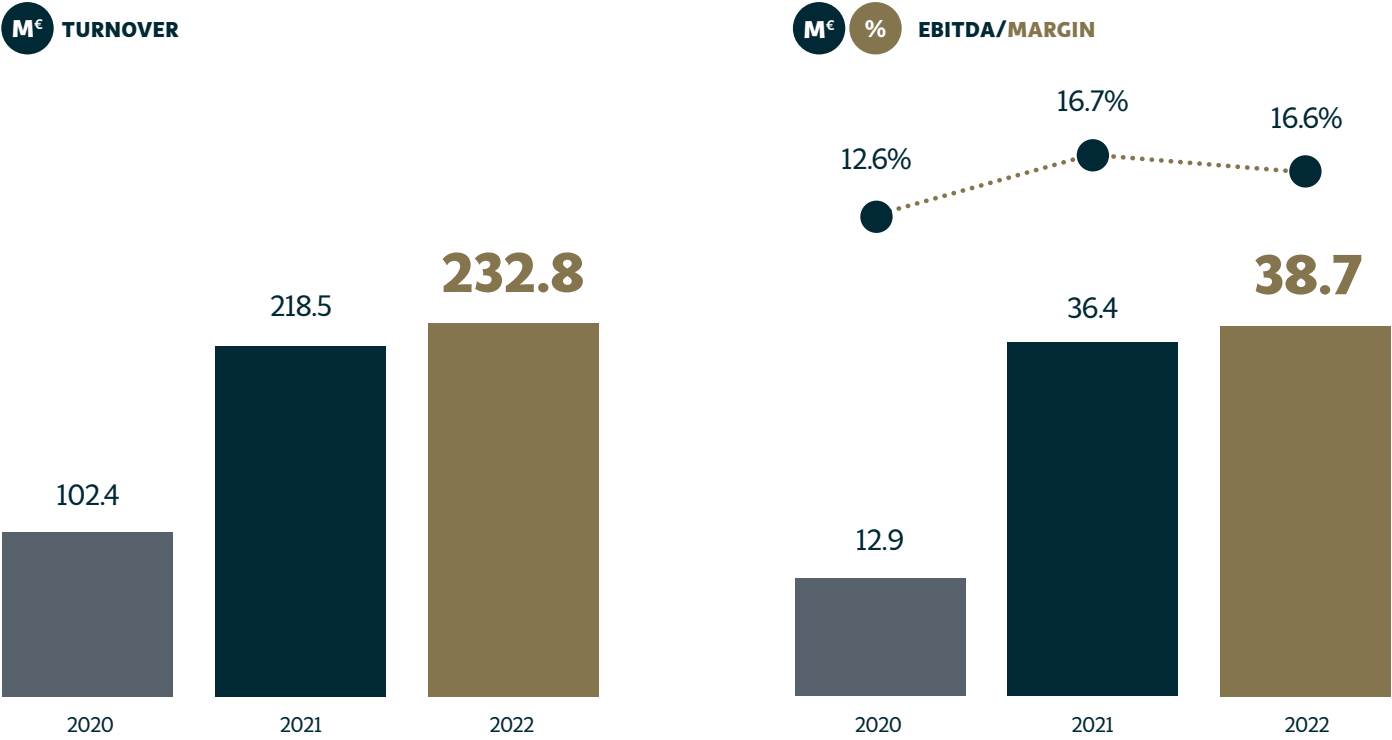
In France, as far as **Constructel Energie** is concerned, 2022 was characterised by strong contractual and organisational stability, which led the company to strengthen its position in this important market. Constructel Energie strengthened its position in the area of energy-related services by reinforcing its presence throughout France and leveraging its position with the incumbent operators and its main partners, ErdF (Électricité de France), Enedis GrdF (Gaz réseaux distribution de France). Within this context, the company recorded a turnover of over 19.1 million euros, in line with the previous year's performance and maintaining its position as an important player in this sector.

In Spain, **Tensa**, despite having started 2022 with an order book that should have allowed the company to engage almost all of its production capacity during the entire year, the expectations ended up not being confirmed as a result of the postponement of two contracts in Transport activity (High and Extremely High voltage lines). The projects should have started in April, but one of them only started in December and the other does not yet have a scheduled start date. As a result of this context, its activity was in line with the previous year, recording a turnover of 9 million euros.

JF Edwards, in the United States of America, extended the presence of Constructel Visabeira to another continent, strengthening its leading position in the North American market and decisively contributed to the worldwide expansion of Constructel Visabeira business activity. During the financial year 2022, the Company's turnover amounted to 67.5 million euros.

In Mozambique, **Electrotec** strengthened its position in the market, pursuing its strategy focussed on its position as a leader within the construction and maintenance of electricity supply infrastructures in High, Medium and Low voltage, as well as complementary work on electricity networks, transformer stations and substations. The company's operation covers the entire country of Mozambique, Niassa to Rovuma. The company's main client is EDM - Eletricidade de Moçambique, and it is renowned for its company-wide approach to delivering quality service and assertive response, working at a global level. In 2022, the company, which has strengthened its leading position in the Mozambican electricity sector recorded a turnover of 15.2 million euros, corresponding to a growth of 81.1% compared to 2021.

Energy





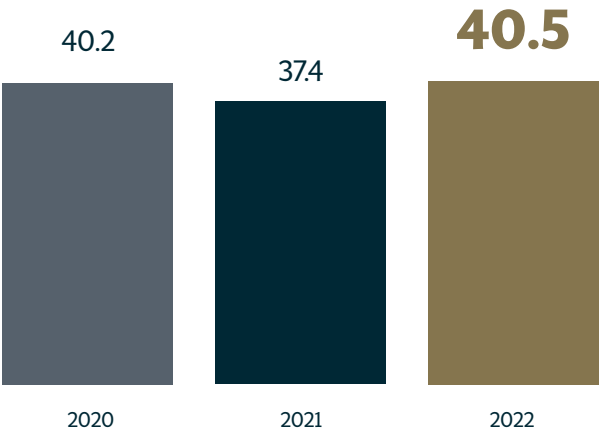
Construction

In Portugal, during a particularly atypical year for the sector, constrained by the outbreak of high inflation that disrupted an already challenging market, **Edivisa** took advantage of its global experience in the Construction and Maintenance of Buildings and Infrastructures sector and managed to strengthen its position as a recognised company on a national scale. The company has earned the status of leading player in the Portuguese construction market, together with its international position, in which the company's activity is most relevant in Mozambique, where it also has a diversified portfolio of works in a wide variety of sectors. During this challenging 2022 financial year, the ability to adapt, the resilience and, at the same time, the agility and flexibility of the organisation, which includes a vast array of multidisciplinary technicians and specialised teams, set within an organisational matrix that optimises the available resources, were crucial for the company's results to reflect perfect harmony between the interdisciplinary areas including architecture, engineering and civil construction. Edivisa has strengthened its objective, which is the basis of its organisation, optimising synergies and overcoming challenges, always focused on developing its activity in two main areas of action: i) public works and ii) the real estate market - in which it operates comprehensively in terms of design and construction, renovation, rehabilitation and maintenance of buildings and infrastructures. Edivisa continues to focus on expanding its presence in the market, both geographically and in terms of opening new market niches, broadening its client portfolio while reducing the risk inherent in the business. As a result of this policy, the company has a significant volume of work, which will allow for significant growth in the short term. As a result, 2022 was marked by the strengthening of the company's position in the Lisbon market, the opening of the market in Porto and the strengthening of the market in Viseu, as well as important projects carried out for the Grupo. Within this context, 2022 was marked by positive performance, in which the company showed its capacity for adaptation and resilience, although the impact of the inflationary crisis and the uncertainty it created resulted in a drop in expectations. Even

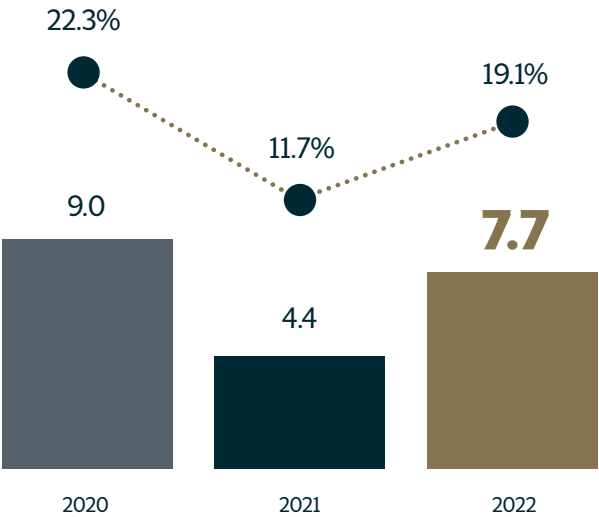
so, the company not only managed to maintain its level of activity, but even achieved a slight increase in turnover, amounting to 26.4 million euros. In Mozambique, **Sogitel** continued its activity focussed on the execution of civil construction and infrastructure contracts. As anticipated in last year's report, Sogitel started several new projects which had already been planned, such as the Training Centre at Beira Hospital and the *Banco de Moçambique* Recreational Centre, also in the city of Beira. Furthermore, Sogitel secured new projects for external clients, including the remodelling and outdoor arrangements at the SOICO television channel premises of Catembe, Maputo, and a new beach villa in Ponta do Ouro. Other works were successfully negotiated and completed, including small intervention programmes such as work on the facilities of *ENH (Empresa Nacional de Hidrocarbonetos)* and *EMOSE (Empresa Moçambicana de Seguros)*, thus maintaining a good commercial relationship with important private clients in Mozambique. During 2022, it is important to highlight the fact that Sogitel was particularly active in public bid tenders and public organisations, in line with the business areas defined by the company's strategy. It is important to highlight that this growth effort, even with limited success in the current framework, has allowed Sogitel to achieve a better position in the market with an improvement in the company's positioning, from tender to tender, particularly in the area of infrastructures (roads, bridges, etc.). Sogitel continues to position itself assertively in the sector where it has strengthened its brand reputation in the market and the leading status it has gained with numerous clients. During the financial year 2022, Sogitel recorded a consolidated turnover of more than 1.5 million euros, amounting to more than 7 million euros.

Construction

M€ TURNOVER



M€ % EBITDA/MARGIN



Visabeira Indústria

Consolidated indicators

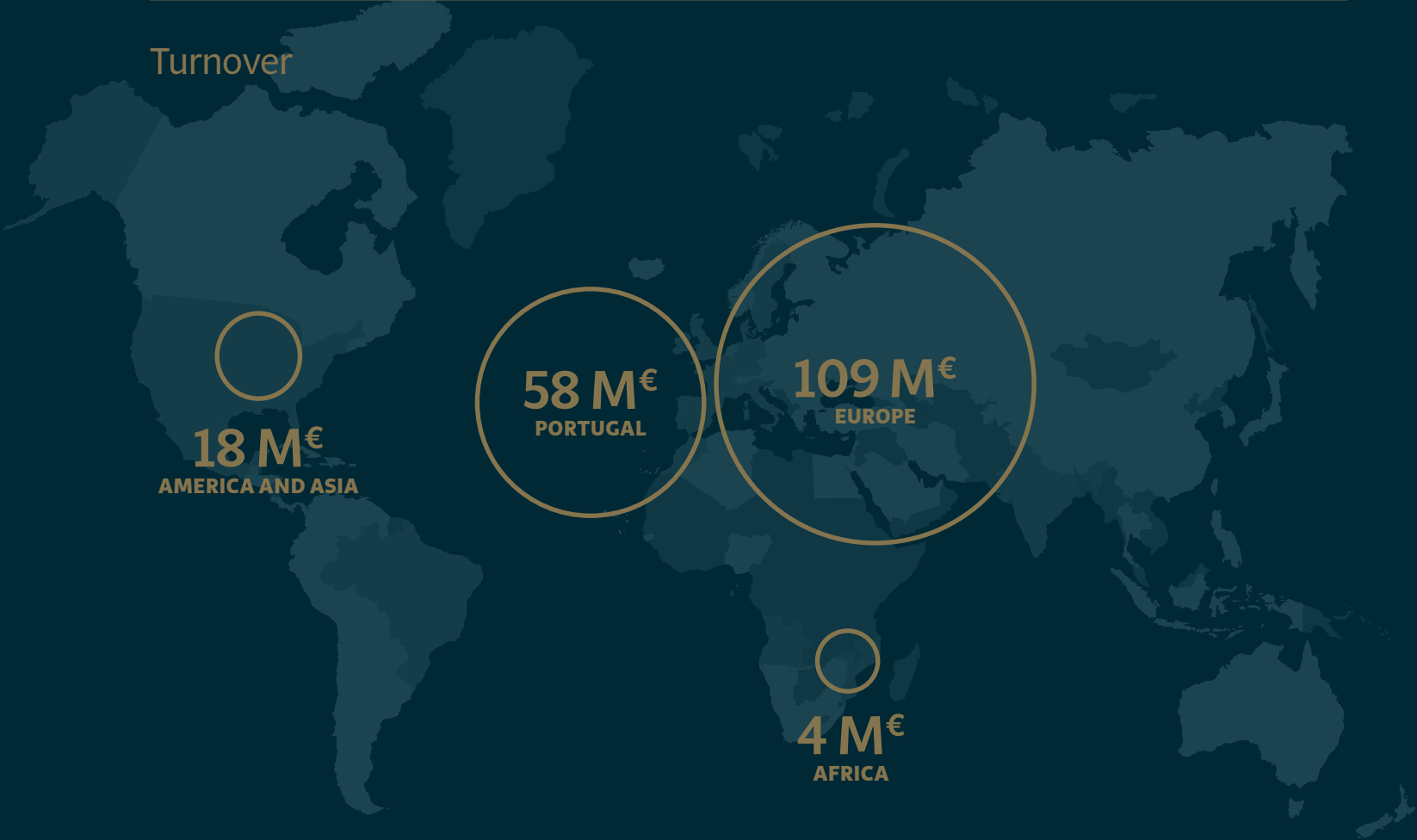
	2022	2021	Var YoY
Turnover	189	153	23%
EBITDA	32.7	24.4	34%
EBITDA Margin	17.3%	15.9%	1.4 pp
Recurring operating income*	17.7	8.9	98%
Operating margin	9.3%	5.8%	3.5 pp
Net income	5.3	-1.6	-427%
Net investment	18.4	10.1	82%
Debt	124.9	107.3	16%
Inventories	53.9	44.2	22%
Fixed assets (including investment property and goodwill)	239	246	-3%

* Operating result excluding the effect of changes in fair value of investment properties and provisions.

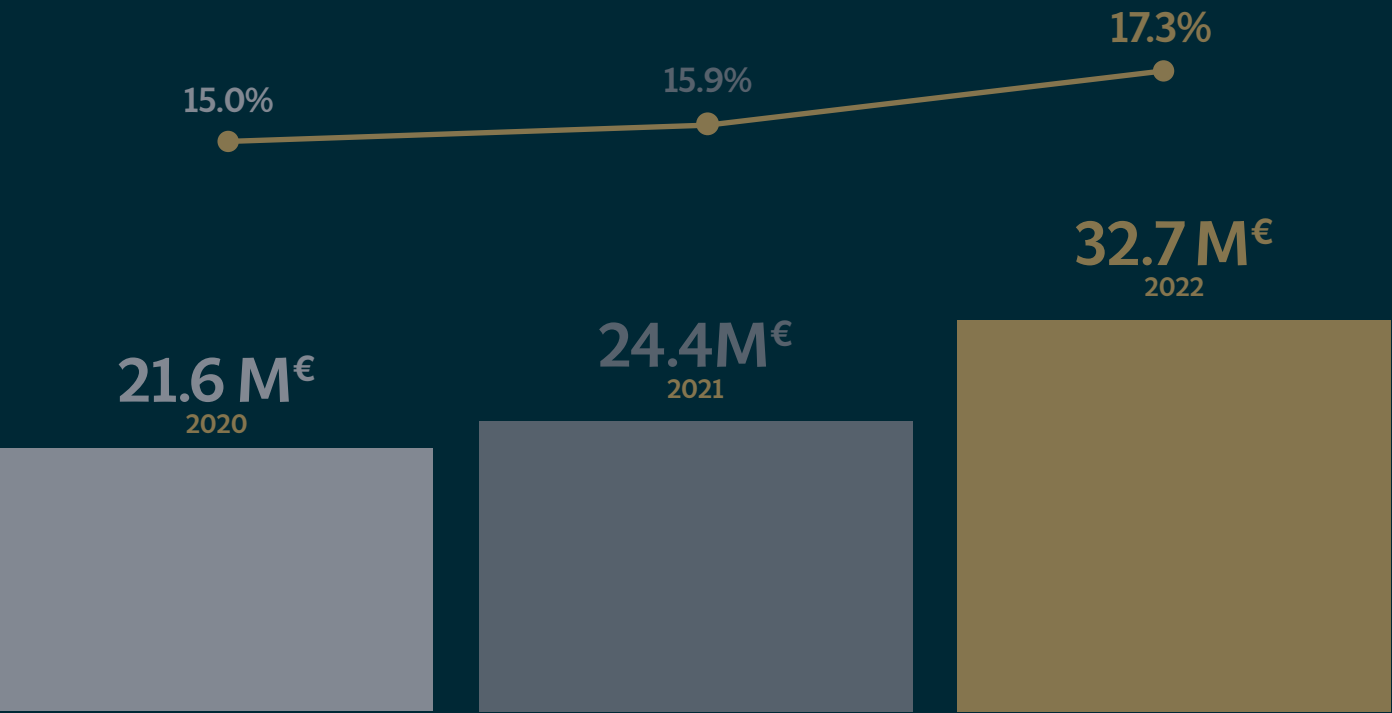
Turnover

189 M€

Turnover



EBITDA and Margin



Visabeira Indústria brings together the Grupo’s expertise in the industrial sector, covering a wide range of areas such as ceramics, glassware, biofuels, energy recovery systems and kitchen furniture, among others. The optimisation of the resources of each manufacturing plant together with the ability to maximise the synergies of the different sectors, allows this holding to have an identity profile especially geared towards innovation and competitiveness. These are essential factors in its positioning, which enhance differentiation and strengthen the quality and innovation which the markets require from industries.

Visabeira Indústria, within the very adverse context that we continue to experience and which greatly affects the activities of the universe of businesses that make up its product portfolio, has recorded a consolidated turnover of 189 million euros, corresponding to a growth of 23%, and remains the second largest sub-holding, with a relative weight of 13% in the Grupo’s turnover.

Ceramics and Glassware

Vista Alegre, as a group, recorded a turnover of 143.3 million euros, corresponding to a growth of 22.5%, and an EBITDA of 27.5 million euros, representing 20%, when compared to 2021.

The year 2022 was thus characterised by strong business growth, both in the domestic and foreign markets. This growth was very much steady not only in the Vista Alegre brands, but also in terms of Hotelware. The growth strategy for the Vista Alegre brands is based on a few pillars which guide the work of the operational teams, namely reinforcing Vista Alegre's luxury positioning on a global level and brand positioning of Bordallo Pinheiro's “popular-chic”, aiming at becoming an international “love brand”.

Both companies are very dynamic in their process of launching new and innovative products, in partnership with artists and designers, as well as communication, mainly based on digital marketing. During 2022, several measures were taken aiming at strengthening the strategy and at beginning to see results from its implementation. In terms of products, several successful collections were launched, including the prestigious *Futurismo* collection, which, being technically complex and aesthetically very different, conquered markets and became a great success. This year also saw the presentation of other collections/pieces which are becoming iconic, namely: the *Circle* collection in Artglass; the *Leontari* collection in Crystal; *Ritmo*, *Treasures* and *UrbanArt* collections in Porcelain; and *Fête Vos Jeux*, a partnership with Christian Lacroix.

Also noteworthy is the fact that the brands have started to expand their lifestyle business, with new complementary product categories in textile, cutlery and lighting. The high quality of the new collections and the brand's prestige are the basis for the multiple international design awards and prizes that in 2022 honoured Vista Alegre products in France, Germany, the USA, Poland, Canada, among many others.

Vista Alegre, a brand that has been innovating for almost two centuries in the manufacture and design of porcelain, glass and crystal, closed 2022 winning twenty-two international awards, awarded by the world's leading and most prestigious design institutions. Some of the examples worth mentioning: *Futurismo*, one of the main collections of 2022, left neither clients nor juries indifferent. It has won six of the top international design awards – *DNA Paris Design*, *European Product Design Award*, *Architecture Masterprize*, *Muse Design Awards*, *German Design Award* and *The Architecture & Design Collection Awards 2022*. In the Lighting

segment, Ross Lovegrove's collection *Earth to Humanity* has won two awards with the latest *Dalea* and *Centaurea* lamps. *Lighting Design Award* awarded the *Winner* and *Gold* category award at the *Grands Prix du Design* (Canadian Design Award). The elegant *Ritmo* pieces won two awards: *German Design Awards*, *Special Mention*, and *Bronze* category at the *Grands Prix du Design*. *Circle*'s shapes immediately show its complexity and the challenge involved in creating these pieces extends to the combination of crystal with coloured glass and the cutting work, creating a vibrant, stunning yet practical set. The complexity and modern lines of *Circle* pieces have secured two awards: *Winner* at the *Architecture Masterprize* and *Winner* at the *German Design Awards*. *Home Cosmetics* represents Vista Alegre's entry into the home fragrance segment, offering most intoxicating aromas, wrapped in a seductive design and with the brand's own elegance. This line was awarded with the Silver prize at the Muse Design Awards. From the continuity of the partnership with Christian Lacroix Maison, another collection was born destined to win – *Fête Vos Jeux*. The symbiosis between functionality, design and playful character of these pieces ensured a *Special Mention* of the *German Design Awards*. *Dinastia Magno*, a sculptural bottle, whose great production complexity and delicacy has earned it the DNA Paris Design Award in the Winner category, as well as the Good Design in Chicago, with the same qualification - Winner. *Ara*, a crystal and glass bottle that bears witness to mythological times, continues to attract the attention of judges. It shone once again with a *Special Mention* awarded by the *German Design Awards*. The Latin word *Dux* means leader, and this sense of command and audacity is at the base of the creation of this unique piece. The class of the *Dux* pieces was worthy of an *Honourable Mention* awarded by the *European Product Design Award* and *Winner* at *Good Design*. The *Kick Off* collection, signed by English designer Damian O'Sullivan, closes the championship with two *European Product Design* awards, such as *Winner*, and *Special Mention* at the *German Design Award*. In addition to the design awards awarded to Vista Alegre pieces, it is worth noting the *Winner* award awarded to the Gift catalogue of Vista Alegre – *German Design Award*, in the category *Excellent Communications Design/Editorial*. This catalogue was illustrated by the artist Catarina Sobral and really expresses the importance of design in everything that Vista Alegre does – not only in the pieces but also in the elements of communication.





As a result of its resilience and ability to adapt to new challenges, **Bordallo Pinheiro** recorded an increase in turnover of around 25% compared to 2021, totalling more than 12 million euros, with a significant proportion of its products being placed on the market under the Vista Alegre brand, resulting in a consolidated turnover of 7.1 million euros. This important performance was achieved by bringing about the company's strategic goal of expanding its presence in foreign markets. Achieving this goal, Bordallo Pinheiro continued to focus its efforts on the geographical expansion of the brand, as well as on the international presence of its products, with a performance in which sales in foreign markets reached a share of 66%. The relevance of foreign markets for the company is decisive and it should also be noted that a good part of sales in the domestic market also have other countries as their final destination, so the presence of the brand abroad is increasingly significant and strengthened. Bordallo Pinheiro thus continues to achieve one of the brand's main goals, the growth of the internationalisation of its products, while never neglecting the important domestic market, where it maintains a leading position due to the creativity and differentiation of its products, which many seek to reproduce. In both markets, the company has reinforced the importance of the synergies between the Grupo's companies, as well as its commercial policies, which have been implemented and which greatly enhance the results achieved. However, given this complex context, the fairs usually held at the beginning of the year (*Maison & Objet* and *Ambiente*) were not held, which had a negative impact on the expected growth as well as in terms of new foreign markets and clients. In 2022, Bordallo Pinheiro only took part in the *Maison & Objet* fair in September, where it achieved very good results, translated into orders and new clients. As far as the production area is concerned, Bordallo Pinheiro is maintaining its strategic commitment to production optimisation and ongoing improvement of all its processes, always aiming at increasing productivity and quality and, consequently, containing manufacturing costs. In 2022, more than ever, due to the very significant increase in the price of gas and consequently raw materials, the commitment to improving these indicators was crucial for the company to achieve the good results it has achieved.

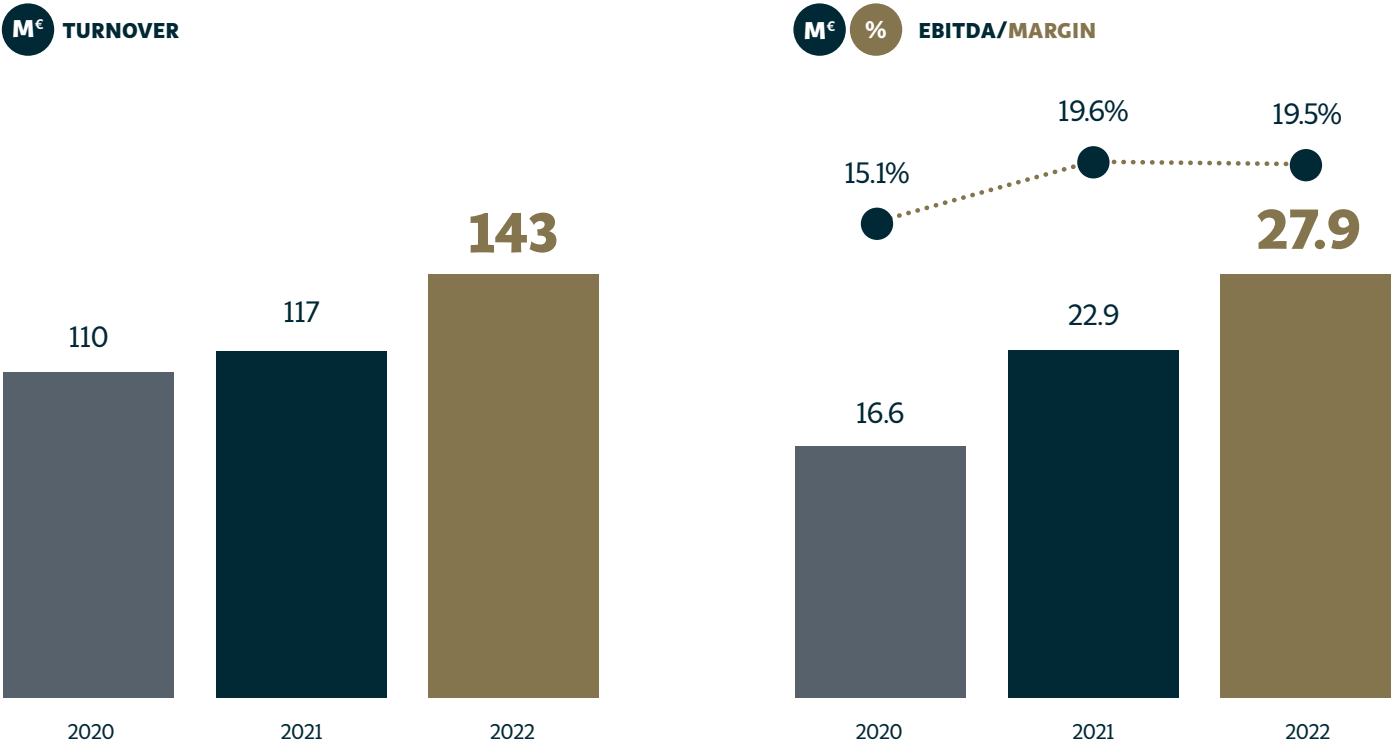
At **Ria Stone**, after two years of pandemic, and as Covid-19 became endemic and with it the opening up of the economy, 2022 ended up being strongly marked by the war in Ukraine, destroying any expectations of a generalised recovery of the markets in terms of the world economy. Nevertheless, the company's order book was not immediately affected by the outbreak of war in Europe, a fact that ultimately had no direct impact on the orders received by Ria Stone, which remained at a good level throughout the year, and even with particular emphasis during the 2nd semester of the financial year. However, the collateral effects of that conflict had a strong impact on the company's business, particularly on the cost of raw materials (ceramic paste, glazes and packaging) and, above all, on energy (natural gas). In this context, the main production factors underwent a cost increase of around 40% compared to 2021, with natural gas prices being the main factor. Despite this major impact on production factors, Ria Stone managed to reflect part of the cost increase in the final selling price of the product, making it possible to minimise the negative impact on results. Moreover, Ria Stone resorted to non-refundable government incentives for gas-intensive industries, which allowed it to reduce part of the impact of the increase in gas prices. In addition to the problem of costs, energy consumption and sustainability are issues that became increasingly important and, as such, Ria Stone has established a well-defined strategy for the future. The company is engaged in complying with a policy of reducing CO2 emissions by 80% by 2030 (based on 2016). To achieve this goal, significant investments have already been made, such as the implementation of a 1Mw photovoltaic panel park, which came into operation in May 2022 and which will produce between 10 and 15% of the company's electricity needs. Given the company's growth, a greater commitment towards resource sustainability as well the decarbonisation of this industry are the possibility of expanding this production plant is also foreseen. Furthermore, Ria Stone is part of the companies consortium that make up the *EcoCerâmica e Cristalaria de Portugal* agenda, part of the *PRR - Plano de Recuperação e Resiliência* [Recovery and Resilience Plan], launched by the Portuguese Government and approved in 2022. The focus of this programme is to provide Ria Stone with more energy-efficient equipment and prepare the company for the new green fuels, reducing its carbon footprint. Achieving the company's goal in terms of R&D, a differentiating factor for Ria Stone, a new H2020 project, was carried out the Tango project. Using AI (Artificial Intelligence) models, this programme aims to create predictive systems to strengthen Ria Stone's physical and virtual access security (Data Security). In a world increasingly more complex and dangerous in terms of cybersecurity, and in which companies rely more and more on computer systems, this programme will be a fundamental asset for Ria Stone's competitiveness. During 2022, Ria Stone continued the H2020 - I4Q project with the implementation of a raw material control system, which from mid-2023 will enable continuous control of this component, which is very important for the final quality of its products and for the company's results. Within the challenging context of 2022, Ria Stone recorded a turnover of 32.2 million euros, which corresponds to 11.9%.

During 2022, **Cerutil** was able to optimise its operation by combining all its skills and enhancing its internal technical and human resources, thus improving production flow and increasing productivity and quality. A filled order portfolio also has contributed to this result, taking advantage of major subcontracting projects which were carried out during most of the year.

Cerutil has maintained its strong commitment towards ongoing improvement, which is the main driving force behind the dynamics implemented in the company, across all sectors and including all employees. It should also be noted that Cerutil is part of the *EcoCerâmica e Cristalaria de Portugal (ECP)* consortium, led by Vista Alegre Atlantis S.A., there are 30 business and non-business entities participating, with a view to decarbonising the Portuguese ceramics sector, with intervention throughout its value chain over the next 3 years, by improving its production processes and making new investments and participating in research and development (R&D) activities. Moreover, the company has also applied for the 1st

Decarbonisation of Industry notice, in order to make its production processes cleaner but is still awaiting approval. In 2022, Cerutil remained focused on strengthening the Grupo's synergies in foreign markets, where the very strong internationalisation of the products manufactured by Cerutil has made it possible to strengthen its presence in the main target markets, including: Italy, the United States of America, the Netherlands, Belgium and France. During this very difficult year, the company managed to achieve very assertive production performance, which allowed it to significantly increase its activity volume by 61.2%, compared to the previous year (a year during which the plant's capacity was heavily affected by the pandemic, mainly during the first semester). The 2022 financial year thus became the best year ever, with turnover totalling around 13 million euros, but with a considerable proportion of its products being placed on the market under the Vista Alegre brand, resulting in a consolidated turnover of 3.3 million euros.

Ceramics and Glassware





Biofuels and Thermal Energy

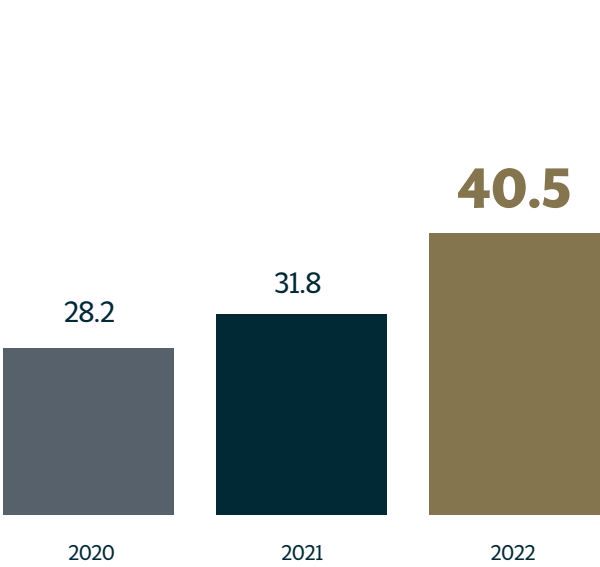
As far as **Pinewells** is concerned, 2022 was an atypical and at the same time challenging year, as it required a readjustment to the existing reality. The company had to face domestic challenges – it started its activity at the Cercal do Alentejo plant; it developed new production combinations that would guarantee existing production levels at the Arganil plant, since Pinewells is the market leader with a premium and superior quality product - as well as several international challenges, at various levels, from supplies to logistics, as well as the inflationary surge that sky-rocketed in 2022. In 2022, the start-up of the Cercal plant and the renovation of the Arganil plant, with new crushing and drying equipment and consequent increase in storage capacity, are memorable facts that mark the beginning of a new era for Pinewells. The company undertakes thus a much higher production capacity, without neglecting the recognised quality of its product and the trust it has gained in the markets. However, 2022 was a year of opposing dynamics, given the constraints in acquiring raw materials, namely pine, as there was a need to drastically reduce domestic pellet production and focus the company’s production on industrial pellets. This strategic decision was crucial, as concentrating production on industrial pellets and developing new product mixes made it possible to manage the raw material available, to keep the factory working, maintaining its levels of production capacity. The indirect effects of the war in Ukraine resulted in significant changes in the energy sector, so that 2022 was characterised by a significant increase in the market price of pellets, which help to eliminate the shortcomings of other energy sources. In the case of Pinewells, as it had previously signed contracts, there was a need to carry out negotiations in order to adjust sales prices to the new market reality, although it was not possible to fully benefit from the maximum prices charged, which occurred

in spot sales. On the other hand, the year was very much marked by rising fuel and energy costs, which in the case of Pinewells have a significant weight. Even within this complex and difficult context, in 2022 Pinewells exceeded for the first time the 20 million euro mark in turnover, which amounted to 25.9 million, corresponding to a growth of 31% compared to 2021.

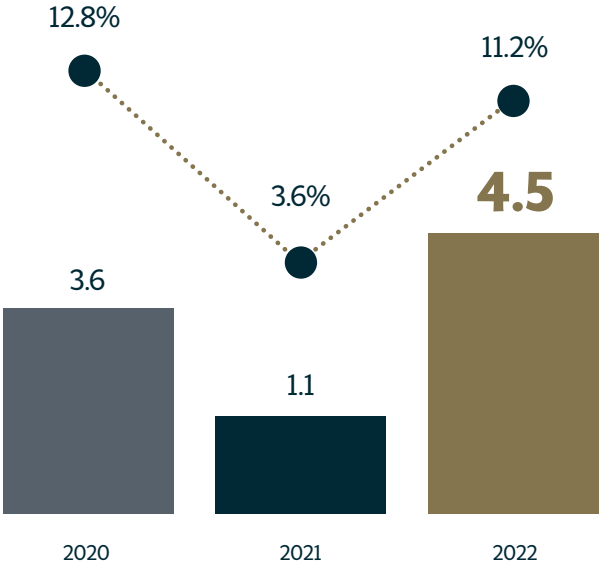
During 2022, **Ambitermo** was able to fully recover its activity after two very difficult years due to the pandemic with limited business activities as a result of the restrictions imposed, and its turnover amounted to 11.4 million this year, representing an increase of 44.8% compared to 2021. The war in Ukraine caused an energy crisis in terms of fossil fuels that has never been seen before, and companies have been forced to quickly find alternative fuels as natural gas had risen to sky-high prices, putting companies in a very difficult situation. As a result, there was increasing demand for alternative energies, particularly biomass, which represented a great opportunity for Ambitermo. As a result of Ambitermo’s constant environmental concern with decarbonisation, the company was already well positioned to take on this challenge, having developed new equipment during the pandemic period, when there was less work, to offer highly energy-efficient solutions in the area of biomass, such as the mobile grill, allowing the burning of different types of biomass in a highly efficient way that is different from its national competitors. Other equipment which is part of a biomass thermal power station has also been studied and improved, leading to high demand from large national companies. Efficient stock management due to the scarcity on the market of some electronic components needed for Ambitermo’s thermal power stations was key to satisfying clients on time, which contributed to the company’s successful performance.

Biofuels and Thermal Energy

M€ TURNOVER



M€ % EBITDA/MARGIN



Visabeira Turismo, Imobiliária e Serviços*

Consolidated indicators

	2022	2021	Var YoY
Turnover	50.3	29.9	68%
EBITDA	14.6	10.6	38%
EBITDA Margin	29.1%	35.5%	-6.4 pp
Recurring operating income**	5.7	2.7	114%
Operating margin	11.3%	8.9%	2.4 pp
Net income	-3.1	-4.2	-26%
Net investment	17.0	22.4	24%
Debt	43	32	34%
Inventories	37.3	38.7	-4%
Fixed assets (including investment property and goodwill)	498	485	3%

*Não inclui a sociedade Grupo Visabeira, S.A.
**Operating result excluding the effect of changes in fair value of investment properties and provisions.

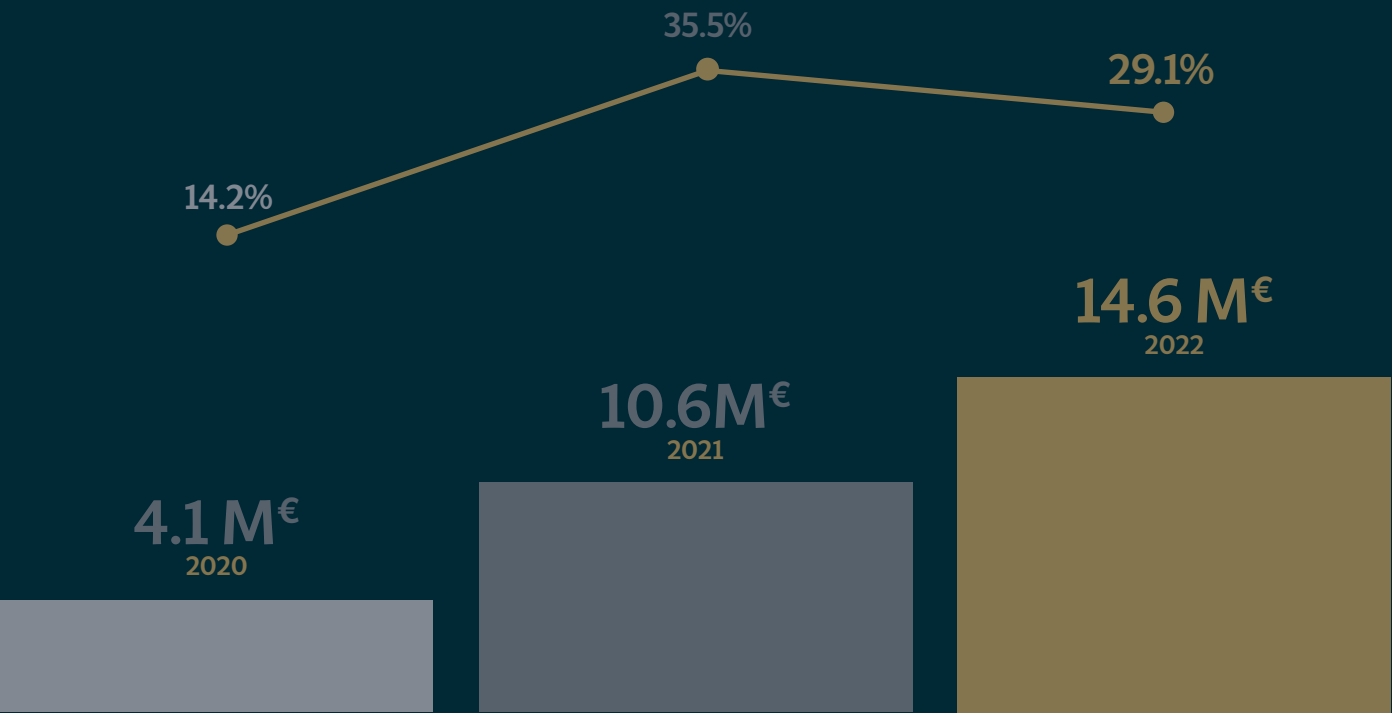
Turnover

50.3 M€

Turnover



EBITDA and Margin



Visabeira Turismo, Imobiliária e Serviços

As a holding company, Visabeira Turismo, Imobiliária e Serviços aims to bring together the three areas in which it operates, integrating and maximising the distinctive skills of each one, ensuring the collective optimisation of resources and guaranteeing focused and effective management that enhances their synergies and complementing features. In March 2019, the company Visabeira Turismo S.G.P.S. became Visabeira Turismo, Imobiliária e Serviços and is 100% owned by the main holding company: Grupo Visabeira, S.A. The creation of this sub-holding enabled the concentration of equity holdings in a coherent and integrated structure of companies with activities in the tourism, real estate and services sectors. This sub-holding claimed responsibility for defining the management policy to be followed in the various projects promoted in its areas of intervention, in particular: hotels, events, restaurants, leisure, real estate and services.

Visabeira Turismo, Imobiliária e Serviços, S.G.P.S., S.A. undertakes to create an integrated offer of services and solutions, which stand out for their innovation, complementing ability and quality.

Following this strategy, important tourist developments have been launched in various market segments, both in Portugal and in Mozambique, aiming at creating a critical mass to sustain a consistent and diversified quality tourist offer, appealing to different market segments. At the same time, it focused as well on promoting the participation of subsidiaries in the real estate and services areas, aiming at complementing and maximising synergies. With a global strategic vision, Visabeira Turismo, Imobiliária e Serviços, S.G.P.S., S.A. has the main goal of directing its investments towards promoting a consistent, diversified and appealing tourist offer, which can benefit other companies that may maximise value, but mainly enhance synergies, also promoting the development and dynamics of its subsidiaries in the areas of real estate and services.

Visabeira Serviços offers a wide range of products, services or turnkey solutions, including studies, development projects, and specialised services in the various business domains, including assistance and consultancy.

Visabeira Turismo, Imobiliária e Serviços, within the complex context that the sector is still experiencing, recorded a consolidated turnover of 50.3 million euros, corresponding to an impressive growth of 68%.

Tourism

As far as the company Empreendimentos Turísticos Montebelo is concerned, during 2022 Montebelo Hotels & Resorts chain continued expanding its offer. The wide range of offers the Montebelo brand already had has now been expanded in Portugal with the opening of a new hotel in the Monastery of Alcobaça - the Montebelo Mosteiro de Alcobaça Historic Hotel. This hotel was the result of a restoration work of a world heritage site, carried out in partnership with architect Eduardo Souto Moura, who was responsible for the project's architectural work.

The hotel opened in November, bringing together hundreds of people, during an event exhibiting traditional sweets of that region, which took place simultaneously in the cloisters of the Monastery of Alcobaça. The opening was attended by the President of the Portuguese Republic, the President of the Republic of Mozambique, as well as members of both governments, among many other national and Mozambican personalities. This opening represents an important step in the brand's strategy of enriching and enhancing its hotel offer through products with a very valuable historical past, which is one of its attractions for national and international markets.

This important upgrade of the Montebelo offer will also include a new historic hotel of the Montebelo Vista Alegre brand in Lisbon, in the heart of Chiado. This hotel will open in 2023, further complementing the distinctive offer the chain already had in this area and which

includes important improvement and/or expansion programmes, aiming at increasingly asserting itself as a high quality, very attractive and unique offer in several areas, among which the historic hotels stands out as a unique heritage offer in the country.

The offer also grew at Montebelo Aguieira Lake Resort & Spa, with a new hotel unit and new multi-purpose rooms. In Lisbon, in Terreiro do Paço, opened a new restaurant “Cervejaria Antártida”, right next to the restaurant “Troppo Squisito”, reinforcing the Grupo's presence in the capital.

In Mozambique, at a magnificent location in Maputo National Park - the Elephant Reserve - was inaugurated the Montebelo Milibangalala Bay Resort, right on the edge of the Indian Ocean.

The inauguration was presided over by the President of the Republic of Mozambique and the President of the Republic of Portugal, in a unique ceremony that demonstrates the importance of this paradise-like tourist destination, which has reinforced the Grupo's tourist offer in that southern country.

The year 2022 will therefore be marked by the expansion of the Montebelo Hotels & Resorts chain.

The Montebelo brand has always been characterised by its global offer, combining stays with differentiating characteristics, associated with the art of gastronomy and a wide range of complements in the most diverse segments, which include leisure, well-being, sports, events,





nature and culture, integrating a unique offer that has ensured a leading position in the market. The hotel at the Monastery of Alcobaça, which is a World Heritage Site, together with the new hotels are part of the classic Montebelo Hotel & Resorts chain. This is yet another magnificent jewel to join all the others, which proudly stand out with their history and a hotel capacity that the hotel chain has turned into a benchmark in a completely differentiating chain for national tourism. The Art of Welcoming, together with the Art of Gastronomy, creating a tourist offer associated with history and heritage:

Montebelo Mosteiro de Alcobaça Historic Hotel – a Hotel with 91 rooms, a cloister, rooms, swimming pool, spa. The hotel is part of the cloister of a monument which dates back to the 12th century, when Afonso Henriques began building the monastery as one of the strategic points in his campaign for the Pope to acknowledge the Kingdom of Portugal. Thus, with the construction of the monastery, he secured the support of Bernardo, Abbot of Claraval, who had great power in the Roman Curia. (The process would be completed with the Pope Alexander III's Bull Manifestis Probatum of the 23rd of May 1179, acknowledging him as king of the Portuguese people). The foundation stone was laid on the 2nd of February 1140 in the presence of Afonso Henriques. Construction began in 1153-54, after the model of the Claraval Abbey, which had been started around 1115 and would have been completed by then. Construction, which began in the 12th century, lasted until the 18th century, ending in the year of the earthquake, 1755, with the construction of the Library in the south wing of the *Rachadouro* Cloister.

The construction of this cloister began in the 17th century, when there was a need to enlarge the monastery due to lack of space. The *Rachadouro* Cloister or Library Cloister owes its second name to the presence of the important library and the importance in the history of Portugal that the monastery undertook in the 16th century. As for the name “*Rachadouro*” (chop/crack) Cloister, some authors simplify to mean a wood chopping area(!). However, as initially the area was opened to the exterior and the construction of one of the wings was incomplete, its name may be related to that “opening” or “crack”. The area was only completely closed as a cloister upon the construction of the Library wing, to the South in the 18th century. The renovation campaign was carried out because the friars of Alcobaça valued writing and publishing books, as well as research, mainly the History of Portugal. In 1597 Friar Bernardo de Brito wrote the 1st volume of “*Monarquia Lusitana*”. The new cloister included cells on the 1st and 2nd floors, continuing the same function as the adjacent *Cardeal* cloister, “cartório” and “scriptorium” rooms as well as the large library. In the lower floor, there were workshop spaces and similar support areas for book production, editing and processing of books. The *Rachadouro* Cloister is very much characterised by the impressive Library (like the Library of the Mafra Convent), which today remains one of the building’s great icons. The building survived the earthquake but suffered a lot of damages from the floods of 1772 and the French Invasions of 1810, with looting, fires, theft and desecration. With the end of the religious orders in 1833, the building suffered further damage as the monastery was abandoned, vandalised and looted. Later, during the 20th century, the building housed forty different activities, (completely different from the original purpose of the building) which seriously deformed and deteriorated it. It housed public services, barracks, banks and schools, the head offices of various associations, the republican and democratic centre, during the first quarter of the

20th century, and the MRPP political party during the fourth quarter of that century.... It has been a residence and a warehouse, it has housed a variety of stores and workshops and, in recent times, it was an asylum and a retirement home. Architect Souto Moura’s concept to resurrect the age-old building was inspired by the minimalism and detachment of convent life, cleaning it of the numerous more recent interventions and recovering the spirit that has marked the premises over the centuries. This architectural vision managed to highlight the virtuosity and quality of noble materials such as stone, wood, leather, steel, concrete and glass, in perfect harmony with the secular roots of the building and the absolute respect for the pre-existing buildings and the history of the Monastery. Today, the *Rachadouro* Cloister has been resurrected, has regained its spirit and is an excellent hotel that has recovered the soul of the original convent.

The *Rachadouro* Cloister, now reborn, offers unique experiences in a building constructed before Portugal’s independence and has accompanied the life of the country for 9 centuries.

Montebelo Lisbon Downtown Apartments - 18 apartments, 24 rooms. The *Montebelo Lisbon Downtown Apartments* building is located in the heart of the “Pombal” city centre, in the middle of Rua da Prata. This entire area is the result of a total reconstruction spearheaded by the dynamic Marquis of Pombal after the 1755 earthquake, creating circulation areas and buildings with a future vision, with innovative anti-seismic characteristics and a sense of order and use. The *Downtown* area is a set of straight streets with perpendicular streets organised around a central axis, Rua Augusta, in a matrix of orthogonal blocks. The buildings share a similar architecture, designed with a ground floor for commercial areas and upper floors for housing. This is one of the first examples of anti-seismic construction.

The *Montebelo Lisbon Downtown Apartments* have preserved this historic structure and in some of the flats it is possible to live with the so-called “gaiola pombalina” (Pombal cage - a three-dimensional wooden structure incorporated into masonry walls) and admire the ingenuity of its construction design. The architectural models of this system were tested using troops marching on scale models to simulate an earthquake. The *Montebelo Lisbon Downtown Apartments* are an excellent example of the preservation of these historic buildings of the Pombal era, still built in the 18th century, in this case from 1762 to 1777. The magnificent tiled exterior, the organisation of shops on the ground floor, a first floor with flats with unique characteristics, low ceilings for a cosy effect, peculiar windows and a proximity to city life, which contrast with the remaining floors with more generous ceilings and exceptional views, especially from the balconies on the upper floors, all of which allow you to experience the ancient “Pombal” experience with the comfort and facilities of modern times. The flamboyant blue tiled façade was repaired during the first half of the 20th century (1943) and has now been restored to its former glory and impact. In 1960, the building underwent a general renovation and it was renovated again in 1964, when the façade suffered minor damage caused by the earthquake during that year.

The same happened again in the 1969 earthquake, with cracks in the plaster and the façade, but without any structural impact. The building has now undergone a thorough restoration and recovery project that has restored its former grandeur and magnificence that represent its identity. History is still very much alive in the building’s interior walls, in the purposely visible areas of the “gaiola pombalina”, in the stonework windows, so close to the city’s history, or in the painting in the entrance

hall that welcomes those who wish to enjoy this unique experience. The welcome medallion on the ceiling of the entrance hall is a beautiful piece of 18th century Portuguese art. In line with the school of Domingos Sequeira (Lisbon, the 10th of March 1768 - Rome, the 8th of March 1837), the building has a balance that reached its apogee in paintings such as "Gods in Olympus", by that master, considered the first painter of Portuguese romanticism. The female figure, an allegory of Commerce and Abundance, dressed in Roman garb, holds a staff in her left hand and a fruit and cereal basket in her right hand, which is very representative of the commercial ideals of the street where the building is located. In most of the flats, you can enjoy a prime view of the magnificent São Nicolau church, a 13th century building that was completely rebuilt after the earthquake and in the same period as the building that now houses the *Montebelo Lisbon Downtown Apartments*.

Montebelo Vista Alegre Chiado Hotel – Hotel with 58 rooms.

The building originates from the reconstruction of the city centre after the 1755 earthquake. Its construction was part of the Marquis of Pombal's strategy and the plan chosen by the Kingdom's Chief Engineer, Manuel da Maia, based on a proposal by engineering captain Eugénio dos Santos. The choice fell on a general design of buildings that was uniform throughout the project and had three-storey constructions as its main lines, roofs with small roof windows and iron balconies, in a context very much characterised by rectilinear lines and based on the innovative "gaiola pombalina". The construction was promoted by the owner at the time, Pedro José António de Menezes (1713-1799), the fourth Marquis of Marialva. The building was created to house the British Assembly, which sat there until it was closed down during the French invasions. From 1819, the building housed the *Assembleia Estrangeira* and, later, from 1834, the *Academia Filarmónica de Lisboa*, the *Academia Real dos Professores de Música*, the *Clube de Recreação Familiar*, the *Centro Progressista* political association and, in 1928, the *Companhia do Caminho de Ferro de Benguela* moved into the first two floors of the building. It was in this context that, mid-twentieth century, the offices of the Vista Alegre factory in Lisbon were set up on the first and second floors of the building, perhaps due to its proximity to the home in the capital of the brand's founder, José Ferreira Pinto Basto. In 1953, after Vista Alegre moved into the building, significant changes were made to the first and second floors. Vista Alegre purchased the building in 1992 from the descendants of "Monteiro dos Milhões", who had still owned it since the end of the 19th century, after the building had been expanded by the millionaire's father. From then onwards, the building would be the centre of the Vista Alegre brand's presence in the capital, having fallen into successive disrepair towards the end of the 20th century. With the revival of the brand by Grupo Visabeira in 2009, the building was given a new lease on life with its renovation and adaptation into a hotel in downtown Lisbon. The hotel's concept combines charm with the philosophy of the Montebelo Vista Alegre Hotels, which began with the hotel built in the *Bairro da Vista Alegre* (ancient factory's employees neighbourhood), at *Lugar da Vista Alegre*, where the brand is based in Ílhavo - which brings together hotel, palace and *Bairro da Vista Alegre* into a unique offer. A concept associated with the history and beauty of the porcelain art which is now present in the heart of the noblest area of the capital, in a location that also combines the experiences and presence of the art of Master Rafael Bordalo Pinheiro, an unavoidable figure who is now also part of the Vista Alegre universe. A refined hotel, seeking to recover the soul

of the building and equipping it with the most modern amenities to favour unique and unrepeatable experiences. The areas are full of detail perfectly combining the profile of the building with the art and history of the porcelain. A good example of its identity can be seen in the works of art that enrich the walls, unique pieces and direct painting on the wall that reflect the art of porcelain, the heart of the Vista Alegre brand. A hotel concept associated with porcelain, which honours the brand's past presence in the building and adds to its 200 years of porcelain history in Portugal, as well as the art and beauty that are the hallmarks of Vista Alegre.

The hotel is organised into 3 wings, each named after the street it faces, whose names are used in the decoration together with three of the most emblematic themes of Vista Alegre's art. In the rooms belonging to the wing facing "Rua do Alecrim" the decoration motif is plants, a historical theme of Vista Alegre, which are here represented by rosemary, an allegory to the name of the street connecting Chiado to the river. The rooms in the wing facing "Largo do Barão de Quintela" relate to the history theme, which has been one of the most representative themes in the brand's many collections and commemorative pieces. On the other hand, in the wing facing "Rua das Flores", the theme is indisputable with an excellent representation of many of the flowers that have been portrayed by Vista Alegre in its pieces over the centuries.

Montebelo Vista Alegre Ílhavo Hotel- hotel with 162 rooms, *Palácio, Casa dos Mestre Pintores, Bairro da Vista Alegre* [ancient factory's employees neighbourhood], swimming pools, spa, congresses, Aveiro estuary. The two-century old brand was conceived by its founder at the beginning of the 19th century. In 1812 he purchased *Quinta da Ermida*, in 1816 he purchased the Vista Alegre Chapel, and in 1824 he set up the Vista Alegre Factory, the first factory of its kind in the country, which five years later was recognised with the title of *Real Fábrica* [Royal Factory]. The *Lugar da Vista Alegre*, next to the Aveiro estuary, was then transformed into a pioneering industrial experiment, adding to the "great tableware, porcelain, glassware and chemical processes factory" a real employees' town, with a Courtyard and several landscaped streets with a Neighbourhood, Chapel, Theatre, School, Nursery, Fire Station, Canteen, Medical Centre, Barbershop, Garage, Fountains, Museum... Today, two centuries later, the Vista Alegre Factory remains in place and it has regained its life and enormous attractiveness as a global tourist destination, with a hotel dedicated to porcelain, the *Palácio da Vista Alegre* [Vista Alegre Palace], *Casa dos Mestres Pintores* [Master Painters House], *Bairro da Vista Alegre* [ancient factory's employee neighbourhood], the *Terreiro* [Courtyard], the Chapel, the Museum, the Theatre, the Vista Alegre store, the Bordallo Pinheiro store... Vista Alegre, a brand worldwide known for its great artistic value in the porcelain and crystal sector, has also made a name for itself in the hotel sector, the art of welcoming. José Ferreira Pinto Basto (1774-1839) created the Vista Alegre Factory, in *Lugar da Vista Alegre*, and received a royal authorisation from King João IV, dated from the 4th of July 1824, which in a charter allowed the factory to "benefit from all the graces, privileges and exemptions that national factories enjoy or will enjoy in the future". This was the first factory to produce porcelain in the country. Until then, all the porcelain had come from China (it is even said that it was the monopoly of the Portuguese Pero de Solana - a name that, by corrupting the Portuguese expression meaning Pero de Solana's crockery, would have given rise to the name "porcelain"). Yet the Vista Alegre factory began producing





glass and crystal, and beautiful pieces have survived to the present day. As early as 1892, the factory produced a catalogue which, due to its quality, is considered the first piece of marketing in Portugal. For years the factory remained focussed on achieving quality porcelain and persisted, until it succeeded in the following decade. It found the most suitable raw materials and achieved the perfect conditions for the manufacturing process. As a testimony to this important step, we have the first porcelain piece from that period in a portrait of the founder holding a porcelain cup in his hand, before 1839.

The factory created by Pinto Basto is part of a unique eco-system, as it includes a *Bairro da Vista Alegre* [ancient factory's employee' neighbourhood], a Theatre, Schools, a Band, a Fire Brigade, Nursery and an 18th century chapel. A world apart. Also noteworthy is the impressive Vista Alegre Museum, which dates back to 1838. In 2009, Vista Alegre was purchased by Grupo Visabeira, which recovered the company, invested in innovation and modernisation and invested heavily in international markets. The Vista Alegre factory is the oldest in the Iberian Peninsula and has become one of the most important worldwide. Over almost two centuries, the brand has been awarded thousands of prizes, mainly at an international level, especially in recent years.

Vista Alegre has broadened its focus and currently it includes a modern hotel, unique for its porcelain theme, which includes the *Palácio* [Palace], next to the Chapel, the *Casa dos Mestres Pintores* [Master Painters' House], *Bairro da Vista Alegre* [old factory's employee neighbourhood], as well as other places worthy of note: Chapel, *Terreiro* [Courtyard], Theatre, Factory, estuary, Vista Alegre store, Bordallo Pinheiro store and the Museum. A unique place... to visit.

Casa da Ínsua Historic Hotel – Hotel with 31 rooms and estate with 5 flats, lounges, swimming pool, gardens, chapel and museum. The house, which is now the hotel, was built around 1780 by Luís de Albuquerque de Melo Pereira e Cáceres, who was in Brazil as captain-general of Mato Grosso and Cuiabá, from where he sent the plans for its construction, while he was building *Príncipe da Beira* Fort in Brazil. There was a first *Casa da Ínsua* on the site, built by João de Albuquerque e Castro, Chief Mayor of Sabugal, from which the Chapel and terrace survive. The estate *Quinta da Ínsua* begun in the 15th century when Diogo de Albuquerque purchased *Quinta do Outeiro* and began the construction of the first house, *Casa Velha*, which has survived to the present day in the threshing floor area and is therefore also called *Casa da Eira*. The estate was renovated and transformed into a hotel by Grupo Visabeira in 2009, creating an offer which is unique in its quality, diversity and attractiveness. *Casa da Ínsua* is a true living museum. Strolling through its rooms and corridors is a real journey into the past where every object, every corner and every wall has a story to tell. A museum that brings together a wide variety of areas of interest, including history, architecture, painting, sculpture, decorative arts, furniture, ceramics, military and religious objects, flora, fauna, agriculture, botany, viticulture, oenology, gastronomy, industrial archaeology, technology... Each can discover what best suits them, the search is the first pleasure. *Casa da Ínsua* also has a museum organised into 3 sections. The first is dedicated to the house itself and its history; the second, *Brasiliana*, is focused on the remarkable work of the house's founder as Governor of Cuiabá and Mato Grosso (in Brazil) in the 18th century; and the third is a starting point for an approach to the important path of technology, innovation, and cutting edge which characterises the estate and which begins in the ancient metalwork

shop. Other complementary areas scattered around the Estate allow you to travel through time and interests: *Casa da Ínsua* wine, *Serra da Estrela* cheese, memories of “Queijo à Chef”, the cinema, heraldry, the beginnings of electricity, among many others. *Casa da Ínsua* has thus many points of interest in the widest range of areas, our history and the establishment of Brazil, of which Luís de Albuquerque was a true frontiersman, a man who promoted and guaranteed the continental dimension of present-day Brazil, to the most diverse aspects of art: Decorative arts, portraits, paintings, music, maps, drawings, sculpture, tin pieces, porcelain, mechanical clocks and sundials, furniture, wallpaper, tiles, coats of arms, cannons, weapons, indigenous artefacts, gardens, fountains, lakes, topiary, the beginnings of technology, electricity, cinema, animal-drawn cart, household utensils, an ice factory, life on the farm, etc... this is a hotel full of history.

Hotel Palácio dos Melos – A 27-room hotel with a prime location in the heart of Viseu's historic city centre.

The origins of the building that is now the Hotel Palácio dos Mellos, in Rua Chão do Mestre, are lost in the memories of time. Not least because, just like now, with the recent work carried out to renovate and adapt it into a hotel, it has undergone several more or less major interventions throughout its centuries-long history.

The building is part of the city gate and the still existing sections of the Afonso V wall on either side of it, with the wall itself being an important part of the building's impressive exterior walls and terraces. The building's foundation is also is part of the wall, as both converge along the huge rock that emerges on the site. However, its origin dates back to the very wall that it is part of and which enclosed the city of Viseu in the 15th century. The *Porta do Soar* is closely linked to the building and even serves as access to the garden on the opposite side, where the *Nossa Senhora dos Remédios* chapel is located, a later construction from the mid-18th century. It was here that the *Paço do Infante D. Henrique* was located, after whom the street was named: Rua do Chão do Mestre. The street name honours D. Henrique himself, as Master of the Order of Christ. Testimony to the building's ancestral roots can be seen in some of the stone turrets which decorate several of the Manor's windows and which still bear traces of that period. The wall of Viseu had seven doors: the one bordering the *Solar dos Mellos* - *Porta de São Francisco* (*Porta do Soar* or *Arco dos Mellos*), *Porta da Senhora das Angústias* (*Porta da Traição*), *Porta dos Cavaleiros* (*Porta do Arco*), *Porta de S. Sebastião* (*Convento das Freiras*), *Porta de S. Miguel* (*Rua da Regueira*), *Porta do Senhor Crucificado* (*Rua da Árvore*) and *Porta de S. José* (*Quatro Esquinas*). It seems that the wall was never definitively completed because, in 1547, the City Council requested a licence from Infanta D. Maria, the last Lady and Duchess of Viseu, for “a protection for the city walls that are made of earth”. The wall would survive until the mid-19th century, when the desire for development and the innovative spirit of the time, indifferent to these testimonies of the past, resulted in a decision by the city council in 1844 to demolish the old arches of the city doors, because “their conservation is of no use and their demolition is more convenient for the continuous passage of carts, people and carriages”. It was then worth the sensitivity and insight of two of the stonemasons in charge of the demolition who, in a report on the inspection drawn up precisely by these two anonymous stonemasons stated that - with regard to the two arches that would survive to the present day - they did not threaten to fall and, moreover, “even embellish the city”. We owe them the reversal of the decision and the fact that today we can still enjoy

these two testimonies of 16th century Viseu. Next to the doors in the wall and associated with each of them, there were manor houses that acted as guardians of each of the entrances. *Solar dos Mellos* and the buildings that preceded it took on this role in their connection to the *Porta de S. Francisco*, which is why it also became known as *Arco dos Mellos*, as well as *Porta do Soar* or *Porta do Soar de Cima*. On it, in two niches, are the images of St Francis of Borgia and St Anthony. It is topped with the arms of King João IV in a message of tribute to the Immaculate Conception of Mary, on a granite plaque placed there in 1646. In addition to its rich history, as a hotel, the Palace now has many different points of interest for revisiting its past. We can highlight the charm of the connection to the terrace at the top of the arch of the *Porta de Soar de Cima* and the garden; the ancient stone flooring in the entrance hall; the impressive stonework walls; the building's setting within the wall and the huge rock that supports it; the design of the various windows and the coffered ceilings in genuine Portuguese style. These reasons, among many others, together with the wonderful view over the city and its surroundings, are just a few examples of what the building has to offer upon a closer visit. Its location in the heart of Viseu's historic city centre allows you to enrich your stay with numerous interesting visits, including the Cathedral, *Grão Vasco* Museum, the city's streets and medieval buildings.

Montebelo Aguieira Lake Resort & Spa – Hotel with 58 rooms and a tourist village with 152 flats and villas, conference rooms, swimming pools, spa, marina and eco-trail. Montebelo Aguieira is mainly a holiday and leisure resort, but it is also a perfect venue to hold events and meetings. It has a prime location near the Aguieira Dam, with an offer that includes a hotel, flats and villas with private swimming pools, as well as a large green area including an outdoor swimming pool complex, water games, playground, eco-trail, fitness trail, mini golf and other outdoor activities. Another major point of interest is the marina, with a capacity of 400 boats, where you can enjoy boat tours and leisure activities on the extensive reservoir of the Aguieira Dam. The resort also has indoor swimming pools, a gym and a spa. Moreover, it includes the Dão eco-trail and the Mondego cycle path, which has renovated the old Dão railway line with its characteristic iron bridges and tunnels reaching Viseu to the north and Penacova to the south. For holding events, the main building has several event rooms, and there is a terrace and green areas. The resort is fully embedded in nature, slate is its trademark, and from all the flats you can enjoy the magnificent Aguieira Dam. Located in an area of rare beauty, the main water body of Aguieira dam is the Mondego river. However, other rivers are part of its reservoir, such as the Dão river, whose mouth is near the dam, and into which the Criz river flows. These rivers, the surrounding nature, the nearby villages and some of the remains previous to the dam are main points of interest for a quite stroll along the Aguieira Reservoir. The construction of the Aguieira Dam was completed in 1979 and the dam began operating in 1981. This is a dam with multiple arches. It has three arches and two central buttresses, where the flood spillways are located. It is 89 metres high and the length of the crest is 400 metres. This dam has the particularity of forming a system with the neighbouring Coiço dam downstream, which allows water to be stored between the two dams. During off-peak hours, it is possible to pump the water back into the reservoir, so that electricity can be produced again with the same water. The reservoir, which covers more than 2,000 hectares, spreads over the municipalities of Mortágua, Penacova, Santa Comba Dão, Tábua, Carregal do Sal and Tondela.

The total capacity of the reservoir is 423 million cubic metres. With the construction of the dam, the main villages submerged were Foz do Dão and Breda. Foz do Dão belonged to the parish of Óvoa, in the municipality of Santa Comba Dão and was, besides the parish seat, the only village with a church and a cemetery. Breda, in the parish of Sobral, in the municipality of Mortágua, was located under the Breda Bridge, on the Beira Alta railway, a few kilometres from the mouth of the Criz river. When the water level in the reservoir decreases a lot, you can see the walls of the old houses in this village. Foz do Dão's iconic Salazar Bridge is another monument that has been submerged, located right next to the project, in front of the marina, but at a depth of over 70 metres. The Salazar bridge was part of the National Road no 2. It had a strong architectural presence, designed in a single arch and built in stone and it was inaugurated in November 1935 and closed in 1980. The bridge was located in the village of Foz do Dão (municipality of Santa Comba Dão) and was part of the road that linked Santa Comba Dão to Penacova (a road that would be integrated into the iconic N2). The Aguieira Dam and its large body of water are used by fans of sports for windsurfing, sailing, rowing, motor boating and jet skiing, as well as sport fishing. Montebelo Aguieira, as well as being a holiday and leisure destination with unique characteristics in the country, is now also an important destination for canoeing, welcoming athletes from dozens of countries to prepare for the world's biggest competitions.

Montebelo Príncipe Perfeito Garden Hotel – a Hotel with 47 rooms, congress rooms, swimming pool, gardens and water park. The Montebelo Príncipe Perfeito, located just 5 minutes from the historic centre of Viseu, is set in a natural environment which combines harmoniously with its traditional architecture, offering an atmosphere of peace and quiet. Its elegant gardens and peaceful interior decoration create a pleasant and calm atmosphere, characterised by pale shades of green. Overlooking the landscapes of the *Serra da Estrela* and *Caramulo* natural parks, the hotel's outdoor swimming pool adds quietness to the surrounding gardens and green spaces. Spacious meeting rooms with surrounding gardens and outdoor terraces create the perfect settings for any event. The hotel is also associated with the Príncipe Perfeito sports complex. This complex is surrounded by gardens, and you can enjoy a water park with water slides, swimming pools, gym, squash courts, a golf academy, futsal courts and a pavilion with paddle courts.

Montebelo Viseu Congress Hotel – a 172-room hotel with congress rooms, swimming pools, spa. This is one of the most important hotels of the chain, as it is at the base of the whole concept. This hotel has evolved and has grown over time. As such, in 2022, it underwent a complete renovation as part of the modernisation and improvement campaign required by the chain to all of its hotels, aiming at maintaining the high quality of its offers, in line with the most modern trends and responding to the strictest comfort requirements. The Hotel Montebelo building was originally designed from scratch as a hotel by the Italian architect Francesco Marconi. It has evolved over time, growing and incorporating new features that have positioned it as one of the most important hotels in the central region of the country and an essential offer for tourists and event organisers. The hotel offers spacious bedrooms and several suites, including a penthouse with two floors and more than 500 square metres. Its location at a high point in the city of Viseu, with panoramic views over the *Estrela* and *Caramulo* mountains, is another of its undeniable characteristics. It maintains its role as the centre of an integrated offer, designed since the beginning,



which includes the construction of the Montebelo golf course. Moreover, this integrated offer also include: *Expocenter*, a congress and events centre and the multi-purpose area "The Day after". Within the context of this overall offer, it is important to mention other complementing activities such as catering, leisure, sports and outdoor activities:

Restaurants: This chain is always associated with a restaurants offer that celebrates the Art of Gastronomy. It has restaurants which are part of the hotels, associated with the brand, and restaurants operating on their own such as: *Cervejaria Antártida* and the Italian *Troppo Squisito*, with emblematic locations also in Terreiro do Paço; it includes as well *Rodizio do Gelo*, *Rodizio Real*, *Forno da Mimi*, *Amazônia* and *Jardins da Mimi*, among others.

Golf: Golfe Montebelo is a feature of the Montebelo Hotels & Resorts global sports and leisure offer. Golfe Montebelo opened in 1997 and is the only 27-hole golf field in the north/central region of the country. It is well known for its unique characteristics, and for being integrated in nature, in a welcoming landscape between the *Estrela* and *Caramulo* mountains. This golf field with its exceptional landscape setting, is a well-known brand both at a national and international level. The course is generously laid out among pine and oak trees, in a setting where gorse and heather, traditional undergrowth, predominate.

The centrepiece of the course is the panoramic Club House building and a building for a restaurant and events, which complement each other and are located close to the Academy, as well as the exits and arrivals of the three courses: "Caramulo", "Estrela" and "Bussaco". Golfe Montebelo plays a leading role in the region, hosting some of the most important amateur events in Portugal. In addition to the three golf courses, the field also offers Futgolf, which has been very successful and is the venue for important events such as the qualifiers for the *Campeonato de Futgolf de Portugal* and the *Taça de Portugal* (2020 and 2021), and in 2023 it will also host the *Open de Portugal*.

Complexo Desportivo Príncipe Perfeito (CDPP), which is an autonomous unit of the company *Empreendimentos Turísticos Montebelo*, is a qualified additional sports attraction. This large complex combines sports, leisure and health: It includes various activities: indoor swimming pools, body building training, gyms, squash courts, outdoor futsal courts, indoor complex with paddle courts and, the complex main attraction, the water park with swimming pools, slides, large green spaces, bar, terrace and the Golf Academy, including driving range. Another pillar of the overall offer, which is part of this vast heritage and enriches the quality and attractiveness of the entire offer, is the network of Museums. They tell the history and the stories associated with the activities and the past of the units which they are part of: **The Vista Alegre Museum**, in *Lugar da Vista Alegre*, in Ílhavo, is one of the oldest museums in the country and one of the largest of its kind in the world, with a collection of over 30,000 pieces. The first step towards the creation of the museum was the organisation of the collection of the factory's first pieces, which would be exhibited in the *Exposição de Produtos da Indústria Portuguesa*, organised by the *Sociedade Promotora da Indústria Nacional*, first planned for June, and held in Lisbon between the 22nd of July and the 1st of August 1838. Over the course of almost two centuries, the museum was passed through various locations until its complete renovation in 2016, the result of the Grupo Visabeira's investment in the Vista Alegre brand. Currently, fully renovated and expanded, the Museum has a new and attractive exhibition circuit, designed in partnership with the Museu Nacional de Arte Antiga (MNAA) (National Museum of Ancient Art), which offers a

detailed journey through the last two centuries of the history of porcelain in Portugal and the leading porcelain brand worldwide. The main sections are: the kilns, the foundation, glazing, stone dust, modernism, the factory community, commemoration, the allure of China, heraldry, lithophane, animals, sculpture, ceramics, contemporaries, the brand, as well as the painting studio: artists making art. In addition to visiting the exhibition area, the museum's circuit also includes other points of great interest, such as the 17th century "Carrapichel" Fountain, the 18th century Chapel of *Nossa Senhora da Penha de França*, the 19th century Vista Alegre Theatre, the 20th century nursery (a space used as a manufacturing and painting studio for visitors) and the Vista Alegre courtyard and *Bairro da Vista Alegre*.

The Vista Alegre Crystal Museum in Alcobaça is located in the *Casal da Areia* factory in Alcobaça, which completes the trilogy: the art of glass and crystal of Vista Alegre, started in the 19th century; complementing the legacy with the brand Atlantis, in the 20th century, and currently returning to the initial brand, with Vista Alegre playing a leading role worldwide in this beautiful art. Main areas: Pieces with history, History of crystal, Crystal in Portugal, Industrial archaeology and Kilns: craftsmen making art.

The Fábrica de Faianças Bordallo Pinheiro Museum in Caldas da Rainha is one of the most typical museums in the country. This is the result of Grupo Visabeira's commitment to this unique heritage, which includes pieces of rare beauty and the various facets of the master and his son. The company was founded by Raphael and his brother Feliciano and formally established on the 30th of June 1884. The Museum was created in 1984 aiming at organising and publicising Bordallo's work, which was stored in the factory. It includes pieces, drawings, factory documents and formulas for making clay and glazes, as well as a collection of more than a thousand original plaster moulds created by the great master. The initial installation, centred in the family home, was renovated in 2015 in a larger area in the old factory. The remodelled and enlarged museum space offers an attractive exhibition circuit that provides an interesting journey through the various facets of ceramist and comedian Rafael Bordalo Pinheiro and his son, who continued his work, Manuel Gustavo, in the place where the two created a unique collection in the world. With this exhibition circuit, their works are thus reborn in a way that is more appealing to the public. Main areas: "O Sabor das Emoções" [Flavour of emotions]; "Sonhos em Barro" [Dreams in clay]; Room "Rafael"; Room "Mil Caras" [Thousand faces]; Room "A Fábrica do Mestre" [the Master's factory]; "As Paredes têm Azulejos" [Walls have tiles]; Room "Manuel Gustavo"; Room "A Natureza Bordaliana" [Bordallo's nature]; the circuit also includes: Hall of Bordallo's diversity, Family House and gardens with "animals" running wild.

The Casa da Ínsua Museum, in Penalva do Castelo, is an important attraction at *Casa da Ínsua* and includes a museum organised into three areas. The first is dedicated to the house itself and its history; the second, *Brasiliiana*, is focused on the remarkable work of the house's founder as Governor of Cuiabá and Mato Grosso (in Brazil) in the 18th century; and the third is a starting point for an approach to the important path of technology, innovation, and being cutting edge which characterises the estate and which begins in the ancient metalwork shop. Other areas scattered around the Estate allow you to travel through time and interests:

- The timeline of *Casa da Ínsua* wine, which began in 1852, and at the same time shows the development of new products, which has been able to take centre stage during the last decade, as well as some of the

numerous awards it has won over almost two centuries; - The cheese factory with its age-old process of making *Casa da Ínsua* cheese and delicious jams; - The area dedicated to recent audio-visuals, such as the film "Viúva rica solteira não fica" by José Fonseca e Costa, or the television programme dedicated to Zé Pedro, from the band Xutos & Pontapés, due to his connection to *Casa da Ínsua*, or the more recent "Olga Drummond", by Diogo Infante, to which you can also add a new approach to *Casa da Ínsua* as a stage for concerts and events that will stay in your memory; - The "Chef's Cheese" event, which the *Casa* has been organising since 2014, shows the many chefs and sommeliers who have made this event an essential pillar of the *Serra da Estrela* cheese universe. Main areas: the House and its history; the *Brasiliiana*; the archaeology of technology; life on the estate; the Electricity House; the Ice Factory; the Chapel, the Cheese Factory and *Serra da Estrela* cheese; the Tasting Room, with the time line of *Casa da Ínsua* wine and the main awards; the various areas scattered around the House, which include portraits, coats of arms, cannons; clocks and sundials; sculptures, fireplaces; painted ceilings, wallpaper and blue tiles, decorative arts, etc...

In this context of expansion and renovation, the Montebelo chain is today a renewed, refreshed, modern and increasingly attractive hotel chain, which combines very harmoniously with the entire Visabeira Turismo offer. An integrated offer that combines hotels, distinguished by their unique heritage, in privileged locations with the Art of Welcoming and the Art of Gastronomy in an environment that complements it with multiple attractions in the areas such as leisure, tourism, culture, sport, well-being as well as events and congresses. Thus, the **Montebelo Hotels & Resorts** chain, and its associated restaurant network, in Portugal and Mozambique undertakes as its goal its motto and signature: **Enjoy the Best**.

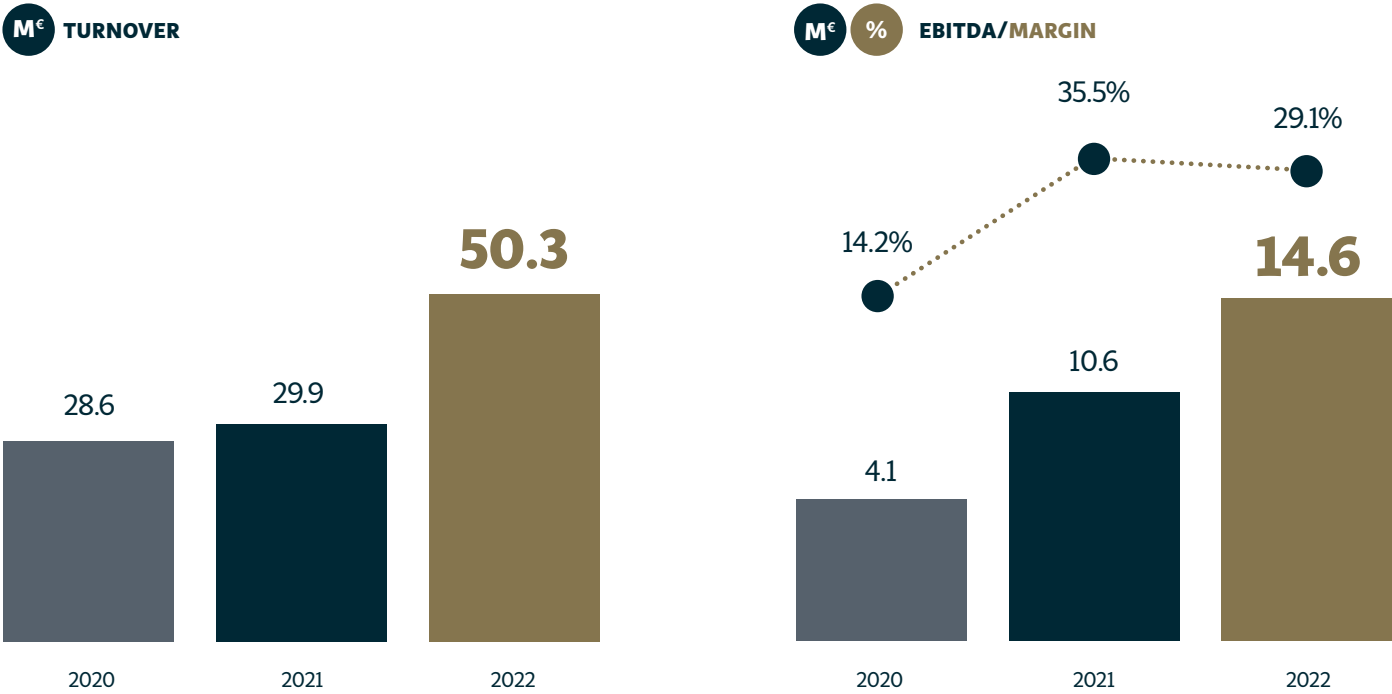
Real Estate

Regarding the real estate area, the company managed to preserve its position as a leading company in the sector, guided by a strategy of expanding its offer. In addition, in this context, reliable, high quality and strategically well placed products, as well as excellent customer service and support, have strengthened the widespread recognition that it had. During 2022, the strategy focused on repositioning the different operations, minimising the share of leases, given the company's goal of maximising sales. Broadening the Visahouse image was another way to increase the company's activity. The brand that brought added value in the visibility and renown of the company's action, creating a stronger perception and increased attractiveness of its offer, namely through the positive dynamics created on social networks and on the various digital channels, representing a strategic focus which proved to be very successful. The focus remains on growth, strengthened by the recognition that the market values, and by expanding its presence to other regions and cities, such as Aveiro.

Services

As far as the services area is concerned, activity maintained during 2022 - the goal of offering the provision of a service with global solutions, of quality and characterised by excellent performance. Nevertheless, and despite the uncertainties that have multiplied, the company kept the strategic orientation of maximising the synergies obtained, which resulted from the positioning of a multidisciplinary shared services company. The company associates this position with the optimisation achieved through its portfolio of companies located in the most diverse geographical areas, a real guarantee of the rationalisation of resources, under a flexible structure where the accuracy it works with remains as its brand image and places it as a leading company in the sector.

Visabeira Turismo, Imobiliária e Serviços



Commitment to society



Quality, Environment and Safety

Sustainable development expresses the relationship between economic growth, environmental conservation and social concern. Based on society's awareness of the rational use of natural resources and the environmental impacts generated by human action, the concept of sustainable growth emerges as an alternative, promoting the interdependence between economy, environment and society. In recent decades, there have been changes in the context of economic development, recognising the importance of local production systems in the processes of change and growth, establishing the importance of the territory as an active role.

Thus, sustainable local development is the process of social change and enhancement of society's opportunities, reconciling, in time and space, economic growth, environmental conservation, quality of life and social equity, based on a clear commitment to the future and solidarity between generations.

In organisations in general and in Grupo Visabeira in particular, the concept of Sustainable Development is now understood from the perspective of other concepts, such as Corporate Sustainability, Corporate Social Responsibility and Management Systems, whose focus is on the relationship with the shareholders.

In this sense, in Grupo Vista Alegre, management relies on a set of procedures, standards and practices, capable of using natural resources in an environmentally responsible manner, avoiding irreversible impacts. This new concept entails an increased concern with the use of clean technologies, minimisation of waste and the sustainable management of natural resources.

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 continuous commitment to training employees, has allowed for optimising working conditions and professional performance, which improved indexes in these areas in a sustained manner.

In this sense, in 2022, we highlight a set of activities within the scope of quality, environment and safety, summarised below:

- Implementation of Energy Rationalisation Plans for the car fleet of Visabeira Global companies, with the definition of goals to be achieved, thus allowing for greater awareness of employees and a reduction in energy consumption;
- Centralisation of waste management of Visabeira Global, allowing for suitable management and control of the 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 represents an important role in regards to sustainability of the company, since it allows obvious gains either 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 clients confidence that the product they are using comes from sustainable sources and that it does not damages environmental, social or economic aspects;
- Development and implementation of software for the continuous monitoring of 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 Visabeira Global. In 2022, around a thousand audits were carried out at Visabeira Global, using this platform;

- Development of the *Kaizen* methodology in the companies, with special emphasis on the ceramic industry. This methodology that has allowed, in addition to productivity gains, to improve 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 an effective performance by the employees in the event of accidents of an environment nature;
- Environmental awareness when purchasing work equipment, having prepared specifications for the main groups of material and equipment, giving priority to those with lower environmental impact and that simultaneously better ensure the safety for users;

Regarding the implementation and certification of management systems, 2022 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 2022 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 2023, the focus in terms of management systems will be on the extension of certifications for new companies.

UN Global Compact

Thanks to a character of accuracy, effort and transparent of Grupo Visabeira continues to focus its efforts towards 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 develops its business activity.

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

People

Grupo Visabeira, within this complex, adverse and permanently uncertain scenario that continued to characterise 2022, achieved a financial year in which it exceeded its most ambitious goals. In fact, this year was also strongly marked by the transition from the restrictive period of the Covid-19 pandemic to the new framework of the endemic phase; by the outbreak of war in Eastern Europe, following Russia's invasion of Ukraine, and its multiple collateral impacts, such as major difficulties in supplies, associated with critical problems in logistics circuits, lack of materials, shortage in terms of electronic components and food products, to which a global crisis in the fuel sector was added. This was an extremely complex environment, to which the strong surge in inflation that had not been otherwise felt for decades and that has still not been fully resolved was added.

In this extremely complex and challenging context, the Grupo's primary focus was on adapting its operations and activities to the new context and reality. Always focused on people, the company motivated everyone to provide a suitable and effective response to the needs of the new reality. Moreover, it managed to effectively respond in these demanding times and meet the needs of society and the market, assuming all its responsibilities as the main player in vital sectors such as telecommunications, energy, technology, construction and many others. Operating in this highly demanding scenario, with complex challenges and permanent adjustments and adaptations, the company has not neglected its identity as a multi-activity, multi-continental company, giving priority to the training of people and their orientation towards goals, as the main focus of the human resources policy. Quickly and proficiently the Grupo's main goal has always been to focus on the constant improvement of productivity and the quality of the service or product, always aiming to serve people and society.

Grupo Visabeira has motivated the entire team, at all levels, by endeavouring to overcome obstacles and focusing all fronts of activity on the daily goal of meeting the needs of clients and exceeding their expectations.

The individual purpose has remained in line with the brand's identity, supported by three fundamental aspects: i) the quality of services and products; ii) the geographic expansion of its activities; iii) the dynamics and accuracy of performance.

The organisation, throughout its structure, has also undertaken to adapt its operations to the new demands and increasingly complex scenarios that the current reality has brought to the markets in which the Grupo operates. With this ongoing goal in mind, it has strengthened its focus on the challenge of combining attractive and successful careers, towards individual and collective results. Everyone's focus always aims at efficient management of knowledge, management of the teams, optimisation of resources, maximisation of synergies and the efficient sharing of the company's strategy and values.

The Grupo, whose path to success has always been based on people, has strengthened its focus on its development and internationalisation strategy, for which it wants to be ever stronger, ever more prepared and with growth always as its goal, upholding, individually and collectively, the primary mission of its management: to coordinate and involve everyone in the promotion of good practices, as well as to promote their correct coordination with the management of the professional and personal expectations of each person, never

neglecting the strategy of focusing on the quality of performance and meeting goals.

The experience it has maintained over the last five decades, since its beginning in 1980, and the swift technological evolution at all levels, are the basis of the success it has achieved. The main pillars are versatile training capacity, the training of technicians and dynamic career management, promoting multi-sector opportunities for the career development of each of its employees, with effective integration in its operation.

In this context, it is important to highlight the Grupo'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 evolution.

The Grupo's global strategy prioritises growth had constant innovation, combining tradition and modernism, a position that is based on balancing common goals. Wisely combining experience with new blood, so that these processes complement and complete each other in a harmonious way, to form a solid, competent and motivated framework, in line with the Grupo's expansion model. This coordination has been strengthening a path of full development for the past five decades, with increasingly ambitious challenges.

In historical terms, 2022 was a very positive year, with the average number of employees growing by 8.5%, in a year in which turnover grew by 24%, despite an environment of new and additional demands and difficulties. This evolution of the workforce, in relative terms lower than that of turnover, confirms the capacity, competence and motivation with which the entire team has committed itself to achieving an extraordinary level of performance, with the entire structure sharing the same spirit, always focusing on goals. Thus, 2022 was the best year with all-time highs in most of the main indicators and, at the same time, assertively responding to market demands in this difficult context, guaranteeing people and society the services and products they seek and need.

Within this context, in 2022 the Grupo Visabeira recorded an increase in staff, which went from a total of 12,707 people, on the 31st of December 2021, to 13,793 on the 31st of December 2022, which represents an increase of 8.5%. The Grupo's three large sub-holdings, taking into account the same reference as on the 31st of December, registered a behaviour in line with their activity levels: Visabeira Global went from 8,008 to 8,880, which is 10.9 % more; Visabeira Indústria increased from 2,899 to 2,876, representing a decrease of 1.6%; and Visabeira TIS went from 1,800 to 2,037, representing an increase of 13.2%.

The following table shows the evolution of the workforce at the end of each year, broken down by sub-holding:

	2022	2021	2020	2019
Visabeira Global	8,880	8,008	7,592	7,051
Visabeira Indústria	2,876	2,899	2,852	2,813
Visabeira Turismo, Imobiliária e Serviços	2,037	1,800	1,899	2,250
TOTAL	13,793	12,707	12,343	12,114

In summary and by way of conclusion, Grupo Visabeira, in a year in which, with impeccable team spirit, new highs and important milestones were reached in the main indicators, is pleased because the basis of the success achieved is always people and the ability to train and empower technicians, combined with dynamic career management. In this sense, and in line with the future, the priority of all management remains focused on promoting multi-sector opportunities and opening up to each of its employees the development of a personalised individual career focused on their professional and personal achievement. A personal journey associated with the total commitment of each and every team to the ambitious challenges undertaken, ensuring mutual benefits and promoting the overcoming of common goals as personal achievement.

Professional training

Effective, objective and evolving professional training, with a view to excellent professional qualifications, is one of the keys to success of the companies. As far as this sector is concerned, although there has been significant improvement in recent years, Portugal continues to be one of the countries in the European Union with the lowest level of professional training. This factor has a great impact on both social and economic areas, since it affects the productivity and profitability levels of companies. Thus, professional training may be a way to overcome low levels of production, resulting from insufficient knowledge and skills of human resources.

Moreover, within 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 increasingly paramount to provide companies with tools which will increase competitiveness of its organisations.

In this context, it is essential to improve employee performance of 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 organisation in achieving its goals and it is extremely important for the success of knowledge-based businesses.

In Grupo Visabeira, ongoing professional training is one of the solutions to ensure the levels of skills required 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, SA (certified by the DGERT since 2005) treats the companies of the Grupo 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 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 2022 Grupo Visabeira's internationalisation growth scenario specially in the telecommunications and energy sector of 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 Grupo and its reputation in the markets.

Looking ahead to 2023, with the reinforcement of Grupo Visabeira's commitment to internationalisation in the area of telecommunications in the European market, it is expected that the number of training courses to be carried out, as well as the number of trainees involved, will show a significant increase, compared to the current level, mainly in the markets of Germany, Italy and the United Kingdom.

Communication

After a two-year period with many uncertainties due to the Covid-19 pandemic affecting everything and everyone worldwide, 2022 was pointed out as the year when everything would return to normal in terms of society and business activities. However, as the year began, war broke out in Ukraine due to the invasion triggered by Russia, which immediately raised many doubts as to what would the year 2022 be. Although the conflict was geographically located in a single country, the entire world was severely affected at various levels with the escalating tension that jeopardised a great deal of business activity, especially in Europe, and has had impacts on all activities.

Nevertheless, despite these adversities, Grupo Visabeira has continued on a path of strengthening and growth. With 42 years of experience the group, which is based in Viseu and is present in 18 countries and provides products and services in more than 134 countries, currently enjoys a global position and reputation as a result of its operational capacity in various areas, with particular emphasis on telecommunications and energy network engineering. The strong business dynamics in that economic area, as well as in Industry, namely through Vista Alegre and Bordallo Pinheiro, and in Tourism, through Montebelo Hotels & Resorts, has led Grupo Visabeira and its companies and subsidiaries to be the subject of news items in the national, regional and local media, with a remarkable 5,080 news items in 2022, an increase of 17% compared to 2021. In a more detailed analysis, it is important to highlight some key moments in terms of 2022 activity, which led to several news items on newspapers, magazines, television and digital media.

The turnover recorded by Grupo Visabeira in 2021, when it surpassed the historic mark of 1.1 billion euros when the annual report and accounts were released in 2022, were the subject of many news items, particularly in the economic media. Following the release of the 2021 Report & Accounts, Nuno Terras Marques, Chairman of the Executive Board of Directors of Grupo Visabeira, gave an interview to the newspaper *Jornal de Negócios*. Upon analysis of the year in the media, we should also highlight the great interview of the weekly *Expresso* newspaper with Nuno Terras Marques, which covered Grupo Visabeira's activity in detail.

The announcement of the conclusion of negotiations with Goldman Sachs Asset Management, which invested 200 million euros in Constructel Visabeira, obtaining a minority stake in the capital of that subsidiary of Grupo Visabeira, was another news item with a strong national impact that marked 2022.

In terms of national interviews, Nuno Terras Marques was also interviewed for the weekly newspaper *Expresso*'s Economy section on the topic "Today's innovation is tomorrow's business".

In terms of organic growth, the acquisition of the Inpower Group, an established Italian company working in the telecommunications and energy engineering sector, was targeted by news items, with particular emphasis on economic information media. On this subject Nuno Terras Marques gave an interview to *Jornal de Negócios* newspaper. The same media attention was given to the acquisition of Elektro-Würkner, one of the largest German companies in the telecommunications and energy sector and with special presence in the renewable energies area.

Montebelo Milibangalala Bay Resort, a tourist resort located in the Maputo National Park - in the Elephant Reserve - in Mozambique was inaugurated on the 18th of March by the Presidents of the Republic of Mozambique, Filipe Jacinto Nyusi and Portugal, Marcelo Rebelo de Sousa, together with a long official delegation from both countries. The inauguration was widely covered by the Portuguese and Mozambican media, attended by dozens of journalists. This resort is the result of a partnership between Grupo Visabeira's Montebelo Hotels & Resorts chain and the Mozambican state. Still considering Visabeira Turismo and in particular the Montebelo Hotels & Resorts chain, the year was marked by another significant opening: the inauguration, on the 19th of November, of the *Montebelo Mosteiro de Alcobaça Historic Hotel*, presided over by the heads of state of Portugal and Mozambique and several ministers from both countries. This moment was witnessed by large and important delegations of journalists from both countries, ensuring significant coverage in Portugal and Mozambique. In terms of Visabeira Turismo, the following should be highlighted: the inauguration of the "Cervejaria Antártida" restaurant, in Praça do Comércio, Lisbon; the renovations of the "Zambeze" restaurant, also in the capital; and the "Amazónia" restaurant, in the ancient and iconic night club "The Day After", in Viseu, were other media topics. The inauguration of new spaces at the *Complexo Desportivo Príncipe Perfeito* - synthetic grass paddle tennis courts, football field and *Teqball* - an investment made by footballer João Félix, also made the headlines in newspapers, magazines, radio and television, also as a result of the media coverage of the Portuguese international footballer.

The expansion of the *Montebelo Vista Alegre Ílhavo Hotel*, with the creation of the so-called "Bairro Vista Alegre", renovating some blocks of the historic *Bairro Operário* (housing resulting from the transformation of the old factory workers' housing) and the fact that the 5-star hotel has become "dog friendly", were the subject of numerous news items. Montebelo Golfe, a 27-hole course in Viseu, once again had the honour of being featured in the weekly newspaper *Expresso*, particularly in the section on the *Expresso BPI Golfe Cup*. This association arises from the fact that the Centre stage of the national competition will be held in this field, and in 2022 the director of Visabeira Turismo, Isabel Peres, was interviewed. This was also the subject of a TV news report on *SIC Notícias* television channel.

Still referring to television programmes, the *Montebelo Mosteiro de Alcobaça Historic Hotel*, in addition to its media inauguration, has already been the subject of a news report by *SIC Notícias* television channel "Espaço e Casas" programme, which also visited the renovated Zambeze restaurant. Jorge Costa, vice president of Visabeira Turismo, Imobiliária e Serviços, was interviewed by *TNews*, for example, on the new and future projects of the company.

The great dynamics of *Palácio do Gelo Shopping*, an important shopping centre in a vast region, was constantly mentioned in the local and regional media, with a few news on the national media. This includes the various store which have opened; the competitions launched every year; the exhibitions and various other fun and educational activities, especially for the young ones. Christmas and Valentine's Day shopping, as well as the special Valentine's Day menus, were the subject of live reports by *TVI/CNN Portugal* and *SIC* television channels, from *Palácio do Gelo Shopping*, *Restaurante Forno da Mimi* and *Rodízio Real*. The twenty-fourth annual "Os Melhores Anos" dinner dance, which attracted around 900 people to the *Expocenter/ Forno da Mimi*, including dozens of national figures from various areas, was another media highlight in 2022.

Another highlight was the reputation achieved by *Casa da Ínsua*, the Grupo Visabeira's estate and wine tourism centre in Penalva do Castelo, which was awarded with the gold medal for its *Casa da Ínsua Dão Reserva 2016* red wine in Paris at the *Vinalies International 2022* event. The television programme *BeSisluxe* in Portugal, broadcast by *Travel Box*, a Brazilian travel and tourism channel, filmed at the hotels *Montebelo Viseu Congress Hotel*, *Palácio dos Melos Historic Hotel*, *Parador Casa da Ínsua* as well as on the *Forno da Mimi* and *Amazónia* restaurants. *Giro*, a travel programme focusing on tourism, culture and gastronomy on Brazil's TV Record, also reported on the *Palácio dos Melos Historic Hotel* and *Palácio do Gelo Shopping*.

The two internationally renowned brands, **Vista Alegre and Bordallo Pinheiro** which have been part of the Grupo Visabeira since 2009, were jointly targeted by more than 2200 news items in 2022. The worldwide reputation of Vista Alegre's porcelain, crystal and glass, and Bordallo Pinheiro's artistic earthenware reached around the world and the Portuguese media certainly has not let this feat go unnoticed. Whether in terms of numerous launches of pieces and collections, periodic disclosure of results and financial indicators, participation in fairs and exhibitions or in terms of disclosure of dozens of national and international design awards. In this context, Vista Alegre and Bordallo Pinheiro are often present on television, in newspapers and in magazines. Vista Alegre and Bordallo Pinheiro have centuries-old reputations, always awarded with remarkable prizes.

The year 2022 was no exception. As far as the awards are concerned, the 22 international prizes awarded to Vista Alegre in the main design competitions was an attractive topic for the main media outlets associated with the lifestyle sector, as well as for the general press. Throughout 2022, there were numerous press releases on television, newspapers, magazines and blogs reporting on the new pieces and collections of the two brands. The launch of the table service *Treasures* by Brunno Jahara was the subject of considerable news coverage. He is one of the most renowned and award-winning designers working with Vista Alegre, and the collection *Transatlântica* is one of these creations. But, equally noteworthy was the *Futurismo* collection, which makes a contemporary reinterpretation of the pioneering movement of all modern movements, celebrating progress and marking a period of reinvention of artistic languages. The lasting and always innovative partnership with Christian Lacroix Maison led to the creation of *Fête Vos Jeux*, a collection that has benefited from great media visibility. Another launch that deserved special mention in terms of communication, including a television report on the channel RTP, was the launch at the Vista Alegre store of the piece *DeCanta*, from the *I+I=1* collection in Norte Shopping, signed by Pedro Abrunhosa and Paulo Teixeira Pinto. The piece *Grito do Ipiranga*, which marked 200 years of Brazil's independence, was prominently reported. The launch of *Pedra*, a piece signed by Fernanda Fragateiro exclusively for members of the Vista Alegre Club, was widely covered. Also noteworthy was the coverage of the launch of the Cutlery segment with the Vista Alegre seal, as well as the collaboration that Vista Alegre has maintained for some years with the annual *Women in Tech initiative*.

Vista Alegre festivities in honour of *Nossa Senhora da Penha de França*, patron saint of the porcelain factory for almost 200 years, was also highlighted in the local and national press. Throughout the year, the various activities promoted by the Vista Alegre Museum were also in the news.



As far as Bordallo Pinheiro is concerned, 2022 was a year of great dynamics with several pieces being launched. The piece *Díptico* by José Pedro Croft, by Bordallo Pinheiro, a launch taking place with the presence of the artist at the *Museu Nacional de Arte Antiga (MNAA)* (National Museum of Ancient Art), featured various media, with emphasis on a report by the channel RTP. Also with media impact was the launch of the *Sardinhas by Bordallo* collection, an annual collection launched by Bordallo Pinheiro together with EGEAC. The session with the press and guests took place at the *Zambeze Rooftop & Bar Restaurant*, in Lisbon. The Vista Alegre store in Chiado was the setting for the impressive launch of *Andorinha do Beiral* and *Liberté Chérie* – celebrating the *Temporada Portugal-França 2022* event, two swallows inspired by the piece created by Bordallo Pinheiro in the 19th century. The presentation was attended by the Minister of Culture of Portugal, Pedro Adão e Silva, and other diplomatic and cultural officials from both France and Portugal, as well as a significant presence from the media. The century-old factory launched another piece from the *WWB* collection, entitled *Like Seeing Ourselves Entwined in a Deep Coral Reef*, by Melanie Smith. The *WorldWide Bordallianos* project brings together some of the most renowned names in contemporary art, challenging them to reinterpret Raphael Bordallo Pinheiro's legacy. In terms of new pieces which were covered by the media, it is important to highlight *Frutos Tropicais* and *Couves com Lavagantes*. The Vista Alegre crystal unit in Alcobaça was the subject of a report dedicated to the theme of energy transition for the *Fronteiras XXI* programme aired by the RTP television channel.

In the 2022 summary, the media's emphasis on the presentation of the quarterly and annual results of the listed company Vista Alegre should also be mentioned, as well as the interviews with Nuno Barra, director of both Vista Alegre and Bordallo Pinheiro, for OJE newspaper on the prospect of the companies' growth during 2023 in the foreign market, and for *Exame* magazine about Bordallo Pinheiro. In 2022, **Grupo Visabeira** and its companies continued to be news in the main national and international media. Among others, there is the dissemination of news and reports in television format on RTP, SIC, TVI, CNN, CMTV, SPORTTV, CENTRO TV and VISEU NOW.

It is also worth mentioning the visit to Grupo Visabeira of a reporting team from STV of Mozambique that, in early 2022, collected images in several units of Grupo Visabeira - Vista Alegre, Ria Stone, Pinewells, Palácio do Gelo Shopping, Zambeze Restaurant, Montebelo Vista Alegre Ílhavo Hotel, Montebelo Aguireira Lake Resort & Spa and Palácio dos Melos Viseu Historic Hotel. STV journalists also captured images of the Visabeira Training Academy and followed the work of teams of technicians in Medium Voltage Electric Power Lines. The report, which also included an interview with Nuno Terras Marques, chairman of the Executive Board of Directors of Grupo Visabeira, was broadcast over several weeks by STV, in various segments, in the main Mozambican television news journal. Relevant, also in Mozambique, was the dissemination of the results of Grupo Visabeira, which impacted fourteen media outlets between the written press and digital newspapers.

Regarding the printing and digital press, Grupo Visabeira and its companies were published in *Expresso*, *Agência Lusa*, *Público*, *Sol*, *Jornal de Notícias*, *Diário de Notícias*, *Correio da Manhã*, *Negócios*, *Notícias ao Minuto*, *ECO*, *OJE*, *Sapo*, *Time Out*, *Dinheiro Vivo*, *Observador*, *Vida Económica*, *Diários de Viseu*, *Aveiro*, *Coimbra e Leiria*, *Diário As Beiras*, *Jornal do Centro*, *Via Rápida*, *Rua Direita*, *Jornal da Beira*, *Caras*,

Caras Decoração, *Marketeer*, *Briefing*, *Visão*, *Sábado*, *Forbes*, *Exame*, *Imagens de Marca*, *Versa Lifestyle*, *Boa Cama Boa Mesa*, *Vou Sair*, *Máxima*, *Nova Gente*, *LUX* and *NIT*, among many other local, regional, national news sources and blogs. The radio stations *Antena 1*, *Renascença*, *Observador*, *TSF*, *Comercial*, *Rádio Jornal do Centro*, *Emissora das Beiras* and *Rádio Terra Nova*, among others, also highlighted Grupo Visabeira's activity. As mentioned, in 2022, 5,080 news items were generated on behalf of Grupo Visabeira, its sub-holdings, companies and business unit, which were segmented as follows: 139 in television; 1,745 in printing press; 20 in radio and 3,176 in digital/web media. By companies/business units, Vista Alegre had 1,642 news pieces; Montebelo Hotels & Resorts, 1,019; Grupo Visabeira, including Visabeira Global, Visabeira Indústria and Constructel Visabeira, 1,019; the Palácio do Gelo Shopping, 720; Bordallo Pinheiro, 630 and the Bang Bang agency (which also manages external marketing and advertising accounts), 57 references in the media. Analysing the AAV – Advertising Average Value (average value in advertising return), the five thousand and eighty news stories generated a value of 32,198,388 euros. During the year 2022, the Directorate of Communication and Public Relations of Grupo Visabeira issued about a hundred statements.

Internal communication

Grupo Visabeira has and uses two internal communication tools to be close to its more than 13,600 employees, sending all the relevant news and various information related to its activity and the benefits for its employees.

My Visabeira Newsletter, written internally by the Directorate of Public Relations and Institutional Communication is a digital medium, which contains news of the global activity of Grupo Visabeira in all geographies. One of its headings, called "Our people", features an interview with an employee in each edition where the guest makes his professional and personal profile known.

The Corporate Intranet is the tool, also in digital format, that Grupo Visabeira has available for its employees to access a varied set of information about business activity, and also includes a media area, with the dissemination of the communications issued to the media, a clipping area, with the news that is published and the protocols and services of various units of the Grupo, with the disclosure of the advantages for employees, among other features.

Social responsibility

Grupo Visabeira maintained, in 2022, a significant contribution in the field of social responsibility. Several actions were launched throughout the year, namely in several countries where the Grupo is present, focusing on areas such as health, education, sport, well-being and training, to name a few. Established in June 2006, the Visabeira Foundation, a Private Institution of Social Solidarity, has played a decisive role in child support, through the nursery schools and kindergartens that are in the *Infantinhos da Vilabeira* and *Infantinhos* units of *Quinta do Bosque*. The two institutions, located in the urban network of Viseu, receive children of the target age groups, including children of the employees

of Grupo Visabeira while promoting a social response to the most needy families. In addition to the benefit granted to the children of employees in the Foundation's units, Grupo Visabeira has continued to provide its thousands of employees with various perks that can be enjoyed within their companies and in the most varied areas. We specifically wish to point out the acquisition of goods and services with financial conditions and preferential discounts, such as the acquisition or rental of housing, purchase of motor vehicles, Forlife gym and hairdresser, restaurants and hotels of the Montebelo Hotels chain, among others. At the same time, Grupo Visabeira maintains dozens of protocols with external entities with direct benefit to employees. Services such as insurance, bank credit, telecommunications, health and well-being, among others, are publicised through the corporate intranet. To its employees, and after the absence of events for two years motivated by Covid-19, Grupo Visabeira has once again offered traditional events, such as the so-called *Patuscada* in the summer and Christmas dinners.

Grupo Visabeira has supported solidarity events, such as the *Galas* of the Parish of Viseu and the Volunteer Fire-fighters of Viseu, both with the objective of raising funds, respectively, for social works and to meet the needs of this institution.

The *Gala da Associação Empresarial da Região de Viseu* and the *Gala da Lusofonia* were supported, with the objective of highlighting the role of women, men and institutions and organisations that have more and better represented the mission and determination to make the image of Portuguese-speaking citizenship respected in the global world. Grupo Visabeira supported the tour through several theatres in Portugal of a collective of Mozambican artists who presented the show “Chovem Amores na Rua do Matador”, an adaptation of a short story by Mia Couto and José Eduardo Agualusa, with staging by Maria Clotilde and Vitor Gonçalves. The tour, which was hugely successful, culminated with a session at the Viriato Theatre in Viseu.

In the social area, we also wish to highlight the protocol that has been maintained between several companies of Grupo Visabeira and the *Associação Hípica e Psicomotora de Viseu*, an IPSS part of Hípico Montebelo, to which monthly financial support is attributed to promote the rehabilitation and inclusion of people with disabilities and/or in situations of social disadvantage.

Académico de Viseu Futebol Clube and *Clube Desportivo de Tondela* are two of the main sports institutions in the region where Grupo Visabeira has its head offices, that had the support of the company through its brands Palácio do Gelo Shopping, Montebelo Hotels & Resorts and Bordallo Pinheiro.

Palácio do Gelo Shopping is one of the units that has a relevant role in hosting social and environmental responsibility actions. Numerous non-profit associations have used the common spaces of the shopping centre to collect funds in the most varied areas of social and animal welfare. In another aspect, the *Palácio do Gelo Shopping*, integrated in the community that surrounds it, supported the 630th edition of the *Feira de S. Mateus* (Viseu), as well as the 370th *Cortejo das Cavalhadas de Vildemoinhos* (Viseu).

Throughout 2022, *Palácio do Gelo Shopping* also promoted the Health Fair, where several screenings were carried out free of charge to the public, with the objective of promoting health and healthy lifestyles. In this regard, it is also worth mentioning the holding of several workshops related to nutrition and sport. The most significant special dates, such as Mother's Day, Father's Day, Women's Day and Children's

Day, were marked with concrete activities and offerings. Another high event is the Christmas season, with animation dedicated to the youngest, with workshops, cinema and other activities. Also in terms of exhibitions, the *Polícia de Segurança Pública* [Police department] took advantage of the “big stage” that is the *Palácio do Gelo Shopping* to raise awareness of the problem of domestic violence, through the exhibition “Rostos com Voz”. *Palácio do Gelo Shopping* also opened its doors to numerous exhibitions of painting, sculpture, cars, motorcycles, even historic vehicles of the fire-fighters, in a dissemination and promotion of some non-profit institutions. Throughout the year, several pastimes were also held with tickets to the Viriato Theatre being given away. World Dance Day was also celebrated, with activities developed by two schools. Another noteworthy note goes to the campaign to collect used batteries, and electrical equipment. The collection was intended for delivery to *Eletrão* and the resulting monetary product was delivered to the *IPO – Instituto Português de Oncologia de Lisboa*.

Palácio do Gelo Shopping carried on supporting the Hockey Club of the *Termas* of S. Pedro do Sul, to promote the modality among the youngest and the *Viseu 2001-Palácio do Gelo Shopping* futsal team, which plays in the second division and is also committed to training young people.

Montebelo Golfe, located in a nearby parish of Viseu promoted in 2022 a practice that has been a constant since it was inaugurated in 1997, a tournament of a solidarity nature. The event is held annually in December and part of the registration revenue reverts to the Social Solidarity Association of Farminhão, the parish where the field is located, an IPSS [non-profit Private Institution of Social Solidarity] dedicated to children and senior citizens.

In the field of social activities, Vista Alegre promoted, once again and as happens annually, in Ílhavo, the Vista Alegre Festival, in honour of *Nossa Senhora da Penha de França*, patron saint of the almost two century old porcelain factory. A festival that the company opens to all workers and the community and that, traditionally, is very crowded, attracting thousands of people.

Already in the context of support to institutions of the most varied nature, it is worth mentioning the offer of tableware to various institutions, of which we highlight: *Escola Secundária Homem Cristo-Aveiro*; *Universidade Sénior da Gafanha Nazaré*; *Filarmónica de Mira*; *Comissão de Festas da Lentisqueira – Mira*; *Fundação Casa do Pessoal da Segurança Social e saúde do Distrito Aveiro*; *ASAS – Associação de Solidariedade e Ação Social de Santo Tirso*; *Mercado Solidário Associação Novo Futuro*; *Liga Portuguesa Contra o Cancro - Núcleo Regional do Norte*; *USF Moliceiro*; *Centro Social Padre Kentenich - Gafanha da Nazaré*; *Comissão das Obras da Igreja de Travanca-leilão do menino 2023*; *Sé de Aveiro – Festival da Sopas*; *Agrupamento de Escolas José Estevão – Aveiro*; *Centro Social de Azurva – Eixo, Aveiro*; *Associação de Pais da Coutada – Ílhavo*; *Animação Missionária – Diocese de Aveiro*; *CASCI (Centro de Ação Social do Concelho de Ílhavo)*; *Convento de Balsemão*; *Delegação de Aveiro da Cruz Vermelha Portuguesa*; *IPSS Amigos de São Manços - Évora* and *Associação Juvenil de Peniche*.

The tournament “Pink Padel Play for Life” in Lisbon was also supported, the aim of which was to raise funds for the Portuguese League Against Cancer.

Vista Alegre, within the scope of its social responsibility policy, in 2022 carried on with all the necessary support for the daily operation of *Sporting Clube da Vista Alegre*, a sports association based in Ílhavo playing a decisive role training young people in football and also in karate. Also within the scope of institutional support, Vista Alegre, with the *Amazônia* collection, created in partnership some years ago with the NGO - Non-Governmental Organisation *EcoArts Amazônia*, from Brazil, continues to direct a part of the revenue from these sales to planting fruit trees in some indigenous villages of the Amazon. In sports, Vista Alegre maintained its connection with the *Expresso BPI Golf CUP – National Championship of Companies*, giving dozens of trophies for the event, which includes a solidarity component, by delivering a part of the revenue from the registration of the teams to social solidarity institutions. Another link that Vista Alegre maintained in 2022 concerns the “Women in Tech Global Awards”, an initiative that distinguishes women who have a prominent role in the technological area.

Bordallo Pinheiro has donated tableware to the *ASAS Santo Tirso* association; the *Novo Futuro* Association, for the solidarity market, and the MAMA Help association, which supports patients with breast cancer, among the various projects it has promoted. In addition, Bordallo Pinheiro provides ongoing support to the association “Corações Com Coroa” whose mission is to act in situations of social and personal vulnerability, for the inclusion and dignity of all people. In **Italy**, IEME, a company of Constructel Visabeira, continued to financially support African associations in 2022 that are dedicated to the promotion and well-being of the most impoverished children in some countries of that continent. Monetary support is channelled through a non-profit organisation located in the Emilia-Romagna region, where the company is headquartered. Also the sustainable mobility policy continued to be a reality, with the company transporting employees free of charge in an IEME vehicle, monetising the collection circuits of employees, including having a manager dedicated to this theme.

In **Mozambique**, Visabeira continued to support *Health4Moz*, namely in the construction of the Health Training and Research Centre of the Beira Central Hospital, inaugurated on the 4th of November 2022. *Health4Moz* is a non-profit association created in 2013, with the aim of triggering health projects for development and humanitarian aid in Mozambique, focusing on medical assistance, education and the provision of medicines and food, to improve the health of Mozambican children and families.

Also in Mozambique, Vista Alegre supported the season *Música do Xiquitzi – Orquestra Juvenil de Música Clássica*, which aims at integration and social insertion, as well as professional training through the collective teaching of music.

TVCABO Moçambique continues to financially support the *UPG – Um Pequeno Gesto* preschools project. In 2022, the support has gained even more important as the institution resumes face-to-face activities, after two years of Covid-19 restrictions.

This emergency support has not only had a direct and short-term impact, it also combats hunger and the difficulty of beneficiaries. UPG also promoted the fight against school drop-out through greater emotional involvement of families and ensured, free of charge, the encouragement of the importance of long-term schooling and support for those who need it most. This support program aims to help vulnerable children, between 3 and 5 years old, allowing access to pre-school education, daily food, school material, teachers concerned with their learning and well-being, as well as a lot of affection and attention.

As an internet service provider, TVCABO Moçambique has made its network available free of charge in some initiatives, such as the 9th edition of the *Moztech Fair*; the transmission of the colloquium on the book “Samora Machel, A life cut short”; the transmission of the *II Aula Magna Samora Machel*, under the motto “Liberation, Emancipation and Foundations of the State”, delivered by Professor Tinyiko Maluleke, Vice-Chancellor and Director of Tshwane University of Technology, which took place in the auditorium of *INCM – Instituto Nacional de Comunicações de Moçambique* [National Institute of Communications of Mozambique]. TVCABO Moçambique has established a partnership with Baia Mall, which has been joined by several institutions, companies, organisations and individuals, to support the campaign “A Christmas full of life”, with support being given to the home “Nossa Senhora dos Desamparados”. In **Angola**, social responsibility actions have a great impact, through initiatives of TVCABO Angola which, as is customary, was very active with actions in the area of social responsibility.

TVCABO pointed out the “Outubro Rosa” [Pink October] with lecture to raise awareness of breast cancer. The event took place in the *Luanda Mediateca* and was conducted by the “Fundação Mulher Contra o Cancro da Mama” [Women Against Breast Cancer Foundation], with the participation of president of the Foundation, Wanda Freire and oncologists, Paula da Costa and Beatriz Dolores Silva. Still in the area of health promotion, TVCABO Angola has been sponsoring the Neurosurgical and Hydrocephalus Treatment Centre in Luanda. The connection of the operator with this entity has materialised since 2021, with the beginning of the rehabilitation programme of that institution to promote children's health. Over the course of two months, TVCABO Angola employees built the infrastructure for sufficient supply of internet and television from scratch, which are offered by the company at all times. The Centre also benefited from a renovation programme, which included roof repair, paintings, improvement of the electrical network and air conditioning equipment, as well as remodelling the wing where the infirmary, physiotherapy and oral medicine rooms are located. The TVCABO Angola initiative aimed to contribute to guaranteeing better working conditions for the centre's employees who care for more than 300 children monthly, especially those under five years old, with Hydrocephalus, *Spina Bífida*, *Cranium Bifidum*, Brain Tumours and Craniofacial Trauma, among other neurosurgical diseases. These works also had the collaboration of Edivisa, a construction company of Grupo Visabeira.

TVCABO also offered internet service to the *Mediatecas* of Angola and *Espaço Aplausos*. Supplying internet enables health institutions, conditions of research and investigation for improvements of treatments and, in the *Mediatecas* and *Espaço Aplausos*, internet for those who do not have it at home to be able to study. Also to the *Lar de Nazaré*, an institution dedicated to children, the operator offered essential articles, which include teaching materials and food. The Benguela International Fair also had the internet supplied by the operator TV CABO Angola.

It should also be noted that TVCABO marked 16 years of activity, a date that it celebrated with special initiatives, highlighting the recognition of several institutions that are supported by it in the areas of health and education, namely the Lucrécia Paim Maternity, the Neurosurgical and Hydrocephalus Treatment Centre, *Mediatheques* of Angola and the *Espaço Aplausos*. The highlight of the event was the visit of the *Lar Infantil do Kuzola's* children, who got to know TVCABO, cut the cake and sang happy birthday, besides being very entertaining. The company's employees were also provided with moments of lively conviviality.

Future outlook

Grupo Visabeira reinforces the constant commitment to recognition, capabilities and competencies individually focused on each of its three sub-holdings – Global; Industry; Tourism, Real Estate, Services – a matrix that is part of the company’s vision together with strategic goals defined for 2023, where the expansion policy, focusing on the European continent, and the reinforcement of the present structure will be a priority.

Thus, the future for 2023 is expected to be strong and sustainable, with a strong commitment and ambition to overcome the challenges and uncertainties of recent years, even before economic and social adversities with which it has been confronted, first with a pandemic crisis and then with a war in the middle of Eastern Europe, with multiple collateral impacts.

As far as future investments are concerned, environmental and economic sustainability will always be part of Grupo Visabeira’s goals, adopted across all activity sectors and businesses in which it operates. In this sense, 2023 will be a year which will continue to be guided by accurate and quality activity focusing on providing good service across all its business activities, strengthening strategic partnerships and recognition among this sector’s clients and players, with the ambition to become bigger and better.

Visabeira Global

Visabeira Global will continue to develop and create business strategies in order to enhance its various skills and entrepreneurial dynamics, endogenous assets that characterise and distinguish it. The focus will continue to be one of the main protagonists in its segments, operating in an integrated manner in increasingly global scenarios, expanding its markets sustainably and always looking at leadership in its business, with special focus on the area of telecommunications and energy.

The strong focus on internationalisation will remain a key course, in order to accompany the massive investment that the euro area countries are making in telecommunications networks, namely in the development of optical fibre networks, which is one of the sectors where Grupo Visabeira is currently one of the main players at an international level, with strong distinctive skills resulting from its expertise and know-how and constant capacity for innovation.

Visabeira Global will continue to invest financially in acquisitions of companies in order to support its expansion and consolidate its strong relationship with the main European operators, while at the same time being a lever to further catapult the brand into international markets, where it already has widespread recognition.

Visabeira Indústria

Visabeira Indústria groups its industrial activities into four main segments: Porcelain, crystal and glass, kitchen furniture, biofuels and thermal energy.

For 2023, existing businesses are expected to be strengthened, leveraged by innovation in investments made over the last few years in its manufacturing plants. At the same time, commitment to the sustainability of processes and products, as well as on greater environmental awareness will be the focus in the coming years, with the PRR - *Programa de Recuperação e Resiliência* (Recovery and Resilience Programme) underway. The positioning of its industries will therefore involve the strengthening of their reputation in the markets in which they operate, along with a continued commitment to sustainability, with the realisation of new investments, for a cleaner and more ecological industry, thus reducing their environmental footprint.

Grupo Visabeira is aware that this is a worldwide concern and as such it continues to undertake the responsibility of contributing to the evolution of the segments in which it operates in a sustainable way. Despite the climate of economic uncertainty that was experienced at the beginning of 2023, in the face of the continuation of a war in the middle of northern Europe, which has greatly contributed to raising inflation and consequently the costs of goods and services in general, with special focus on energy costs, affecting very significantly the factories of Visabeira Indústria, the Grupo takes on resilience and the ability to overcome obstacles as a constant challenge. These are complex scenarios that Visabeira Indústria companies are already accustomed to overcoming and, therefore, they remain motivated for the challenges that the future will bring them. In this context, a positive evolution and growth for Visabeira Indústria is therefore expected.

Grupo Vista Alegre, which incorporates the historic brands Vista Alegre and Bordallo Pinheiro, and which owns porcelain, crystal, glass, stoneware and earthenware factories, in 2023 will strengthen the activity of its branches in Spain, the United States, Mexico and Brazil, where the aforementioned brands have observed a remarkable growth in sales and awareness in the market. The branches will represent an important growth based on the retail and hotel channels. It is also important to highlight Spain, where the *horeca* channel will be the main driver of the expected sales growth during 2023.

Continuing to strengthen its presence in international markets, Grupo Vista Alegre will reinforce its present on all continents, whether under its own brand or the client’s brand. At the same time, it will reinforce commitment to strategic partnerships, in line with what it has been fostering in recent years and will continue to be a reality for the coming years, both with regard to suppliers, as well as renowned brands and people, well-known worldwide. It is therefore expected that Visabeira Indústria will grow and become more sustainable in the coming years, assuming its position as a holding company that owns companies recognised in their sector for the environmental, social and economic standing with which they present themselves in the market, and with the notoriety of offering products of excellence, with quality, history, tradition and innovation.

Visabeira Turismo, Imobiliária e Serviços

Grupo Visabeira, in the Tourism, Real Estate and Services sectors, expects 2023 to be a year of growth and recovery. As a result of the new normal which people are already beginning to adapt to, a strong growth in these sectors is expected, given people’s greater availability of financial means and their readiness to invest in tourism, real estate and services activities, resuming pre-pandemic levels, and even exceeding them, in most segments. These perspectives bring hope and motivation in the recovery of the activity of this sub-holding within Grupo Visabeira and in its evolution, based the determination of the entire team to promote services with the rigour and commitment that are fundamental principles of the brand and that meet the high demands and greatest expectations of its clients.

Regarding the Tourism sector, the consolidation of the units that make up its portfolio, with the conclusion of the cycle of major investments and the opening of new units in privileged geographical locations, will mark the year 2023. The opening of a new hotel unit of the Montebelo Vista Alegre line is scheduled in Lisbon - in the heart of Chiado - thus demonstrating the constant commitment and strength of the Grupo, with the units that it holds in this segment, where the activity provided is always guided by an excellent service in which clients are surprised by the prosperity of assets and sophistication of the spaces, offering unique and attractive environments for audiences of multiple interests.

As far as the Real Estate is concerned, a growth in the sector is anticipated, where it will continue to invest in the potential of the units it has to market, guided to the construction/sale/rental in several national locations while opening up new geographical areas of operation.

In Services, the plan is to reinforce the structural commitment to innovation and the rigour and efficiency of its services, in a position that is continuously focused on results.

Annex to the report of the Executive Board of Directors



Pursuant to Article 447 of the Portuguese Company Code, it is reported that the members of the managing and supervisory bodies do not hold Company shares. The shareholders' identification is the following:

Shareholder/ Member of Corporate Bodies

Shareholder/ Member of Corporate Bodies	Number of shares on the 31 st of December 2021	%	Number of shares on the 31 st of December 2020	%	Operations in 2020
Fernando Campos Nunes*	22,974,443	98.57%	22,974,443	98.57%	0
TOTAL	22,974,443	98.57%	22,974,443	98.57%	0

Viseu, the 6th of June 2023

The Certified Accountant

The Executive Board of Directors

Claudia Raquel Costa do Amaral Lourenço *Nuno Nunes Marques* *Abdopos*
Fernando Campos Nunes *António da Silva*
Abdopos

*percentage held via NCFGEST, S.A.



DOCUMENTS FOR PROVIDING CONSOLIDATED ACCOUNTS

Consolidated Financial Statements

Consolidated income statement

Financial years ending on the 31st of December 2022 and on the 31st of December 2021 (amounts in euros)

	Notes	2022	2021
Ongoing operations			
Sales		222,113,793	183,635,164
Services rendered		1,229,658,980	987,005,937
Turnover	10	1,451,772,773	1,170,641,102
Cost of goods sold and material consumed		-209,419,749	-152,620,079
Subcontracts	13	-525,170,546	-410,741,054
Gross margin		717,182,478	607,279,968
Own work capitalised	11	705,326	1,340,474
Other income	12	34,584,320	46,807,039
Supplies and external services	13	-188,364,669	-157,918,978
Staff costs	14	-335,461,836	-296,948,614
Other costs	12	-19,017,102	-17,295,667
Operating income (excluding amortisations, provisions and fair value of investment proper-ties)		209,628,517	183,264,222
Changes in the fair value of investment properties	24	4,964,752	355,675
Depreciation and amortisation	15	-103,453,408	-82,399,145
Provisions and impairment losses	16	-6,624,558	-645,238
Operating income		104,515,303	100,575,515
Interest paid, net	17	-38,792,855	-37,111,394
Gains/(losses) on listed shares	18	12,950	41,677
Other financial expenses, net	19	6,786,465	2,863,050
Gains/(losses) on associates and joint ventures	6	-1,650,496	132,877
Financial income		-33,643,935	-34,073,790
Result before taxes		70,871,367	66,501,724
Income tax for the financial year		-24,607,385	-28,540,001
Net income before discontinued operations		46,263,982	37,961,724
Net income		46,263,982	37,961,724
Attributable:			
Shareholders		31,451,113	31,742,596
Non-controlling interests	34	14,812,870	6,219,128
Earnings per share Continuing operations:			
Basic	32	1.35	1.36
Diluted	32	1.35	1.36

The notes are part of this consolidated financial statement.

Consolidated Statement of Comprehensive Income

Financial years ending on the 31st of December 2022 and on the 31st of December 2021

	Notes	2022	2021
Consolidated net income for the period (a)			
Other comprehensive income:		46,263,982	37,961,724
Amounts that will be subsequently reclassified to profit or loss			
Currency translation adjustments			
Translation of transactions denominated in foreign currencies		14,488,412	29,210,508
Conversion of operations in foreign currency - related to hyperinflation in Angola in previous years	2.2	3,612,298	6,889,460
Tax effect	20	-1,264,304	-2,411,311
Hedge accounting of financial instruments	39	-11,958	17,928
Tax effect	39	2,511	-3,765
Others		224,053	-549,581
Amounts that will not be subsequently reclassified into profit or loss			
Actuarial gains/(losses) on retirement benefits	41	-143,958	-121,278
Tax effect	41	30,231	27,288
Change in the fair value reserve of other financial investments	71	-205,784	-495,001
Tax effect	71	43,215	111,375
Exchange of operations in foreign currency – re-evaluation of assets	21	48,165,989	37,751,482
Tax effect	20	-16,734,191	-12,779,373
Impairment of depreciable tangible fixed assets	21	-29,385,706	0
Tax effect	20	9,845,261	0
Other comprehensive income for the period (b):		28,666,068	57,647,731
Total comprehensive income of period (a) + (b)		74,930,050	95,609,455
Total comprehensive income attributable to:			
Non-controlling interests		25,039,605	24,052,419
Shareholders		49,890,445	71,557,035

The notes are part of this consolidated statement of comprehensive income

Consolidated statement of financial position

Financial years ending on the 31st of December 2022 and on the 31st of December 2021 (amounts in euros)

	Notes	2022	2021
ASSETS			
Non-current assets			
Tangible assets	21	762,165,068	694,251,257
Right-of-use assets	22	81,453,520	88,927,597
Goodwill	23	192,240,162	163,192,184
Investment properties	24	305,754,119	297,323,457
Intangible Assets	25	103,550,988	99,960,164
Investments in associated companies and joint ventures	6	27,525,922	28,895,885
Other financial investments	7	8,164,473	6,043,699
Deferred tax assets	20	36,134,620	40,724,748
Other receivables	29	2,251,540	2,267,196
Total non-current assets		1,519,240,413	1,421,586,185
Current assets			
Inventories	26	158,492,807	132,581,964
Clients	27	207,488,695	175,028,983
Income tax	28	2,393,894	0
Other receivables	29	32,850,980	36,052,846
Other Assets	29	18,221,294	16,491,014
Assets associated with clients' contracts	10	190,626,422	138,462,521
Other financial investments	7	391,952	379,109
Cash and cash equivalents	30	198,719,972	130,896,526
Total current assets		809,186,016	629,892,964
Total Assets		2,328,426,430	2,051,479,149
Equity			
Capital	31	116,540,215	116,540,215
Share premiums		47,292,404	47,292,404
Other reserves	33	35,296,714	-11,410,974
Retained earnings	33	258,459,472	174,482,569
Equity attributable to shareholders		457,588,805	326,904,213
Non-controlling interests	34	231,058,640	157,256,209
Total equity		688,647,444	484,160,422
LIABILITIES			
Non-current liabilities			
Medium- and long-term interest-bearing loans	35	411,002,498	546,123,948
Other accounts payable	37	105,633,290	82,807,876
Deferred tax assets	20	177,386,166	167,012,220
Provisions for other risks and expenses	41	8,143,887	6,754,685
Lease liabilities	38	46,650,038	58,143,347
Total non-current assets		748,815,879	860,842,077
Current liabilities			
Short-term paid loans	35	305,054,756	193,872,396
Suppliers	36	225,867,283	182,977,879
Income tax	28	0	140,212
Liabilities associated with clients' contracts	10	66,919,206	37,812,936
Other accounts payable	37	157,966,077	175,667,843
Other liabilities	37	102,730,156	86,174,610
Lease liabilities	38	32,425,630	29,830,774
Total non-current assets		890,963,107	706,476,651
Total liabilities		1,639,778,985	1,567,318,727
Total equity and liabilities		2,328,426,430	2,051,479,149

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 2022 and on the 31st of December 2021 (amounts in euros)

	Equity (Note 31)	Issue premiums (Note 31)	Fair value reserve of financial assets (note 33)	Currency exchange reserve (Note 33)	“Retained earnings and other reserves (note 33)”	Subtotal	Non-controlling interests (Note 34)	Total equity
On the 1st of January 2021	116,540,215	47,292,404	-1,843,194	-174,749,326	269,426,696	256,666,795	113,127,965	369,794,761
Comprehensive income for the period	0	0	-495,001	41,027,024	31,025,012	71,557,035	24,052,419	95,609,455
Transactions with shareholders								
Dividends distributed	0	0	0	0	0	0	-537,907	-537,907
Acquisitions, disposals and share capital increase	0	0	0	0	-1,319,617	-1,319,617	20,613,730	19,294,113
On the 31st of December 2021	116,540,215	47,292,404	-2,338,195	-133,722,301	299,132,090	326,904,213	157,256,209	484,160,422
On the 1st of January 2022	116,540,215	47,292,404	-2,338,195	-133,722,301	299,132,090	326,904,213	157,256,209	484,160,422
Comprehensive income for the period	0	0	-205,784	28,505,930	21,590,299	49,890,445	25,039,605	74,930,050
Transactions with shareholders								
Dividends distributed	0	0	0	0	-31,893,760	-31,893,760	-54,351	-31,948,110
Acquisitions, disposals and share capital increase	0	0	0	0	112,687,907	112,687,907	48,817,176	161,505,083
On the 31st of December 2022	116,540,215	47,292,404	-2,543,978	-105,216,371	401,516,536	457,588,805	231,058,640	688,647,444

The notes form an integral part of this consolidated statement of changes in equity.

Consolidated statement of cash flows

Financial years ending on the 31st of December 2022 and on the 31st of December 2021

	2022	2021
OPERATING ACTIVITIES		
Receipts from clients	1,646,459,796	1,295,542,867
Payments to suppliers	-1,122,114,967	-873,398,502
Staff costs	-334,483,089	-289,436,579
Operating cash flow	189,861,740	132,707,786
Income tax paid/received	-17,456,456	-17,810,379
Other operating payments/receipts	-912,642	-1,465,471
Cash flow generated before extraordinary items	171,492,643	113,431,936
CASH FLOW FROM OPERATING ACTIVITIES (1)	171,492,643	113,431,936
INVESTMENT ACTIVITIES		
Receipts from:		
Financial investments	674,258	1,769,527
Tangible and intangible fixed assets	0	325,000
Investment subsidies	2,981,889	9,481,652
Interest and similar income	97,298	6,249
Loans granted to shareholders (Note 29.1)	5,827,702	14,665,417
	9,581,146	26,247,845
Payments relating to:		
Financial investments	-1,027,500	-760,808
Subsidiary purchases, net cash purchased	-64,949,182	-5,961,924
Tangible fixed assets	-77,226,079	-62,683,254
Loans granted (Note 29.1)	0	-2,580,524
Loans granted to shareholders (Note 29.1)	-30,565,000	-15,656,189
	-173,767,760	-87,642,699
CASH FLOW FROM INVESTING ACTIVITIES (2)	-164,186,614	-61,394,854
FINANCING ACTIVITIES		
Receivables from:		
Loans granted (Note 35)	345,989,629	409,363,616
Share capital increases by non-controlling interests	201,267,496	0
	547,257,126	409,363,616
Payments relating to:		
Loans granted (Note 35)	-385,332,192	-412,864,554
Amortisation of financial leasing contracts (Note 38)	-33,192,221	-31,693,997
Interest and similar costs	-47,107,636	-45,137,499
Dividends	0	-450,000
Transaction costs	-5,273,116	0
Other financing operations	-4,860,943	-5,546,834
	-475,766,109	-495,692,883
CASH FLOW FROM FINANCING ACTIVITIES (3)	71,491,016	-86,329,267
Changes in cash and cash equivalents (1) + (2) + (3)	78,797,044	-34,292,185
Cash and cash equivalents at the beginning of the period	114,981,462	146,439,139
Effect of currency exchange differences	791,551	2,834,507
Cash and cash equivalents at end of period	194,570,057	114,981,462

Notes to the Consolidated Statement of Cash Flows

Financial years ending on the 31st of December 2022 and on the 31st of December 2021

	2022	2021
1. ACQUISITION OR DISPOSAL OF COMPANIES		
a1) Payments related to purchases of net cash for the financial year (note 8)		
Obelisk	15,312,986	0
Elektro-Würkner	14,784,979	0
Inpower Group	3,894,500	0
MJ Quinn Solar	1,102,446	0
Cunha Soares	0	5,137,203
Companhia Santomense de Telecomunicações	0	3,926,606
EIP Serviços	0	1,513,633
Escot Marroc	0	400,000
B1) Cash purchased		
Obelisk	-1,540,571	0
Elektro-Würkner	-1,117,550	0
Inpower Group	-1,002,997	0
MJ Quinn Solar	-293,727	0
Cunha Soares	0	-9,450,000
B1) Payments related to purchases from previous years		
EIP Serviços/ Tensa /J.F. Edwards	15,506,798	0
MJ Quinn	5,594,346	2,331,489
Cunha Soares	4,000,000	0
Franz-Josef Braun	2,383,113	1,092,333
OMV Natie	1,868,929	0
Constellation	924,418	0
Escot Marroc	520,000	0
Toft Hansen	134,483	185,659
Ferreira & Coelho	0	75,000
C1) Payments related to future purchases (Note 7)		
Arquiled	2,877,030	0
Inpower Group	0	750,000
	64,949,182	5,961,924
D1) Payments related to future investments		
Jayme da Costa	500,000	740,000
Lince Capital	500,000	0
Iberis	27,500	12,500
Constructel Italia	0	7,500
Beiragás	0	808
	1,027,500	760,808
A2) Disposals/receivables in the current financial year		
Pharol	74,248	58,910
Granbeira	0	1,710,617
	74,248	1,769,527
For companies in the consolidation perimeter		
a) Cash		
Cash	201,083	937,829
Bank deposits	190,970,539	110,598,960
Tradable securities	3,398,435	3,444,672
Cash and cash equivalents in cash flow statement	194,570,057	114,981,462
Bank overdrafts	4,149,915	15,915,065
Cash and cash equivalents in the balance sheet (Note 30)	198,719,972	130,896,526

Notes to the consolidated financial statements

On the 31st of December 2022 (amounts in euros)

1. Introductory note

Grupo Visabeira, S.A., based in Viseu, Portugal, started its activity within the telecommunications and electricity sector in 1980. Based in Viseu and as a result of its combined commitment to human resources, an integrated information and logistics system, its own transport network and strategically located facilities, Grupo rapidly extended to the entire Portuguese territory and became the largest employer in central Portugal.

Its contribution to the modernisation and development of telecommunications by offering integrated and global solutions, earned it market leadership in the field of telecommunication network engineering, a position it has held for almost 4 decades.

In order to diversify its activities, Telecommunications, Energy, Technologies, Construction, Industry, Tourism, Real Estate and Services, as well as its presence in several markets, it adopted a strategy for structuring its operations in sub-holding sectors, in order to enhance each of its businesses and enhance the Grupo's performing capacity. The engine of its development strategy continues to rely on a management model based on global information systems, which interconnects all the business units and integrates all the Grupo's resources.

Based on the trust gained in the market, it defined and consolidated a bold internationalisation strategy that consolidated the capabilities and dynamics of the Grupo on two parallel fronts.

On the one hand, it expanded and consolidated its performing model in new countries as a natural extension of the markets and in countries of emerging economies, through an investment policy in a partnership or local business establishment. Initially investing in Portuguese-speaking countries and, later, with a strong focus on European countries, the Grupo has been exporting its model since the 1980s and, as a result of this strategy, today it holds companies with consolidated activities in France, the United Kingdom, Belgium, Mozambique, Germany, the United States of America, Angola, Italy, Republic of Ireland, Spain, São Tomé and Príncipe and Denmark, and it is present in many other countries. Through the internationalisation of its markets, Grupo promoted the market of its products in more than a hundred countries, on five continents, among which the markets of the European Union, Scandinavian countries, North America, Africa, Australia and Japan. Currently, through investment, Grupo 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. Grupo Visabeira will continue to enhance its distinctive skills and the

dynamics which characterised and it will operate in an integrated manner in increasingly global scenarios, expanding its markets in a sustained manner and always aiming at its leadership in its strategic businesses. Grupo Visabeira consolidates its accounts at NCFGest, SA, which is 100% owned by Fernando Campos Nunes. On the 31st of December 2022, turnover amounted to 1,452 million euros. Equity amounted to 689 million euros, of which 231 million euros correspond to non-controlling interests by the Grupo.

In 2022, Grupo Visabeira employed an average of 13.605 employees (2021: 12.897). At the end of the year, the number of employees was 13.793. The financial statements were approved for issue in the meeting of the Executive Board of Directors held on the 6th of June 2023, pending approval by the General Meeting of Shareholders, pursuant to current Portuguese corporate law.

The Executive Board of Directors believes that the financial statements will be approved without any changes.

2. Accounting Policies

2.1 Basis of presentation

According to Decree Law no. 35/2005 of 17th of February, as subsequently amended by Decree Law no. 98/2015 of the 2nd of June, which transposed into Portuguese legislation the provisions of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of the 19th of July 2002, 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 2022. 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 consolidated financial statements are presented in accordance with IAS/IFRS.

The Executive 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 44, to the reporting date of the financial statements, available about the future. As a result of the evaluation carried out, the Executive Board of Directors came to the conclusion that it has adequate resources to maintain its activities, with no intention of ceasing activities in the short term, and it has considered appropriate to use the assumption of continuity of operations in the preparation of condensed consolidated financial statements.

The consolidated financial statements were prepared based on historical cost, except for investment properties, for derivative financial investments, and for some financial investments which were measured at fair value. The liability for defined benefit obligations is recognised at the present value of that net obligation of the funds' assets.

In preparing the consolidated financial statements in accordance with IFRS, the Grupo Visabeira's Executive Board of Directors uses estimates and assumptions that affect the application of policies and the values of assets and liabilities, gains and losses, which 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 in euros (EUR).

2.2 Bases of consolidation

The consolidated financial statements include, in reference to 31st of December 2022, the assets, liabilities and profit and loss of the companies of the Grupo, understood as the entirety of the Grupo Visabeira and its subsidiaries, which are presented in Note 5.

An entity is classified as a subsidiary when it is controlled by the Grupo. Control exists only where the Grupo 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 investors.

Generally, it is assumed that there is control when the Grupo holds the majority of voting rights. In order to support this assumption and in cases where the Grupo 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.

The Grupo controls a subsidiary when, due to the agreements entered into or the voting rights held, 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. The existence of control by the Grupo 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/controlled entities 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 Grupo 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 Grupo entities, as well as unrealised gains on transactions between companies of the Grupo are eliminated.

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

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

A change in the interest held in a subsidiary that does not entail loss of control is recorded as a transaction between shareholders. An increase in the interest holding 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 the Grupo 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 Grupo 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 2022, the most significant changes to the group of companies (see note 8) were, the acquisition of MJ Quinn Solar and Obelisk in the United Kingdom, Elektro-Würkner in Germany and InPower Group in Italy.

During 2021, the most significant changes to the group of companies (see note 8) were the purchase of *EIP Serviços* and *Cunha Soares*, in Portugal and the *Companhia Santomense de Telecomunicações*, in São Tomé and Príncipe.

CLASSIFICATION OF ANGOLA AS A COUNTRY WITH A HYPERINFLATIONARY ECONOMY IN 2017 AND 2018:

In 2017 and 2018, the Angolan economy was classified as hyperinflationary according to IAS 29 – Financial Reporting in Hyperinflationary Economies. During 2019, with the slowdown of inflation, Angola is no longer classified as hyperinflationary. However, the impacts generated in 2017 and 2018 will remain until the assets are sold and consumed/amortised and until the liabilities are liquidated or extinguished.

Pursuant to this standard, financial statements prepared in the currency of a hyperinflationary economy must be expressed in the measurement unit in force at the date of the preparation of the financial statements. Consequently, as defined in IAS 29 – Financial Reporting in hyperinflationary Economies, the main points to consider are as follows:

- Monetary assets and liabilities are not changed, as they are already expressed in the current unit at the date of the financial statements;
- Non-monetary assets and liabilities (which are not already expressed in the current unit at the date of the financial statements) are restated by applying a general price index;
- The effect of inflation on the net monetary position of investees is reflected in the income statement as profit/loss in the net monetary position.

Moreover, the conversion of financial statements of subsidiaries and associated companies located in Angola and stated in foreign currency (for which Kwanza is the functional currency) is carried out considering the currency exchange rate prevailing at the balance sheet date. The conversion coefficient used in the monetary correction (IAS 29), in 2017 and in 2018, was the consumer price index (CPI) published by the National Bank of Angola.

The main accumulated impacts on the Consolidated Financial Statements are as follows:

In the financial statement position:		
Millions of euros	2022	2021
Tangible and intangible fixed assets	28.0	27.1
Deferred tax liabilities	-9.6	-9.2
	18.4	17.8
Equity attributable to shareholders	10.2	9.1
Non-controlling interests	8.3	8.8
	18.5	17.9

2.3 Concentrations of business activities and goodwill

The acquisition method is the method used to recognise the entry of subsidiaries into the Grupo 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 identifiable assets purchased and of assumed liabilities is recognised, on the purchase date 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 the Grupo. 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 as 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. 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 recognised in the income statement in accordance with IFRS 9. 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 acquisition are not part of the retribution transferred so they do not affect the determination of goodwill/ negative goodwill, 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 Grupo 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 Executive 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, Grupo 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 the goodwill. Goodwill is considered to have an indefinite useful life and thus is not amortisable. Regardless of whether or not there are impairment indicators, the Grupo annually tests Goodwill for impairment. When Goodwill's carrying amount 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.

PUT OPTION TO PURCHASE NON-CONTROLLING INTERESTS

When the Grupo is granted a put option on the participating interest not held by the Grupo in a controlled company, and the group considers that it has an effective ownership interest in those shareholdings subject to the put option, the Grupo does not recognise any non-controlling interests, but rather a financial liability, measured in accordance with IFRS 9 (see 2.6.2), which means the Grupo accounts for concentration of 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.

When a put option is granted to the Grupo of the participating interest not held by the Grupo in a controlled company, and the group does not consider that it has an effective ownership interest in those shareholdings subject to the put option, the Grupo chooses to recognise the totality of the non-controlling interests and also recognises the put option as a financial liability, measured in accordance with IFRS 9 (see 2.6.2), this liability being recognised by deducting it from the Grupo's equity and not from the non-controlling interests. Subsequent changes in the amount of the liability are recognised in the income statement. The factors taken into account by the management to determine whether or not there is an effective ownership interest in these holdings subject to the put option include:

- i) The strike price is fixed or determinable and/or approximating to fair value;
- ii) Voting rights and other decision-making rights;
- iii) Entitlement to dividends.

2.4 Financial holdings in associates and Joint Ventures

Associates are companies over which the Grupo Visabeira exercises significant influence, understood as the power to participate in their financial and operating policy-making process, without, however, exercising control or joint control. It is generally assumed that there is significant influence when the percentage of participation is greater than 20%.

The classification of financial investments in joint ventures is determined based on the existence of shareholders’ agreements that demonstrate and regulate joint control, which is understood to exist when decisions on activities relevant to the venture require a unanimous agreement between the parties.

The existence of significant influence or joint control is determined based on the same type of facts and circumstances applicable in the assessment of control over subsidiaries.

These holdings are consolidated by the equity method, that is, they are initially recorded at cost and subsequently the consolidated financial statements include the group's interest in the total recognised gains and losses of the associate/joint venture, from the date on which significant influence/control begins until the date on which it effectively ends. Dividends received from these entities are recorded as a reduction in the value of financial investments.

Grupo's participation in the gains and losses of its associates/joint ventures is recognised in the income statement, and its share of movements in Post-acquisition Reserves are recognised in Reserves. The cumulative post-acquisition movements are adjusted according to the cumulative movements in the financial investment. When the Grupo's share of losses in an associate/joint venture equals or exceeds its investment in that entity, including any unsecured receipt transaction, the Grupo does not recognise any further losses, unless it has incurred obligations or made payments on behalf of the associate/ joint venture. The purchase of financial investments in associated companies is recorded using the purchase method. Thus, any excess of the cost of acquisition of a financial investment over the Grupo's share in the fair value of the assets, liabilities and contingent liabilities identified on the date of acquisition of the associate/joint venture is recognised as goodwill, which is included in the value of the financial holding and whose recovery is assessed annually as part of the financial investment. If the cost of acquisition is lower than the fair value of the net amount of the assets of the associate/ joint venture, the difference is recorded directly in the consolidated income statement.

Unrealised gains from transactions between the Grupo and its associates/joint ventures are eliminated to the extent of the Grupo's share in the respective associates/joint ventures. Unrealised losses are also eliminated, unless the transaction evidences impairment of a transferred asset. The accounting policies of associates/joint ventures are changed whenever necessary to ensure consistency with the policies adopted by the Grupo.

After applying the equity method, the Grupo assesses the existence of impairment indicators; if any, the Grupo calculates the recoverable amount of the investment, and recognises an impairment loss if it less than the book value of the investment in the heading “Gains/Losses on the associated companies and joint ventures” in the income statement; this impairment loss is reversible.

After the loss of significant influence or joint control, Grupo initially recognises the retained investment at fair value, and the difference between the carrying value and the fair value held plus the revenue from the sale are recognised in the income statement.

2.5 Recognition of Revenue

Grupo is organised through sub-holdings that group subsidiaries in the different business areas in which it operates.

The main business areas / revenue sources of the Grupo for the years 2021 and 2022 can be detailed as follows:

- a) Telecommunications and energy in Europe;
- b) Energy in the United States of America;
- c) Engineering and construction;
- d) Telecommunications operator;
- e) Industry;
- f) Hotels and restaurants;
- g) Shopping centre operation and management;
- h) Real estate sale;
- i) Real estate services and management.

NATURE, PERFORMANCE OBLIGATIONS AND REVENUE RECOGNITION

a. Telecommunications and energy

In this business area, the Grupo signs 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 client network (services provided to the final client of energy operators).

Outdoor Network

The purchase orders placed by the client, under the established general contract, identify the performance obligation that the Grupo has to comply with. Thus, each order is treated as a single performance obligation.

The performance of the Grupo creates an asset that the client controls as it is being completed, thus the performance obligation of the Grupo 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 client, 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 to the validation of the clients, with a summary of the production sheets. After the approval of the said report by the client, the respective invoice is issued. The frequency with which these measurements 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 the Grupo has to comply with. Thus each order is treated as a single performance obligation. Purchase orders are characterised for regarding very short duration works. The performance obligation is carried out in a specific moment, namely whenever the client 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 client, 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.

b. Energy in the United States of America

In this country where the Energy business area predominates, Grupo signs several contracts for the provision of construction services with public and private entities that include different components/tasks. Although in most cases clients 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, given that the components/ tasks referred to above are usually highly interconnected and dependent on each other, the Grupo 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 clients have the ability (control) to guide the use of the asset as it is being built and the ability to substantially obtain all of its remaining economic benefits, the Grupo's obligation to perform in these cases is satisfied over time, with revenue recognised 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 fiscal 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 the future activities of the contract, are excluded from the calculation of the percentage of completion and are classified as inventories, deferred costs or other. Grupo 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.

c. Engineering and construction

In this business area, Grupo signs several contracts for providing construction services with public and private entities that include different components/tasks.

Although in most cases clients can benefit from different components/ tasks separate has they are negotiated as a whole, the promise of transferring each one of them is not separately identifiable from the others. Moreover, given that the components/tasks referred to above are usually highly interconnected and dependent on each other, Grupo 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, since clients have the ability (control) to guide the use of the asset as it is being built and the ability to obtain substantially all the remaining economic benefits thereof, the Grupo's performance obligation in these cases is met over time, the revenue being recognised according to the method described below.

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 fiscal 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 the future activities of the contract, are excluded from the calculation of the percentage of completion and are classified as inventories, deferred costs or other. Grupo 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.

d. Telecommunications operator;

In this business area, Grupo provides operator services, providing cable television, fixed broadband and fixed voice. Revenues from services provided over the fibre and cable network result from:

- a) subscription to base channel packages that can be sold in bundle with fixed broadband and/or fixed voice services;
- b) subscription to premium channel packages;
- c) rental of terminal equipment.

Thus, at the beginning of each contract, Grupo evaluates the promised goods or services and identifies, as a performance obligation, every promise of transfer to the client any good or service (or goods or services package). These promises in contracts with clients may be explicit or implied, provided that such promises create a valid expectation on the client that the entity will transfer a good or service to the client, based on the entity's published policies, specific statements or business practices.

Grupo has internally defined that a performance obligation corresponds to the promise of delivery of a good or service that can be used separated by the client and on which there is a clear perception of this good or service by the client among the remaining available in each contract.

The main performance obligations are Fixed Internet, Fixed Telephone,

Television, Consulting, and Cloud / IT Services, distribution of audiovisual rights, among others.

Providing set-top-boxes, routers, modems and other home complementing equipment and respective installation and activation services were considered by the Grupo as not corresponding to a performance obligation, as these are actions required to meet the promised performance obligations.

The recognition of revenue occurs at the moment of fulfilment of each performance obligation, being distinguished between:

Prepaid services

Revenue is recognised when services are actually rendered, that is, the amounts previously received are specialised for the period of service provision which TVCABO has undertaken.

Corporate services

Revenue from subscriptions to telecommunications services (subscription to internet, television and fixed voice, separately or together) is recognised on a straight-line basis over the subscription period. Billing is issued after the service is provided, depending on the conditions provided for in the contract with the client.

e. Industry - in this area, Grupo carries out the following activities:

i) ceramics, glassware, and biofuel

In determining the amount of revenue, Grupo assesses the performance obligations for each transaction, it undertakes with clients, the transaction price for each performance obligation identified in the transaction and the variable price conditions that may lead to future adjustments of the amount of the revenue recorded, and for which the Grupo presents its best estimate.

Income from product sales is recorded in the consolidated income statement, when control over the product or service is transferred to the clients, which is to say, at the moment when the client is able to manage the use of the product or service and obtain all the remaining economic benefits associated with it.

Grupo considers that, taking into account the nature of the product or service related to the performance obligation undertaken, the transfer of control takes place mainly on a specific date, but there may be transactions in which the transfer of control occurs continuously throughout the defined contract period.

For each contract, Grupo assesses whether there are other commitments in the contract that correspond to separate performance obligations and for which a portion of the transaction price should be allocated (for example, guarantees and loyalty credits).

In determining the transaction price, Grupo takes into account any variable remuneration, the existence or not, of a significant financing component, non-monetary receivables and the possibility of there being remunerations payable to the client.

Guarantee obligations

Grupo generally offers guarantees of the proper functioning of its products - repair of defects existing upon the sale - as required by law. These quality guarantees are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Moreover, Grupo sells a one-year guarantee to repair any defects that may exist at the time of sale. These service guarantees are sold separately or together with the sale of the equipment. Contracts that add equipment and service guarantees contain two performance obligations because the promises to transfer the equipment and to ensure the service guarantee are different. Using the stand-alone selling price method, a portion of the transaction price is allocated to the quality assurance service and recorded as a liability relating to contracts with clients. Revenue is recognised over the period during which the guarantee is provided based on the passage of time.

ii) Thermal energy

Revenue related to the thermal energy business area is recognised in accordance with the method defined for the business area related to b) Engineering and construction.

f. Hotels and restaurants

Revenue from the provision of Hotel and Restaurant services is recognised when the service is provided or control over the property is transferred to the client. Sales are usually made in cash or by credit card. In the cases when a credit period is established, the period of credit granted varies between 30 and 60 days after billing.

g. Shopping centre operation and management; Fixed rents

Grupo acts as a lessee under lease agreements. Income earned through rents is recorded in accordance with the straight-line method during the rental period and presented as “services rendered” due to its operational nature. Contingent rents are recognised only when the duty is established. Initial costs directly related to negotiating of leases are recorded as expenses during the lease period at the same rent as the rents as earned. 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 Grupo has reasonable certainty that the lessee will choose to remain. Amounts receivable from lessors 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 Grupo considers that it acts as principal and not as agent in this situation.

Variable rents

If the consideration provided for in a contract includes a variable component, Grupo estimates the amount that it considers to be entitled to receive. The variable component is estimated on a monthly basis according to the tenant's turnover and is restricted in case of uncertainty until it is highly probable that there will be no significant reversal of recognised revenue when the uncertainty associated with the variable compensation component is subsequently resolved.

Key income

Key income is recognised at the time of signature of the contract of reservation of ownership and subsequent receipt.

h. Real estate sale

The sale of the completed property is generally considered a single performance obligation and the Grupo has determined that it will be met at the time control is transferred. In the case of unconditional contract exchanges, the time usually occurs when the legal title is transferred to the client. In the case of sales through public auction, the moment is verified when all the conditions are met. It is not expected that the determination of the control transfer, both for sales through public auction or direct sale, will be modified with the adoption of IFRS 15. For contracts related to the sale of properties in development, Grupo is responsible for the overall management of the project and it has identified several goods and services to be provided, including design work, purchase of materials, preparation of the site and foundations, formwork and plastering, mechanical and electrical installations, accessories (eg windows, doors, cabinets, etc.) and finishing work. In these contracts, Grupo has determined that the goods and services are not different and are recorded as a single performance obligation. Depending on the terms of each contract, Grupo determines whether the control is transferred at a point in time or over time:

- For the sale of currently recognised developing properties according to the percentage of completion, Grupo expects to continue to recognise the gains over time because it estimates that control will be transferred over time.
- For the sale of currently recognised developing properties when completed, Grupo believes that control will be transferred at a point in time.

In contracts that meet the recognition criteria throughout the period, Grupo's performance is measured using a method of imputation with reference to the costs incurred to comply with the performance obligation (e.g. resources consumed, hours spent, costs incurred, time incurred or machine hours) in proportion to the estimated total inputs to complete the work. Grupo excludes the effect of costs incurred which do not contribute to the performance obligation in transferring control of goods or services to the client (such as unanticipated amounts of defective materials or other resources) and adjusts the method of imputation against costs incurred which are not proportional to the Grupo's progress in meeting the performance obligation (i.e. non-installed materials). Some contracts for the sale of properties include variable considerations in the form of penalties for delays and, in limited cases,

early termination premiums. Usually, Grupo expects uncertainty to dissipate before recognising these gains. In accordance with IFRS 15, estimates of variable consideration are included in the transaction price (after considering the limiting requirements). Considering its wide range of services, Grupo usually applies the expected value method to estimate this variable consideration and will apply the IFRS 15 requirements in mandatory variable consideration estimates to determine the variable consideration amount that may be included in the transaction price. Grupo uses the practical expedient provided for in IFRS 15 for the significant financing component. As such, Grupo will not adjust the amount under contract for the effects of the significant financing component in contracts where Grupo expects, at the end of the contract, the interval between the client payment and the Grupo's transfer of the agreed goods or services to be one year or less:

- For contracts involving the sale of property in development recognised over time, generally, clients carry out the payments as the work progresses. In these cases, Grupo estimates that the interval between the client payment for the asset, and the Grupo's transfer of the asset to the client will be one year or less.
- For some contracts that include the sale of development properties recognised over time and the sale of development properties recognised at a specific point in time, Grupo is entitled to the recognition of an advance. This situation is not seen as a significant financing component since the reasons are not related to the Grupo's financing. The reason is that these payments are seen as a guarantee that the other party will satisfactorily complete its obligations under the contract in situations, in cases when clients do not have a proven credit record or have a history of late payments.

Property sale contracts have certain guarantees which cover a period of up to ten years after completion of the property, including requirements regarding operating performance conditions (i.e. insulation, energy efficiency, etc.). Grupo has determined that these conditions represent guarantees called “reliability” and that they are legally required as quality assurance, continuing to be accounted for in accordance with IAS 37, consistent with current practice.

i. Real estate services and management Service expenses, management fees and other recoverable expenses of lessees

Consistent with current practice, Grupo determined that these services are separate components of the lease (transferred separately from the right to use the asset) and fall within the scope of IFRS15. Grupo will allocate the consideration to the lease component and the service component on a relative basis, consistent with the current accounting. For the revenue component, Grupo has concluded that these services represent a number of daily services that are individually met over time, and a progress measurement basis based on the time taken will be applied. The amounts charged to tenants for these services include fees charged based on the percentage of income and reimbursement of expenses incurred. Grupo has determined that this variable consideration is only related to the non-leasing component and that allocating it to each service period

(e.g., each day) fulfils the variable consideration allocation exception. Grupo provides the third-party competence to provide services to tenants. In accordance with IFRS 15, Grupo concluded that it is the principal because it is primarily responsible for meeting the performance obligation of the specific service, and Grupo is subject to credit risk regarding these transactions because it has to pay the third party even if the client does not comply with the payment terms. IFRS15 requires a test to demonstrate that Grupo controls a particular good or service before transferring it to the client. Grupo has determined that it controls the service before being provided to the tenant and consequently is the principal rather than agent in these contracts. Consequently, Grupo underwent no impact as a result of this diagnosis.

Disposal of investment property during the ordinary course of business

The IFRS 15 recognition and measurement requirements are applicable to determine the timing of derecognition and the measurement of the consideration (including the application of requirements for variable consideration), when the gains or losses regarding the disposal of non-financial assets are calculated, when such disposal is not part of the normal course of business. Grupo has determined that there is no need for changes resulting from the transition to IFRS 15 regarding disposals of investment properties carried out in the past, which were owned for rent.

Contract costs

Grupo incurs in commissions which are incremental costs of obtaining a contract with a client. Grupo intends to use the practical expedient provided for in IFRS15 for the costs of obtaining a contract to waive those costs that would have been amortised over a year or less. In cases where the amortisation period would exceed one year, Grupo will capitalise the costs of obtaining a contract that meets the criteria for recognition of IFRS15. Costs incurred by the Grupo to raise a contract before the beginning of its performance (e.g. proposal costs) usually comprise general and administrative costs.

Contract assets and liabilities

i) Assets of contracts with clients

A client contract asset is a right to receive a return in exchange for goods or services transferred to the client. If Grupo delivers the goods or services to a client before the client pays the compensation or before the compensation is due, the contract asset corresponds to the amount of the consideration that is conditional.

ii) Accounts receivables from clients

An account receivable represents the unconditional right (that is, it only depends on the passage of time until the consideration is due) of the Grupo to receive the consideration - See note 27.

iii) Liabilities of contracts with clients

A liability of contracts with clients is the obligation to transfer goods or services for which Grupo received (or is entitled to receive) a consideration from a client. If the client pays the consideration before Grupo 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 Grupo carries out its contract performance obligations.

2.6 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 the Grupo'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.

2.6.1 FINANCIAL ASSETS

i) Initial recognition and measurement

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, the 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 contractual characteristics of the cash flow and the business model that Grupo adopts to manage them. With the exception of accounts receivable from clients that do not contain a significant financial component and for which Grupo adopts the practical expedient, Grupo initially measures a financial asset at its fair value added, 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 Grupo 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 at fair value through other comprehensive income, it should provide cash flows representing solely payments of principal and interest SPPI) on the outstanding capital. This assessment, known as the “cash flows solely from payments of principal and interest” test is carried out for each financial instrument. The business model for managing financial assets refers to how Grupo 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 that Grupo commits to purchase or sell the asset.

ii) 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 for Grupo. The Grupo measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective 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 Grupo 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)

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

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flow and selling; 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 recognised 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.

Grupo does not hold this type of financial assets on the 31st of December 2022.

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

Upon initial recognition, Grupo can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition

3. Documents for providing consolidated accounts

of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. 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 Grupo 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. Grupo decided to irrevocably classify its investments in equity instruments of entities not listed in this category, as well as the shares held in Pharol.

Financial assets to the fair value through the income statement

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flow that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

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 Grupo 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;
- iii) the hybrid contract is not measured at fair value through profit or loss.

Embedded derivatives are measured at fair value with 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

Notes to the consolidated financial statements

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.

iii) 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 Grupo's consolidated statement of Financial Position) when:

- The contract rights to receive cash flows resulting from the financial asset expire; or
- Grupo 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 Grupo:
 - 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) Grupo has an obligation to remit any cash flow it receives on behalf of the final recipients without significant delays.
- Grupo transferred substantially all the risks and rewards of the asset, or the company did not transfer or substantially retain all the assets and benefits of the asset, but transferred control over the asset.

When Grupo 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 all the risks and benefits of ownership of an asset have not been substantially transferred or retained, nor transferred control of the asset, Grupo continues to recognise the transferred asset to the extent of its continuing involvement. In this case, Grupo also recognises the corresponding liability, the transferred asset and the corresponding liability are measured on a basis which reflects the rights and obligations that Grupo retained.

If the continuing involvement of Grupo undertakes the form of a guarantee on the transferred asset, the measure of continuing involvement is the lower between the original book value of the asset and the maximum amount of the consideration received that Grupo may have to pay.

Consequently, the balances of clients 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 the Grupo'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. Grupo 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.

iv) Impairment of financial assets

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

- Disclosures on significant assumptions - Note 3
- Accounts receivable, including assets related to contracts with clients - Notes 10, 27 and 29

Grupo recognises an adjustment for expected credit losses for all debt instruments not measured at fair value through profit or loss. The expected credit losses are based on the difference between the contract cash flows due and all the cash flows that Grupo expects to receive, discounted at a rate close to 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 trade receivables and trade receivables related with contract assets, Grupo applies a simplified approach in calculating expected credit losses. Therefore, Grupo does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. Grupo has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For this purpose, the balances of clients and other debtors have been segregated taking into account their risk profiles and the duration of the default situation. 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 Grupo's credit risk is assessed and if it is “low” or if the maturity is less than 12 months, then the Company only evaluates the probability of a non-compliance occurring for the cash flows that mature during the next twelve months. For all other situations and types of balances

receivable, Grupo 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 39. Grupo considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, Grupo may also consider a financial asset to be in default when internal or external information indicates that Grupo 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.

2.6.2 FINANCIAL LIABILITIES

i) Initial recognition and measurement

Financial liabilities are classified, at the time of initial recognition, as financial liabilities at fair value through profit or loss, loans, accounts payable, or derivatives designated as hedging instruments in an effective hedge relationship. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Grupo'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 its initial classification, as follows:

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 are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by Grupo that are not designated as hedging instruments in hedge relationships as defined by 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 related to purchase of financial holdings (see Note 2.3) are classified in this category.

Financial liability at amortised cost

This is the most relevant category for the Grupo. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised 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 effective interest amortisation is included as finance costs in the statement of profit or loss. 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 Executive Board of Directors to use this financing instrument for a period of more than one year. Grupo contracts confirming operations with financial institutions, which are classified as reverse factoring agreements. These agreements are used to manage Grupo's treasury, and the amounts of the invoices advanced to suppliers who adhere to these contracts are maintained in Liabilities, in the account of other accounts payable, with payments of the amount advanced to suppliers being treated as operational payments and payments relating to interest and fees incurred being treated as financing activities. Costs incurred from confirming operations are recorded under other net financial expenses.

iii) Derecognition

Financial liabilities are derecognised when the underlying obligation is satisfied, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, the exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss. 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.

2.6.3 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 recognised and there is an intention to settle on a net basis or realise the asset and liquidate the liabilities.

2.6.4 HEDGE ACCOUNTING

i) Initial and subsequent recognition

Grupo uses derivative financial instruments, such as swaps of interest rates to cover its interest risks. Such derivative financial instruments are initially recorded at fair value on the date of the derivative contract and are subsequently measured at fair value. The resulting gain or loss is recorded in the income statement unless the derivative is classified as a hedging instrument, in which case the recognition of the change in fair value depends on the nature of the hedging relationship. Derivatives are presented in assets when their fair value is positive and in liabilities when their fair value is negative. In terms of hedge accounting, hedges are classified as:

- Fair value hedge when the purpose is to hedge the exposure to fair value changes of a registered asset or liability or an unregistered Grupo commitment.
- Cash flow hedge when the purpose is to hedge the exposure to cash flow variability arising from a specific risk associated with the whole or a component of a recorded asset or liability or an anticipated highly probable occurrence or currency exchange risk associated with an unregistered Grupo commitment.
- Coverage of a net investment in a foreign subsidiary.

At the beginning of the hedge relationship, Grupo formally designates and documents the hedge relationship for which hedge accounting is intended to be applied as well as the management and strategy purpose of such hedge. Prior to the 1st of January 2018, the documents included the identification of the hedging instrument, the hedged item or transaction, the nature of the hedged risk, and the way in which Grupo assessed the effectiveness of the fair value changes of the hedging instrument against exposure changes in the fair value of the hedged item or cash flows arising from the hedged risk. Such hedges should be highly effective in offsetting changes in fair values or cash flows and would be assessed on a continuing basis to demonstrate that they were in fact highly effective over the reporting period. As of the 1st of January 2018, the documents include the identification of the hedging instrument, the item or transaction covered, the nature of the risk to be hedged and the way in which Grupo assesses whether the hedge relationship meets the accounting requirements (including its analysis of the sources of coverage ineffectiveness and how it determines the coverage rate). The hedge relationship is eligible for hedge accounting if it meets all of the hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the changes in value which result from this economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the amount of the hedging instrument that the entity effectively uses to hedge that amount of the hedged item.

The hedging relationships that meet the above mentioned eligibility criteria are accounted for as follows:

ii) Fair value hedge

The change in the fair value of the hedging instrument is recorded as a financial result for the period. The change in the fair value of the hedged item attributable to the hedged risk is recorded as part of the carrying amount of the hedged item.

For fair value hedging of items measured at amortised cost, any adjustment to the book value is amortised in the income statement for the remaining period of the hedge using the effective interest method. Amortisation using the effective interest method starts when there is an adjustment and no later than when the hedged item is no longer adjusted for changes in the fair value attributable to the risk being hedged. If the hedged item is derecognised, the fair value to be amortised is recorded immediately in the income statement.

When an unrecorded commitment is designated as a hedged item, subsequent cumulative changes in the fair value of the Grupo's commitment attributable to the hedged risk are recognised as an asset or liability and the corresponding gain or loss recorded in the income statement.

iii) Cash flow hedging

The effective portion of the gain or loss on the hedging instrument is recognised in Other comprehensive income in the cash flow hedge reserve, while the ineffective portion is recognised immediately in the income statement. The cash flow hedge reserve is adjusted to the lesser of the amounts between the accumulated gain or loss on the hedging instrument and the cumulative change in the fair value of the hedged item.

As from the 1st of January 2018, Grupo shall designate only the element under the forward contracts as a hedging instrument. The element forward is recognised in Other comprehensive income and accumulated in a separate equity component.

The amounts accumulated in Other comprehensive income are accounted for according to the nature of the respective hedging relationship. If the hedging relationship subsequently translates into the recording of a non-financial item, the accumulated amount is removed from the separate equity component and included in the initial cost or carrying amount of the hedged asset or liability. This is not a reclassification adjustment and should not be recorded in Other comprehensive income for the period. This also applies when an expected transaction hedged by a non-financial asset or a non-financial liability becomes a Grupo commitment subject to hedge accounting. Other comprehensive income is reclassified to the income statement as a reclassification adjustment in the same period or periods during which the cash flows hedged affect the income statement.

If cash flow hedge accounting is discontinued, the amount accumulated in Other comprehensive income should remain if the future cash flows hedged are still expected to occur.

Otherwise, the accumulated amount is reclassified immediately to the income statement as a reclassification adjustment. Upon discontinuation, as soon as the cash flows are hedged, any accumulated amount remaining in Other comprehensive income shall be accounted for in accordance with the nature of the underlying transaction as described above.

iv) Hedging of a net investment in a foreign operation

Hedging of a net investment in a foreign operation, including the hedging of monetary items that are accounted for as part of the net investment, are accounted for in a similar way to the cash flow hedge. Any gain or loss in the hedging instrument relating to the effective portion of the hedge is recorded in Other comprehensive income while the gains or losses relating to the ineffective portion are recorded in the income statement. At the time of the disposal of the foreign subsidiary, the accumulated amount of the gains and losses accounted for in equity are transferred to the income statement.

2.6.5 EQUITY INSTRUMENTS

Equity instruments are classified according to the substance of their contractual arrangement, regardless of their legal form. Equity instruments issued by companies of Grupo 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.

2.6.6 LOANS COSTS

Grupo 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.

In 2022, Grupo Visabeira did not capitalise any interest from loans obtained.

2.7 Tangible assets

Tangible fixed assets, except assets from TVCABO Angola and TVCABO Moçambique networks, are recorded at acquisition cost net of any accumulated depreciation 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.

The assets of the TVCABO Angola and TVCABO Moçambique networks are measured, as of the 1st of October 2019, according to the revaluation model, that is, they are measured at fair value at the date of the revaluations, minus any subsequent accumulated depreciation and subsequent impairment losses accumulated.

Revaluations are carried out with sufficient frequency to ensure that the carrying amount does not differ materially from that which would be determined by using fair value at the end of the reporting period. The frequency of revaluations depends on changes in the fair value tangible fixed assets that are being revalued.

When the fair value of a revalued asset differs materially from its carrying amount, a new revaluation is required. Such frequent revaluations are unnecessary for tangible fixed asset items, with only minor changes in fair value. Instead, it might be necessary to revalue the item only every three or five years.

When the carrying amount of these assets is increased as a result of a revaluation, the increase must be recognised in other comprehensive income and accumulated in equity under “Revaluation surplus”. However, the increase must be recognised in the income statement to the extent that it reverses a decrease in the revaluation of the same asset previously recognised in profit or loss. If the carrying amount of an asset is decreased as a result of a revaluation, the decrease should be recognised in the income statement.

However, the decrease must be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus with respect to that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity under revaluation surplus.

A transfer is made annually between the caption “Revaluation surpluses” and retained earnings, which corresponds to the difference between depreciation based on the revalued value of the asset and depreciation based on its historical cost.

On the date of disposal, any remaining revaluation reserve is transferred to retained earnings.

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:

	2022	2021
Land and natural resources	2.50%	2.50%
Buildings	2.00% - 5.00%	2.00% - 5.00%
Other constructions	2.00% - 10.00%	2.00% - 10.00%
Basic equipment	6.67% - 33.33%	6.67% - 33.33%
Transport equipment	16.66% - 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%

2.8 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, Grupo 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 Grupo 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.

2.9 Leases

Grupo 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, Grupo 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.

GRUPO AS A LESSEE

Grupo applies the same recognition and measurement method to all leases, except for short-term leases and leases associated with low-value assets. Grupo 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), Grupo recognises an asset related to the right to use. "Right-of-use assets" 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 adjusting 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 right-of-use asset 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 Grupo 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. Right-of-use assets are also subject to impairment losses.

II. Lease liability

At the lease start date, Grupo recognises 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 Grupo with reasonable certainty, and penalty payments for terminating the contract, if the terms of the lease reflect the Grupo'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, Grupo 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

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

GRUPO AS LESSOR

Leases in which Grupo does not transfer substantially 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 Grupo has reasonable certainty that the lessee will choose to remain. 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 Grupo considers that it acts as principal and not as agent in this situation.

2.10 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 their 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 Grupo intends and is able to complete its development and begin its marketing or use. In the context of business combinations, intangible assets are recorded (order backlog) at fair value, which are amortised on a straight-line basis over 36 months.

2.11 Impairment of tangible and intangible assets

Assets that have an indefinite useful life are not subject to amortisation, 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 could 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.

2.12 Assets held for sale and discontinued operations

This category includes assets or groups of assets whose value is realisable through a sale transaction or, jointly as a group in a single transaction, and any liabilities directly associated with these assets that are transferred in the same transaction. Assets and liabilities in this situation are measured at the lower of their carrying amount and fair value less the selling costs. For this situation to take place, the sale needs to be highly probable (expected to be realised within 12 months) and the asset has to be available for immediate sale in its present condition, in addition to the Grupo's commitment in effecting the sale. The amortisation of assets in these conditions ceases from the moment in which they are classified as held for sale and are recognised as current under asset, liability or equity line items. A discontinued subsidiary is a component (subsidiaries and cash flows that can be clearly distinguished operationally and for financial reporting purposes from the rest of the entity) from an entity that has either been disposed of or is classified as held for sale, and:

a) represents a major line of business or separate geographical area of operations; b) is an integral part of a single coordinated plan to dispose of a major line of business or separate geographical area of operations; or is a subsidiary acquired exclusively with a view to resale; or c) is a subsidiary acquired exclusively for the purpose of resale. The results of the unrelated companies are presented as a single amount in the income statement, comprising the after-tax profits or losses of the unrelated companies, plus the after-tax gains or losses recognised in the fair value measurement less costs to sell or in the disposal of assets or group(s) for disposal that represent the unrelated company. Balances and transactions between related companies and unrelated companies are eliminated to the extent that they represent the companies that will no longer be part of Grupo.

2.13 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 and consumables - Include lands for future real estate projects which are valued at purchase price plus the cost of purchase, which is lower than its market price. The remaining raw materials and consumables are valued at purchase price plus the cost of purchase, including storage. Finished goods and work in progress - When corresponding to fractions of buildings for sale in completed developments and products in progress, these are valued at production cost, which is lower than their market value. 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.

2.14 Provisions

Provisions are recorded in the balance sheet whenever Grupo 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 line item “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.

2.15 Contingent assets and liabilities

Contingent liabilities (outside the scope of a business combination) are not recognised in the consolidated financial statements and are disclosed in the annex, unless the possibility of an outflow of funds is remote, in which case they are not the subject of dissemination.

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

2.16 Income tax

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

Grupo Visabeira is covered by the special regime for taxation of groups of companies, established at the level of NCFGest, SA, which covers all companies it participates in, directly or indirectly, with at least 75% of the respective capital and which, simultaneously, are based in Portugal and taxed under Corporate Income Tax (IRC).

Since 2014, the subsidiaries of Grupo VAA have been included in the scope of consolidation of Grupo Visabeira.

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 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:

- Grupo 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 Grupo 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.

2.17 Employee benefits

2.17.1 PROVISIONS FOR RETIREMENT PENSIONS – DEFINED BENEFIT PLAN

Some of the Grupo's companies, namely Grupo Vista Alegre companies, have assigned pension schemes to former employees, in the form of a defined benefit plan, which is a pension plan that defines the amount of pension benefit that an employee will receive upon retirement, usually dependent on one or more factors such as age, years of service and remuneration.

Grupo has in place various retirement benefit plans, some managed by Grupo and others by *Futuro/Grupo Montepio*.

The liability amount recognised in the balance sheet which concerns defined benefit plans is the present value of the defined benefit obligation on the balance sheet date. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows, using interest rates of high-quality bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approaching the terms of the related pension liability.

All actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in equity and presented in other comprehensive income in the period in which they occur, and are not subsequently reclassified in profit or loss.

Net financial costs and income derived from the plan's assets are recognised in profit or loss.

Financial costs are calculated by applying the discount rate to the liability of a defined or active benefit. Grupo recognises the costs of current or past services, the gains and losses in curtailments and/or settlements, as well as the net financial costs in the line item “Staff costs”.

Past-service costs are immediately recognised in profit or loss, unless the changes to the pension plan are conditional on the employees remaining in service for a specific period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

Gains or losses resulting from the curtailment or settlement of a defined benefit plan are recognised in profit or loss for the period in which the curtailment or settlement takes place. A curtailment occurs when there is a material reduction in the number of employees or the plan is changed so that the defined benefits are reduced, with material effects, causing a reduction in the plan's liability.

2.17.2 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. Grupo 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.

2.17.3 HOLIDAYS, HOLIDAY ALLOWANCES AND BONUSES

In accordance with the labour law of the different countries, Grupo 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”.

2.17.4 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.

2.17.5 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 with pro-rata service or the benefit/years of service 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.

In the consolidated accounts, only provisions for indemnities for retirement in French companies were recorded in the accounts of Grupo Visabeira. For other companies, similar provisions are recorded in corporate accounts or are insignificant.

2.18 Cash and cash equivalents

The line item “Cash and cash equivalents” includes cash, demand deposits and treasury investments with short maturities and quickly mobilisable, without significant risk of changes in value. For the purposes of the cash flow statement, the line item “Cash and cash equivalents” also includes bank overdrafts included in the balance sheet in the line item “Bank loans”, and the held-for-trading financial assets.

2.19 Works among Grupo 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.

2.20 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, as well as the corresponding income and expenses, are recorded in the consolidated statement of financial position in line items “Other current assets” and “Other current liabilities”, respectively.

2.21 Grants

Grants are only recognised when received or upon sufficient certainty that Grupo can comply with the conditions required for their granting. Investment grants are included in line item 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 Grupo incurs eligible expenses and are presented in the “Other income” line.

2.22 Assets measured at fair value

Grupo measures some of its financial assets, some of its non-financial assets, such as investment properties, and the TVCABO networks, and its derivatives, at fair value on the reference date of the financial statements. 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 Grupo. 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. Grupo 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 at 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.

2.23 Information by segments

- IFRS 8 on operating segments is not applicable, as Grupo Visabeira:
- 1. Does not have debt instruments or equity traded on a public market;
 - 2. Does not, and is not in the process of filing, the consolidated financial statements with a securities commission.

2.24 Transactions in a currency other than the euro

Grupo's functional and presentation currency is the euro. Companies based in Angola and Mozambique have different functional currencies, so their financial statements are translated into U.S. dollars applying kwanza and metical cross rates and then from dollars to euro. Monetary assets and liabilities denominated in foreign currencies for which there are no rate-fixing agreements are translated into euros using the exchange rates in effect on the date of the balance sheet. Favourable and unfavourable exchange 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 statement, except for exchange differences arising from the translation of loan balances which, in practice, are an extension of financial investments abroad and repayment is not expected in a near future, and so 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 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.

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 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 translation into euros in the financial statements of subsidiary and associated companies expressed in foreign currencies are included in equity in the line item 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 2022 and 2021, assets and liabilities denominated in foreign currencies were translated into euros using the following exchange rates:

CLOSING EXCHANGE RATE			
2022	2021	Code	Designation
53744	629.02	AON	Angolan Kwanza
68.18	72.32	MT	Mozambican Metical
5.60	6.39	BRL	Brazilian real
744	744	DKK	Danish Crown
1.07	1.14	USD	US Dollar
0.88	0.84	GBP	Pound sterling

In the financial years 2022 and 2021, the financial statements of subsidiaries in foreign currency were translated using the following exchange rates:

AVERAGE EXCHANGE RATE			
2022	2021	Code	Designation
484.73	731.65	AON	Angolan Kwanza
6728	77.04	MT	Mozambican Metical
5.41	6.37	BRL	Brazilian real
744	744	DKK	Danish Crown
1.05	1.18	USD	US Dollar
0.86	0.86	GBP	Pound sterling

See Note 2.2, referring to the Angolan economy as hyperinflationary.

2.25 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 sheet date which may provide information on the conditions that later occurred after the balance sheet date, if material, are presented in the notes to the consolidated financial statements.

2.26 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 - Subcontracts - Cost of goods sold and materials consumed
EBITDA	Operating income (excluding amortisations, provisions and fair value of investment properties)
Operating income	EBITDA + Changes in the fair value of investment properties - Amortisations - Provisions and impairment losses
Net debt	Long-term bank loans + Short-term bank loans + Lease liabilities + Factoring + Confirming - Cash and cash equivalents
Net financial debt	Long-term bank loans + Short-term bank loans + Lease liabilities - Cash and cash equivalents
Net financial debt / EBITDA	Net financial debt / EBITDA
Gearing ratio	Net debt / Total equity

3. Judgements and estimates

In preparing the consolidated financial statements in accordance with IFRS, the Executive Board of Directors of Grupo 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 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

Grupo 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 intangible assets

Grupo 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 the said assets. The assets associated with the TVCABO Angola and TVCABO Moçambique network are measured using the revaluation model, which implies the determination of the respective fair value, determined by evaluations, carried out by duly accredited and independent external experts. The evaluation process involves the use of assumptions (see note 21), in which actual implementation has different underlying uncertainties, such as changes in inflation rates and interest rates.

Grupo 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, Grupo 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, Grupo 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, Grupo assesses whether: i) the contract includes the use of an identifiable asset; ii) has the right to obtain substantially all the economic benefits from using the asset during the lease period; and iii) 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 each identified lease portfolio requires the use of judgements by Grupo.

d) Recognition of provisions and adjustments

Grupo is a party in various legal proceedings for which, based on the opinion its legal advisers, makes a judgement as to determine whether a provision should be recorded for such contingencies (note 40). Adjustments for accounts receivable are calculated mainly based on the ageing of the accounts receivable, on the clients’ risk profile and on their financial situation. Estimates related to adjustments for accounts receivable differ from business to business. The Company’s

policy regarding the imposing of ceilings 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, Grupo has access to major market databases, which, together with its technical analysis team, allows for a clear assessment and minimised credit risk.

e) Fair value of investment properties

Grupo relies on external entities to calculate the fair value of investment properties. In note 24 - Investment Properties - the assumptions used are described, as well as the respective sensitivity analysis. An appraisal is an estimate of the market value but it is not a guarantee of the value that would be obtained in a transaction. In addition, other appraisers can legitimately calculate a different market value. Despite showing signs of recovery, market transactions have been rare and market prices have proven unstable, so the method used to determine the fair value of investment properties was discounted cash flows. This valuation depends on the value of future rents and on the long-term occupancy rate, as well as in the case of land held for future appreciation dependent on the evolution of the real estate market in Viseu and Aveiro.

f) 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 Executive Board of Directors to determine the amount of deferred tax assets that can be recognised, considering:

- The probable date and amount of taxable future profits, and
- Future tax optimisation strategies.

g) Post-employment benefits

The assessment of liabilities associated with retirement and health benefits attributed to the Grupo’s employees under defined benefit plans is performed annually using actuarial studies prepared by independent experts, based on actuarial assumptions related to economic and demographic indicators. All the indicators used are specific to the countries where the employee benefits are attributed and include, but are not limited to:

- Discount rates based on the rates of corporate bonds of the respective country with an AAA or AA rating;
- Mortality tables available for the population of the respective country;
- Future increases in salaries and pensions based on future inflation rates expected for the respective country.

Estimates were based on the best information available on the date of the preparation of the consolidated financial statements. However, situations may occur in subsequent periods, which, not being foreseeable at the time, were not considered in these estimates. Changes to these estimates, which occur after the date of the consolidated financial statements, are corrected in profit or loss on a prospective basis, in

accordance with IAS 8.

h) Companies included in the scope of consolidation

For the purpose of determining the entities included in the scope of consolidation, Grupo assesses the extent to which it is exposed, or entitled to, the variability of the returns related to its involvement with the entity in question and its ability to take them over through the power it has over that entity (facto control). Grupo’s decision to consolidate a given entity is based on the use of judgement, assumptions and estimates to determine the extent to which Grupo is exposed to the variability of its returns and its ability to take them over through its power. Other assumptions and estimates could result in a different scope of consolidation, with a direct impact on the Grupo’s consolidated financial statements.

i) Fair value of derivative financial liabilities

As the investor Goldman Sachs entered Constructel Visabeira (see notes 8 and 37) several agreements were signed, the terms and conditions of which were carefully assessed by the Board of Directors in terms of their economic substance and the respective accounting framework in terms of recognising, classifying and measuring the financial instruments involved. This analysis involved significant judgement and determined the recognition of a derivative financial liability mainly associated with the Downside Protection mechanisms provided for in those agreements. The fair value of the financial liability was measured using option pricing models, namely the Binomial Lattice Model, involving assumptions as to the future and other significant variables, based on the best information available on the measurement date. Information on the most relevant assumptions used in the measurement of financial liabilities is disclosed in Notes 37.

4. Changes to accounting policies and errors

During the financial year ended on the 31st of December 2022, 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. However, it should be noted that Grupo chose to present the effect of the change in the group of companies in the cash flow statement, as net of purchases and disposal of a subsidiary in investment activities, previously presented separately under “Effect of change in the group of companies”. Regarding new standards and interpretations occurred the following emissions, revisions, changes and improvements in standards and interpretations:

4.1 Standards, interpretations, amendments and revisions with effect in the exercise

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 2022:

- **Amendments to IFRS 16 - Leases - Concessions related to Covid-19 in terms of leases beyond the 30th of June 2021**
On the 28th of May 2020, the amendment to IFRS 16 entitled "Covid-19-Related Concessions" was issued, which introduced the following practical expedient: a lessee may choose not to assess whether a Covid-19-related rent concession is a lease change.
Lessees may choose to apply this expedient account for the change in rental payments arising from a concession related to Covid-19 in the same way as they account for an amendment that is not an amendment of the lease in accordance with IFRS 16.
Initially, the practical expedient applied to payments originally was due by the 30th of June 2021 however, due to the prolongation of the impact of the pandemic, on the 31st of March 2021 it was extended to payments originally due by the 30th of June 2022. The change applies to annual reporting periods beginning on or after the 1st of April 2021.
In short, the practical expedient can be applied as long as the following criteria are met:
 - a change in lease payments results in a revised fee for the lease that is substantially equal to, or less than, the fee immediately prior to the amendment;
 - any reduction in lease payments only affects payments due on or before the 30th of June 2022; and
 - there are no significant changes to other terms and conditions of the lease.

- **Amendments to IFRS 3 – References to the conceptual framework for Financial Reporting**
This amendment updates the references to the Conceptual Framework in the text of IFRS 3, with no changes being made to the accounting requirements for business combinations.
The accounting treatment to be adopted in relation to liabilities and contingent liabilities under IAS 37 and IFRIC 21, incurred separately versus those included in a business combination, is also clarified.
The change is for prospective application.

- **Amendments to IAS 16 – Pre-commissioning revenue.**
It clarifies the accounting treatment given to the payment obtained from the sale of products that result from production in the test phase of tangible fixed assets, prohibiting its deduction from the acquisition cost of the assets. The entity recognises the income obtained from the sale of such products and the costs of their production in profit and loss.

- **Amendments to IAS 37 – Onerous contracts – Cost of Fulfilling a Contract.**
This amendment specifies that whenever assessing whether such contracts are onerous only expenses directly related to the performance of the contract can be considered, such as incremental costs related to direct labour and materials and the allocation of other expenses directly related as the allocation of depreciation expenses of the tangible assets used to carried out the contract.

General and administrative costs do not relate directly to a contract unless they are explicitly chargeable to the counterparty under the contract. This change should be applied to contracts that, at the beginning of the annual reporting period in which it first applies, still include contracts for which the entity has not yet fulfilled all its obligations, with no need to restate the comparison.

- **Amendments to IFRS 1 – Subsidiary while first-time adoption of IFRS (included in the annual improvements related to the 2018-2020 cycle).**
This amendment clarifies that, when a subsidiary chooses to measure its assets and liabilities at the amounts included in the parent company's consolidated financial statements (undertaking that no adjustment has taken place during the consolidation process), the measurement of the differences in accumulated translations can be carried out in the amounts that would be recorded in the consolidated financial statements, based on the date of transition of the parent company to IFRS.

- **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.

- **Amendments to IAS 41 – Taxation and measurement of fair value (included in the annual improvements relating to the 2018-2020 cycle).**
This amendment eliminates the requirement foreseen in paragraph 22 of IAS 41, to exclude income tax related cash flows in the fair value measurement of biological assets, ensuring consistency with the principles of IFRS 13.

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:

- **IFRS 17 – Insurance contracts (to be applied in financial years beginning on or after the 1st of January 2023).**
IFRS 17 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 most useful

and most 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.

- **Amendments to IFRS 17 – Insurance Contracts - Initial application of IFRS 17 and IFRS 9 - Comparative Information (effective for annual periods beginning on or after the 1st of January 2023).**
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 (effective for financial years beginning on or after the 1st of January 2023).**
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 must consider not only the size of transactions but also other events or conditions and their nature.

- **Amendments to IAS 8 – Definition of accounting estimates (effective for annual periods beginning on or after the 1st of January 2023).**
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 (effective for annual periods beginning on or after the 1st of January 2023).**
This amendment clarifies that payments that settle a liability are tax deductible, 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 important in determining whether there are temporary differences in the initial recognition of the asset or liability.
Thus, the initial recognition exception is not applicable to transactions that give rise to equal taxable and deductible temporary differences. It is only applicable if the recognition of an active lease and a passive lease give rise to taxable and deductible temporary differences that are not similar.

Grupo did not carry out the early application of this standard in the financial statements during the period of twelve months ended on the

31st of December 2022. 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 1 – Presentation of financial statements – Classification of current and non-current liabilities.**
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 sale and leaseback transactions.**
This amendment specifies the requirements regarding the subsequent measurement of lease liabilities, related to sale and leaseback transactions which qualify as "sale" in accordance with the principles IFRS 15, focusing on variable lease payments that do not depend on an index or rate.
On subsequent measurement, sellers-lessees shall determine the "lease payments" and the "revised lease payments".
When subsequently measuring lease liabilities, sellers-lessees shall determine "lease payments" and "revised lease payments" so that it does not recognise any gain or loss related to the retained right of use. Applying these requirements does not prevent a seller-lessee from recognising, in the income statement, any gain or loss relating to the partial or total "sale", as required by paragraph 46(a) of IFRS 16.
This amendment has a retrospective application

- **Amendment to IAS 7 Statement of Cash Flow and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (Issued on the 25th of May 2023)**
- **Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules (issued on the 23rd of May 2023).**

These standards are so far not adopted ("endorsed") by the European Union, but so far not adopted by the Grupo for the period of twelve months ended on the 31st of December 2022. Significant impacts on the financial statements arising from their implementation are not estimated.

5. Companies of the Grupo included in the consolidation

	Conditions for inclusion	Head office	% of equity held 2022	direct % 2022	% of equity held 2021	direct % 2021
GRUPO VISABEIRA, SA		Viseu	Parent company		Parent company	
VISABEIRA GLOBAL						
Aeroprotechnik - Aerial Engineering, Lda*		Viseu	39.84%		51.00%	
Base Force, Lda		Viseu	100.00%	100.00%	100.00%	100.00%
Cabling Station Data, SA*		Mont-Sur-Marchienne	78.11%		100.00%	
Comatel Infraestruturas, Lda		Luanda	100.00%		100.00%	
Constructel Belgium, SA*		Mons	78.11%		100.00%	
Constructel Constructions et Télécommunications SA		Valence	78.11%		100.00%	
Constructel BAU GmbH*		Berlin	78.11%		100.00%	
Constructel Denmark, ApS*		Copenhagen	78.11%		100.00%	
Constructel Energie, SA*		Clermont-Ferrant	77.38%		99.07%	
Constructel GmbH*		Berlin	78.11%		100.00%	
Constructel Italia, SRL*		Galliate	78.11%		100.00%	
Constructel Modal, SA*		Flemalle	78.11%		100.00%	
Constructel Sweden AB*		Stockholm	-		100.00%	
Constructel Visabeira, SA		Lisbon	78.11%	28.07%	100.00%	35.94%
CST - Companhia Santomense de Telecomunicações, S.A.R.L.		São Tomé and Príncipe	51.00%		51.00%	
Cunha Soares & Filhos, SA*		Lousada	62.49%		80.00%	
Edivisa - Empresa de Construção, Lda		Luanda	100.00%		100.00%	
Edivisa - Empresa de Construções, SA		Viseu	100.00%		100.00%	
EIP Angola		Luanda	100.00%		-	
EIP Serviços, SA*		Loulé	78.11%		100.00%	
Electrotec, SA	a)	Maputo	49.00%		49.00%	
Elektro-Würkner GmbH*		Farmstädt	78.11%		-	
Energydisti, Ltd*		Manchester	78.11%		100.00%	
Escotel, SASU*		Aurillac	78.11%		100.00%	
Ferreira & Coelho, Lda		Viseu	51.00%		51.00%	
Field Force Atlântico, SA		Viseu	100.00%		100.00%	
Franz-Josef Braun GmbH & Co. KG*		Mechernich	78.11%		100.00%	
Gatel, SAS*		Domessin	78.11%		100.00%	
Hidroáfrica - Comércio e Indústria, SARL		Maputo	96.79%		96.79%	
Holding Escot Telecom Maroc, SARL		Casablanca	100.00%		100.00%	
IEME, SRL*		Cesena	78.11%		100.00%	
Infrassign, SARL*		Beveren	96.79%		100.00%	
Inpower Group, SCPA*		Rome	42.57%		-	
Iutel - Infocomunicações, SA*		Viseu	78.07%		99.95%	
J. F. Edwards Construction, Co*		Des Moines - Iowa	42.57%		100.00%	
MJ Quinn - Integrated Services, Ltd*		Liverpool	78.11%		100.00%	
MJ Quinn Constructel, Ltd*		Liverpool	78.11%		100.00%	
MJ Quinn Solar, Ltd*		Liverpool	78.11%		-	
Modal Installation, SA*		Marchienne-Au-Port	78.11%		100.00%	
Naturenergia - Agro-Energias, SA		Viseu	100.00%		100.00%	

	Conditions for inclusion	Head office	% of equity held 2022	direct % 2022	% of equity held 2021	direct % 2021
GRUPO VISABEIRA, SA		Viseu	Parent company		Parent company	
VISABEIRA GLOBAL						
Obelisk International Group Holdings, Ltd*		Dublin	78.11%		-	
Oude Marktvoerliedennatie NV (OMV Natie)*		Beveren	78.11%		100.00%	
PDT - Projectos e Telecomunicações, SA*		Lisbon	78.11%		100.00%	
Quinn Constructel, Ltd*		London	78.11%		100.00%	
Real Life Advanced Technologies Academy MZ, SA		Maputo	65.70%		65.70%	
Real Life Technologies MZ, SA		Maputo	65.70%		65.70%	
SCI Constructel Italia, SRL*		Cesena	78.11%		100.00%	
SCI Constructel*		Valence	78.11%		100.00%	
Selfenergy Moçambique, SA		Maputo	79.60%		79.60%	
Sogitel - Sociedade de Gestão Imobiliária, Lda		Maputo	90.00%		90.00%	
Televisa - Sociedade Técnica de Obras e Projectos, Lda.	a)	Maputo	50.00%		50.00%	
Tensa, SA*		Oviedo	78.11%		100.00%	
Toft Hansen, ApS*		Kirke Hylling	78.11%		100.00%	
TVCABO - Comunicações Multimédia, Lda	a)	Maputo	50.00%		50.00%	
TVCABO Angola, Lda	a)	Luanda	50.00%		50.00%	
Viatel - Tecnologia de Comunicações, SA*		Viseu	78.11%		100.00%	
Visabeira Global, SGPS, SA		Viseu	100.00%	100.00%	100.00%	100.00%
Visabeira Infraestruturas, SA*		Viseu	78.11%		100.00%	
Visacasa - Serviços de Assistência e Manutenção Global, SA		Cacém	100.00%		100.00%	
Visactys, SASU*		Valence	100.00%		100.00%	
VisaPower II, SA		Viseu	100.00%		100.00%	
VisaPower, Unipessoal, Lda*		Viseu	78.11%		100.00%	

*Consolidated by Constructel Visabeira S.A.

	Conditions for inclusion	Head office	% of equity held 2022	direct % 2022	% of equity held 2021	direct % 2021
GRUPO VISABEIRA, SA		Viseu	Parent company		Parent company	
VISABEIRA INDÚSTRIA						
Agrovisa – Agricultura e Pecuária, Lda		Maputo	100.00%		100.00%	
Álamo – Indústria e Desenvolvimento Florestal, Lda		Luanda	100.00%		100.00%	
Ambitermo - Engenharia e Equipamentos Térmicos, SA		Cantanhede	51.00%		51.00%	
Ambitermo Maroc Chaudieres Industrielles, SARL		Casablanca	51.00%		51.00%	
Armisepi, SA		Viseu	70.00%		70.00%	
Besconsigo - Materiais, Construção de Besteiros, Lda	a)	Tondela	50.00%		50.00%	
Bordalgest, SA *		Lisbon	85.60%		85.60%	
Celmoque - Cabos de Energia e Telec. de Moçambique, SARL		Maputo	91.23%		91.23%	
Cerexport - Cerâmica de Exportação, SA *		Aveiro	85.60%		85.60%	
Cerutil - Cerâmicas Utilitárias, SA*		Sátão	85.60%		85.60%	
Faianças Artísticas Bordallo Pinheiro, Lda*		Caldas da Rainha	73.74%		73.74%	
Faianças da Capôa - Industria de Cerâmica, SA*		Aveiro	85.60%		85.60%	
Granbeira II - Rochas Ornamentais, SA		Vouzela	100.00%		100.00%	
Marmonte - Mármore de Moçambique, SARL		Maputo	80.00%		80.00%	
Mexicova, SA*		Mexico City	85.60%		85.60%	
Mob - Indústria de Mobiliário, SA		Viseu	97.78%		97.78%	
Mob Cuisines, SASU		Paris	97.78%		97.78%	
Pinewells, SA		Arganil	100.00%		100.00%	
Rodinerte - Transportes, Lda	a)	Tondela	50.00%		50.00%	
Ria Stone – Fábrica de Louça de Mesa em Grés, SA*		Ílhavo	85.60%		85.60%	
Ria Stone II, SA*		Ílhavo	85.60%		85.60%	
Shree Sharda Vista Alegre Private Limited*		Ílhavo	42.80%		42.80%	
Visabeira Indústria, SGPS, SA		Viseu	100.00%	100.00%	100.00%	100.00%
Visaconstrói - Construção e Gestão Imobiliária, Lda		Luanda	100.00%		100.00%	
Vista Alegre Atlantis, SA*		Lisbon	85.60%		85.60%	
Vista Alegre Atlantis Brasil - Comércio, Importação e Exportação, SA*		Vitória	83.92%		83.92%	
Vista Alegre Atlantis Imobiliária e Investimento, SA *		Ílhavo	85.60%		85.60%	
Vista Alegre Atlantis Moçambique, Lda*		Maputo	85.75%		85.75%	
Vista Alegre Atlantis, SGPS, SA		Ílhavo	85.60%	3.31%	85.60%	3.31%
Vista Alegre Atlantis UK LTD*		London	85.60%		85.60%	
Vista Alegre Atlantis USA*		New York	85.60%		85.60%	
Vista Alegre España, SA*		Madrid	85.60%		85.60%	
Vista Alegre France, SAS*		Paris	85.60%		85.60%	

*Consolidated by VAA, SGPS, S.A., a listed company.

	Conditions for inclusion	Head office	% of equity held 2022	direct % 2022	% of equity held 2021	direct % 2021
GRUPO VISABEIRA, SA		Viseu	Parent company		Parent company	
VISABEIRA TURISMO, IMOBILIÁRIA E SERVIÇOS						
Ambitermo Angola, Lda		Luanda	100.00%		100.00%	
Agrovisa, Lda		Luanda	70.00%		70.00%	
Asfalís - Mediação de Seguros, SA		Viseu	100.00%		100.00%	
Autovisa - Serviços Auto, SARL		Maputo	100.00%		100.00%	
Catari Angola, Lda	a)	Luanda	100.00%		100.00%	
Cepheus, S.A.		Maputo	99.96%		99.96%	
Combustíveis do Songo, SA		Songo	100.00%		100.00%	
Constellation, S.A.		Maputo	57.12%		57.12%	
Creative Shots, SA		Lisbon	100.00%		100.00%	
Empreendimentos Turísticos Montebelo - Soc. Tur. e Recreio, SA		Viseu	99.82%		99.82%	
FIMMO - Fundo Esp. Inv. Imob. Closed		Porto Salvo	100.00%		100.00%	
Gesvisa - Património Imobiliário, SA		Lisbon	99.85%		99.85%	
Ifervisa - Sociedade de Promoção e Desenvolvimento Imobiliário, SA		Lisbon	100.00%		100.00%	
Imobiliária Panorama, Lda		Maputo	70.00%		70.00%	
Imovisa – Imobiliária de Moçambique, Lda	a)	Maputo	49.00%		49.00%	
Inhambane Empreendimentos, Lda		Maputo	80.00%		80.00%	
Martifer-Visabeira, SA	a)	Maputo	50.00%		50.00%	
Mercury Comercial, Lda		Maputo	100.00%		100.00%	
Mercury Comercial, Lda		Luanda	100.00%		100.00%	
Mercury South Africa, Lda		Johannes-burg	100.00%		100.00%	
Milibangalala, SA		Maputo	70.00%		70.00%	
Montebelo Alcobaca Historic Hotel, SA		Alcobaca	100.00%		-	
Mundicor - Viagens e Turismo, SA		Viseu	100.00%		100.00%	
PDA - Parque Desportivo de Aveiro, SA		Aveiro	54.57%		54.57%	
Soginveste Empreendimentos, Lda		Maputo	70.00%		70.00%	
Turvisa – Empreendimentos Turísticos, Lda		Maputo	100.00%		100.00%	
Tropo Squisito Lisboa, Lda		Lisbon	84.85%		84.85%	
VAA - Empreedimentos Turísticos, SA		Ílhavo	99.55%		99.55%	
Vibeiras, Sociedade Comercial de Plantas, SA		Maputo	64.43%		64.43%	
Visabeira Angola - Investimento e Participações, Lda		Luanda	100.00%		100.00%	
Visabeira Espanha, SA		Madrid	61.00%		61.00%	
Visabeirahouse - Sociedade de Mediação Imobiliária, S.A.		Viseu	100.00%		100.00%	
Visabeira Imobiliária, SA		Viseu	100.00%		100.00%	
Visabeira Imobiliária, SGPS, SA		Viseu	100.00%	100.00%	100,00%	100.00%
Visabeira Moçambique, Lda		Maputo	100.00%		100.00%	
Visabeira Saúde, SA		Viseu	100.00%		100.00%	
Visabeira Serviços, SGPS, SA		Viseu	100.00%	100.00%	100.00%	100.00%
Visabeira Turismo Imobiliária e Serviços, SGPS, SA		Viseu	100.00%	100.00%	100.00%	100.00%
Visabeira Investigação e Desenvolvimento, SA		Viseu	100.00%	100.00%	-	
Visaqua - Gestão de Infraestruturas e Serviços, Ambientais, SA		Maputo	51.00%		51.00%	
Visauto - Reparações Auto, Lda		Luanda	100.00%		100.00%	
Visa House - Sociedade de Mediação Imobiliária, SA		Maputo	100.00%		100.00%	
Zambeze - Restauração, SA	a)	Lisbon	50.00%		50.00%	
Zambeze Village, Lda		Maputo	63.00%		63.00%	

a) The companies are considered subsidiaries and are consolidated in accordance with the full consolidation method, as Grupo Visabeira has the power to control subsidiaries and, as such, is exposed to variable results. In the assessment of the existence of actual control, particular aspects were taken into account, such as the holding of a majority of voting rights, management agreements, and representation in corporate bodies. In the specific case of TVCABO Angola, 50% owned by Grupo Visabeira and 50% owned by Angola Telecom, which benefits from the know-how and technical expertise that the Visabeira brand guarantees with more than 40 years of activity in the field of telecommunications, Grupo controls all relevant activities: construction, financing (depending on the maintenance of the Management and Technical Assistance Agreement (MTAA) between TVCABO and Visabeira); content; technological support and selection of human resources, including the General Director. In the specific case of TVCABO Moçambique and Televisa, both 50% held by Grupo Visabeira and 50% by TMCEL, the situation is similar to TVCABO Angola.

6. Investments in associated companies and joint ventures

	Head office	2022	Share 2021	Equity 2022	Net income 2021	Carrying value		Effect of asset equivalence method on the result	
						2022	2021	2022	2021
VISABEIRA GLOBAL									
Aceec, ACE	Viseu	50.00%	50.00%	51,397	0	-357	-357	0	0
Beiragás, SA	Viseu	23.55%	23.55%	46,695,877	1,649,689	11,330,053	10,935,103	388,530	327,270
Birla Visabeira Private Limited	Delhi	49.00%	49.00%	1,090,257	-861,965	651,073	1,118,320	-422,363	0
Domingos da Silva Teixeira / Visabeira, ACE	Lisbon	50.00%	50.00%	-329,827	0	0	0	0	0
Electrotec, SA	Maputo	n.a	n.a	-327,995	0	0	0	0	0
Ventos de Inhambane	Inhambane	32.50%	32.50%	150,000	0	48,750	48,750	0	0
Vista Power, Lda	Luanda	50.00%	50.00%	382,000	0	191,000	191,000	0	0
Yetech, SA	Cancun	30.00%	30.00%	105,000	0	0	0	0	0
Jayme da Costa - Energia e Sistemas, SA	Vila Nova de Gaia	15.00%	15.00%	-8,184,932	-11,137,295	1,906,802	3,077,396	-1,670,594	-201,845
VISABEIRA TURISMO, IMOBILIÁRIA E SERVIÇOS									
Doutibelo, Lda	Viseu	19.97%	19.97%	2,801,793	189,899	3,210,457	3,172,534	37,923	9,399
Doutibelo, Lda - loans						2,580,524	2,761,526	-	-
Lipilichi Wilderness Investments, Lda	Port-Louis	30.00%	30.00%	-2,943,293	0	0	0	0	0
Lipilichi Holdings, Lda	Port-Louis	25.00%	25.00%	1,518	0	0	0	0	0
Sem Amarras, SA	Viseu	19.97%	19.97%	1,887,720	85,266	2,258,735	2,241,708	17,028	-919
Sem Amarras, SA - loans						5,143,498	5,143,498	-	-
Imensis - Soc. Gestão Empreen. Imobiliários, Lda	Maputo	49.00%	49.00%	297,628	0	66,629	66,629	0	0
Predibeira - Compra e Venda de Propriedades, Lda	Viseu	50.00%	50.00%	209,928	-2,038	104,964	105,983	-1,019	-1,028
Twin City Maputo, Lda	Maputo	39.00%	39.00%	28,770	0	33,794	33,794	0	0
TOTAL						27,525,922	28,895,885	-1,650,496	132,877

The table below shows summarised information on the most significant associated companies:

	Year	Assets	Liabilities	Income	Costs
VISABEIRA GLOBAL					
Beiragás, SA	2021	79,599,725	34,580,794	14,198,693	12,809,113
	2022	80,575,445	33,879,568	15,117,517	13,467,829
Jayme da Costa - Energia e Sistemas, SA	2021	17,335,188	14,920,672	11,645,290	12,872,760
	2022	31,057,373	35,704,298	30,040,911	40,962,913
Doutibelo, Lda	2021	7,245,642	4,633,748	511,959	464,892
	2022	7,231,122	4,429,328	741,992	552,093
Sem Amarras, SA	2021	8,226,101	6,423,648	274,369	278,972
	2022	8,088,075	6,200,356	394,093	308,827
TOTAL 2021		112,406,656	60,558,862	26,630,311	26,425,737
TOTAL 2022		126,952,015	80,213,550	46,294,513	55,291,662

Beiragás is the concessionaire of gas distribution infrastructures for the interior central region of the country, which consists of managing the medium and low pressure gas distribution network carried out as a public service, under the terms of applicable regulations. Jayme da Costa's activities are switchgear and equipment (manufacture and sales of low and medium voltage equipment) and energy and electrical installations, which consists of projecting, designing, and assembling electrical installations of up to 72.5 KV, a strategic partner for Grupo Visabeira. Doutibelo Participações, S.A. and Sem Amarras – Empreendimentos Turísticos, Lda. are companies whose main goal is the hotel industry, tourism and related projects as well as providing associated services. Grupo has operating contracts for its assets with these companies.

7. Other financial investments

7.1 Other non-current financial investments

		2022		2021	
CAPITAL INVESTMENTS	Head office	%	Book Value 2022	%	Book Value 2021
a) Financial Investments at amortised cost					
Capital investments					
C2 Capital Partners (Former Capital Criativo)		1.05%	1,450,000	n.d.	1,450,000
Lince capital		n.d.	500,000		0
Core Capital, SA	Lisbon	n.d.	448,718	n.d.	448,718
Transcom - S. F. C. Auditoria T. Comunicações, SARL	Maputo	22.00%	431,199	22.00%	431,199
Parque de Ciência e Inovação (PCI)	Ílhavo	5.00%	375,000	5.00%	375,000
Fundação Visabeira, ISS	Viseu	76.58%	288,000	76.58%	288,000
Iberis Capital	Lisbon	n.d.	260,000	n.d.	232,500
Other participations*			1,124,649		1,610,835
			4,877,566		4,603,752
b) Other financial investments recorded at fair value through other comprehensive income					
Pharol SGPS, SA		0.87%	409,877	1.02%	689,947
c) Advanced payments					
Ongoing investments			2,877,030		750,000
Total			8,164,473		6,043,699

*The fair value of these assets was not determined as they are minority holdings for which the Board of Directors believes that their fair value is close to the respective acquisition cost.

During 2022, Grupo Visabeira sold 1.4 million shares of Pharol. The sale amount was 74 thousand euros, registering a loss of 27 thousand euros. In terms of investments in C2 Capital Partner, Line Capital, Core Capital and Iberis Capital, these are investment funds, whose percentage of shareholding is small, and Grupo Visabeira has no control or significant influence over these funds. As mentioned above, they are measured at fair value through profit or loss. *Fundação Visabeira* is an IPSS [non-profit Private Institution of Social Solidarity] and, despite the high percentage of shareholding (76.58%), Grupo Visabeira does not have control or significant influence over the *Fundação*. 2021, the advance on account of the purchase of financial investments refers to the undergoing purchase process of the Inpower Group company, as described in note 8. In 2022 the advance on account of the purchase of financial investments refers to the purchase of the company Arquiled, as described in Note 8. It should be noted that, during this period, the Grupo's share in Vibeiras, which was carried at 314 thousand euros, was sold.

7.2 Other current financial investments

Other financial instruments measured at fair value through profit or loss	Book Value 2022	Book Value 2021
BCP	344,717	331,767
Other capital holdings in listed companies	47,235	47,342
TOTAL	391,952	379,109

8. Changes in the scope of consolidation

2021 PURCHASES

During the financial year 2021, Grupo 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:

ACQUISITIONS / ESTABLISHMENT	Country		% Acquired/ Incorporated*	% of equity held after the acquisition	Date	Amount
Visactys, SASU	France	Establishment	100.00%	100.00%	01.09.2021	20,000
SCI Constructel Italia, SRL	Italy	Establishment	100.00%	100.00%	01.09.2021	10,000
EIP Serviços, SA	Portugal	Acquisition	100.00%	100.00%	01.09.2021	11,611,056
Cunha Soares & Filhos, SA	Portugal	Acquisition	80.00%	80.00%	01.10.2021	30,011,610
Ferreira e Coelho, Lda	Portugal	Acquisition	51.00%	51.00%	05.05.2021	75,000
Asfalis - Mediação de Seguros, SA	Portugal	Establishment	100.00%	100.00%	29.11.2021	50,000
CST – Companhia Santomense de Telecomunicações, SARL	São Tomé	Acquisition	51.00%	51.00%	01.11.2021	3,926,606
Holding Escot Telecom Maroc, SARL	Morocco	Acquisition	100.00%	100.00%	29.03.2021	2,290,963
Catari Angola, Lda	Angola	Acquisition	50.00%	100.00%	02.02.2021	4,999
TOTAL						48,000,234

* Value of financial sharing

In situations that gave rise to the recognition of Goodwill (see Note 23), it is justified by expected synergies arising from the activities carried out by the new companies and from entry into new countries. The total amount of goodwill determined is not tax deductible. None of the purchases involve contingent remuneration agreements or gave rise to the recognition of indemnity receivables, as no contingent liabilities were identified. In terms of purchases for the year, Grupo chose to measure the “non-controlling interests” at their fair value.

PURCHASES IN EUROPE

Purchases in Europe gave rise to goodwill amounting to 41,683,550 euros and an increase in the Grupo's assets and liabilities (reported on the purchase dates) of 39,125,148 euros and 38,755,299 euros, summarised as follows:

	EIP Serviços	Cunha Soares	TOTAL
VALUE OF THE PRE-PURCHASE POSITION			
Fixed tangible and intangible assets	1,789,240	1,707,877	3,497,116
Other Assets	16,792,531	2,831,151	19,623,682
Cash and cash equivalents	3,351,803	12,652,547	16,004,350
Other liabilities	-23,717,384	-15,037,916	-38,755,299
Total net assets	-1,783,810	2,153,658	369,848
Acquisition price	11,611,056	30,011,610	41,622,666
Goodwill	13,394,866	28,288,684	41,683,550
Non-controlling interests	0	430,732	430,732

When attributing the fair value to the net assets of EIP Serviços and Cunha Soares, in the specific case of the client balance, an analysis of the recoverable amount was carried out, with only one balance in EIP Serviços with EIP Angola whose contractual amount of 10 million euros is not expected to be recovered, so a null value was assigned. No impairment was identified for the remaining clients, so their net book value reflects the fair value. On the 31st of December 2021, it is important to mention that the purchase amount of Cunha Soares was not paid in full, with a liability of 21.7 million euros, as described in note 37.

For calculating non-controlling interests, these were measured by the proportional contribution of the fair value of net assets. The interest percentages considered for consolidation purposes take into account the exercise of said put options (19% in the case of Cunha Soares; 10% in the case of EIP Serviços) 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. In accordance with the accounting policy described in note 2.3, the assets and liabilities recognised as a result of the acquisition of the companies EIP Serviços and Cunha Soares were provisionally measured with reference to the 31st of December 2021, and subsequently adjusted after obtaining the necessary information for their identification and proper measurement, during the financial year ending on the 31st of December 2022.

	EIP Serviços	Cunha Soares	TOTAL
MAIN INDICATORS			
Fixed tangible and intangible assets	1,789,240	1,707,877	3,497,116
Other Assets	16,792,531	2,831,151	19,623,682
Cash and cash equivalents	3,351,803	12,652,547	16,004,350
Other liabilities	-23,717,384	-17,537,916	-41,255,299
Total Net Assets	-1,783,810	-346,342	-2,130,152
Acquisition price	14,286,325	31,251,144	45,537,469
Goodwill (net of tax)	16,070,135	31,528,217	47,598,352

Regarding the company Cunha Soares, an additional liability of approximately 2.5 million euros was recognised, associated with a provision for other risks and charges, and the fair value of the contingent consideration (included in the transferred consideration) was increased by approximately 1.2 million euros, which led to an increase in Goodwill of approximately 3.7 million euros as a whole. As far as the company EIP Serviços is concerned, the fair value of the retribution transferred was increased by approximately 2.6 million euros.

ACQUISITIONS IN AFRICA

Purchases in Africa gave rise to goodwill amounting to -10,103,965 euros and an increase in the Grupo's assets and liabilities (reported on the purchase dates) of 45,297,930 euros and 9,897,748 euros, summarised as follows:

	EIP Serviços	Cunha Soares	TOTAL
VALUE OF THE PRE-PURCHASE POSITION			
Fixed tangible and intangible assets	33,561,381	138,227	33,699,608
Other Assets	7,425,438	443,710	7,869,148
Cash and cash equivalents	3,458,347	270,828	3,729,174
Other liabilities	-9,245,446	-652,302	-9,897,748
Total net assets	35,199,720	200,462	35,400,183
Acquisition price	3,926,606	2,290,963	6,217,568
Goodwill	-12,194,465	2,090,500	-10,103,965
Non-controlling interests	19,078,649	0	19,078,649

Regarding the main differences between the fair value of identifiable assets purchased and liabilities undertaken from the company *Companhia Santomense de Telecomunicações*, it is important to note the valuation of its tangible fixed assets - namely the assets associated with its telecommunications network, in the amount of 11.8 million euros, the respective deferred tax liability in the amount of 2.9 million euros and the recognition of amortised cost related to the debt receivable from the State of São Tomé in the amount of 1.6 million euros net of deferred tax. For the remaining assets and liabilities, no significant differences were identified between the fair value and the respective carrying value. The negative goodwill is explained by the financial restructuring process carried out by *OI, Africatel's* shareholder, which in turn held a share in *Companhia Santomense de Telecomunicações*. Regarding the company Escot Maroc, no significant differences were identified between the fair value and the respective account value of the assets and liabilities of the companies purchased.

ACQUISITIONS IN PROGRESS

Constructel advanced an amount of 705 thousand euros for the purchase of Inpower Group, a company in the telecommunications sector, based in Italy.

IMPACT OF ACQUISITIONS 2021

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

MAIN INDICATORS	EIP Serviços	Cunha Soares	Companhia Santomense de Telecomunicações	Escot Maroc	TOTAL
Impact on the 2021 consolidated accounts	(Sep to Dec)	(Oct to Dec)	(Nov-Dec)	(Jan to Dec)	
Turnover	10,669,199	4,966,829	2,246,409	2,511,834	20,394,272
EBITDA	2,379,323	2,315,102	488,271	1,053,743	6,236,439
Net income	1,258,358	1,784,384	-81,067	1,038,644	4,000,320

It should be noted that the consolidation of the EIP is only relative to 4 months, as the demerger process was only completed on the 31st of August. In the event that purchases had been made on the 1st of January 2021, the Grupo's turnover would have been around 1.196 million euros and EBITDA would have been 193.3 million euros

2021 SALES

During 2021, Grupo Visabeira ended the process of selling the company Granbeira, which had already started in 2020 (Note 9).

2022 PURCHASES

During the financial year 2022, Grupo 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:

ACQUISITIONS / ESTABLISHMENT	Country		% Acquired/ Incorporated*	% of equity held after the acquisition	Date	Amount
Inpower Group	Italy	Acquisition	100.00%	54.50%	01.01.2022	3,650,000
Elektro-Würkner	Germany	Acquisition	100.00%	100.00%	01.01.2022	21,214,372
Obelisk	Republic of Ireland	Acquisition	100.00%	100.00%	01.01.2022	7,642,023
MJ Quinn Solar	United Kingdom	Acquisition	80.00%	100.00%	01.01.2022	2,456,854
Montebelo Mosteiro de Alcobaca Historic Hotel	Portugal	Establishment	51.00%	100.00%	01.01.2022	50,000
Visabeira Investigação e Desenvolvimento	Portugal	Establishment	100.00%	100.00%	01.01.2022	50,000
EIP Angola	Angola	Acquisition	100.00%	100.00%	01.01.2023	44,238
TOTAL						35,107,487

* Value of financial sharing

In situations that gave rise to the recognition of Goodwill (see Note 23), it is justified by expected synergies arising from the activities carried out by the new companies and from entry into new countries. The total amount of goodwill determined is not tax deductible.

None of the purchases involve contingent remuneration agreements or gave rise to the recognition of indemnity receivables, as no contingent liabilities were identified.

In terms of purchases for the year, Grupo chose to measure the “non-controlling interests” at their fair value.

ACQUISITIONS IN AFRICA

In 2022, the subsidiary EIP Angola became part of Grupo Visabeira. This company was purchased as part of the process of acquiring Grupo EIP SA's subsidiaries based in Angola and the operation was only finalised in the beginning of 2022. The purchase amounts and the effect of the changes to the group of companies of Grupo Visabeira are not relevant.

PURCHASES IN EUROPE

Purchases in Europe gave rise to goodwill amounting to 29,749,021 euros and an increase in the Grupo's assets and liabilities (reported on the purchase dates) of 56,218,052 euros and 45,627,926 euros, summarised as follows:

	Inpower Group	Elektro-Würkner	Obelisk	MJ Quinn Solar	TOTAL
VALUE OF THE PRE-PURCHASE POSITION					
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 the Inpower Group, the main difference between the fair value of the identifiable assets purchased and the liabilities assumed, recording an intangible asset to contracts with clients and the respective deferred tax liability. A discount rate of 4.9% was used to calculate intangible assets. 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 remaining assets and liabilities, no significant differences were identified between the fair value and the respective carrying value. For calculating non-controlling interests, 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
Acquisition cost of share holding	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 GmbH 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, related 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
Capital increase	2,044,395
Total investment	23,258,767
Payments in the financial year	14,784,979
Contingent consideration	8,473,788

As far as the company Obelisk in 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 related to contracts with clients 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 restructuring costs which were not correctly specialised on the 31st of December 2021 and were carried out by Obelisk itself. 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
Capital increase	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	7,642,023
Capital increase	7,642,023
Total investment	1,102,446
Payments in the financial year	1,202,430
Contingent consideration	151,978

ACQUISITIONS IN PROGRESS

Constructel Visabeira, a subsidiary of Visabeira Global, advanced 2.9 million euros for the acquisition of the company Arquiled. Arquiled is a company which designs, develops and produces lighting solutions using LED technology, with a strong specialisation in public lighting, systems and services with a special focus on energy efficiency.

IMPACT OF PURCHASES

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

MAIN INDICATORS	Inpower Group	Elektro-Würkner	Obelisk	MJ Quinn Solar	TOTAL
Impact on the 2022 consolidated accounts	(Jan to Dec)	(Jan to Dec)	(Jan to Dec)	(Jan to Dec)	
Turnover	33,635,155	29,258,644	32,716,917	4,282,049	99,892,765
EBITDA	1,886,657	4,708,035	2,640,694	566,644	9,802,030
Net income	1,420,601	2,311,209	836,840	482,585	5,051,235

It should be noted that the four companies have been controlled by Constructel Visabeira since the beginning of the financial year, and so the entire activity from 2022 was included in the consolidation.

2023 PURCHASES

After the end of the reporting period, but before the financial statements received authorisation for issuance, we purchased three new companies, Arquiled in Portugal, O+M in France and Tavan in Germany. The purchase price allocation is not yet included, but the provisional amounts are presented below.

	Arquiled	O+M	Tavan
MAIN INDICATORS			
Fixed tangible and intangible assets	1,588,474	94,466	13,256,837
Other Assets	5,290,512	1,923,980	11,354,062
Cash and cash equivalents	541,800	1,031,698	2,289,442
Other liabilities	-11,426,147	-1,867,428	-20,260,222
Total net assets	-4,005,361	1,182,716	6,640,119
Acquisition price	2,560,000	6,148,667	86,323,442
Goodwill	6,565,361	4,965,951	79,683,323

2022 SALES

During the financial year of 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. These amounts are considered to be materially irrelevant.

CHANGE OF INTEREST PERCENTAGES IN CONTROLLED COMPANIES

In May 2022, Grupo Visabeira completed the process of selling part of the capital to its subsidiary Constructel Visabeira. 21.86% of the capital was sold to Goldman Sachs, and 0.03% to other minority shareholders, namely members of Constructel Visabeira's management, thus Grupo Visabeira now owning 78.11% of the company. The sale took place as a result of a capital increase by Constructel Visabeira which was not followed up by Grupo Visabeira, and there was thus a dilution of its shareholding.

The change in percentage generated a significant capital gain which can be broken down as follows:

Consideration received from non-controlling interests	200,215,997
Amount of net assets from non-controlling interests	-49,089,902
Transaction costs incurred	-4,366,635
Fair Value of the Downside Protection financial liability (see note 37)	-35,517,221
Difference recognised in retained earnings	111,242,239

9. Discontinued operations

During the years 2021 and 2022, there were no discontinued activities. Similarly, from the 31st of December 2022 to the present date, there are no decisions to discontinue operating activities.

10. Key activity indicators

10.1 Main indicators by activity / country

A) BY AREA OF ACTIVITY

	Years	Global	Industry	Tourism, Real Estate and Services	TOTAL
Turnover	2021	983,354,999	153,388,058	33,898,045	1,170,641,102
	2022	1,209,706,565	189,202,407	52,863,801	1,451,772,773
EBITDA	2021	149,433,394	24,404,386	9,426,442	183,264,222
	2022	160,324,917	32,666,693	16,636,907	209,628,517
Recurring operating income **	2021	89,829,226	8,926,943	2,108,908	100,865,077
	2022	86,822,268	17,661,455	1,691,386	106,175,109
Net income	2021	61,817,891	-1,611,473	-22,244,693	37,961,724
	2022	59,731,122	5,266,650	-18,733,790	46,263,982
Tangible/Intangible assets / Right-of-use	2021	458,197,426	243,195,206	181,746,386	883,139,017
	2022	482,444,465	236,075,545	228,649,566	947,169,576
Inventories	2021	56,681,854	44,152,309	33,124,040	133,958,202
	2022	72,944,802	53,856,460	31,691,546	158,492,807

In 2022 Turnover is broken down as follows:

	Global	Industry	Tourism, Real Estate and Services	TOTAL
Revenue from contracts with clients	1,209,706,565	189,202,407	52,707,176	1,451,616,148
Income from rents	0	0	156,626	156,626
TOTAL	1,209,706,565	189,202,407	52,863,801	1,451,772,773

B) BY COUNTRY*

	Years	Portugal	Europe	Africa	America and Asia	TOTAL
Turnover	2021	235,634,720	739,526,757	99,583,342	95,896,282	1,170,641,102
	2022	436,258,236	785,052,989	153,831,287	76,630,261	1,451,772,773
EBITDA	2021	43,711,784	80,798,759	36,307,858	22,445,821	183,264,222
	2022	64,565,113	77,319,908	52,179,263	15,564,234	209,628,517
Operating income recurring **	2021	27,744,112	39,178,728	15,305,125	18,637,112	100,865,077
	2022	25,029,386	24,013,246	47,044,383	10,088,095	106,175,109
Net income	2021	-11,362,289	23,401,221	12,612,104	13,310,688	37,961,724
	2022	2,917,586	27,518,991	8,490,862	7,336,542	46,263,982
Tangible / Intangible assets / Right-of-use	2021	420,401,491	73,161,947	374,045,731	15,529,848	883,139,017
	2022	433,371,848	76,507,002	418,312,663	18,978,063	947,169,576
Inventories	2021	95,654,615	15,603,558	19,063,607	3,636,422	133,958,202
	2022	105,924,841	26,057,117	20,884,088	5,626,761	158,492,807

* Distribution according to the location of the company head office

** Excluding the effect of changes in the fair value of investment properties, provisions and impairment losses

10.2 Assets associated with contracts with clients

	Years	Global	Industry	Tourism, Real Estate and Services	TOTAL
Total assets associated with contracts with clients	2021	135,574,889	2,284,267	603,366	138,462,521
	2022	187,967,643	1,769,911	888,869	190,626,422

The amounts of assets associated with contracts with clients are mainly values of Visabeira Global, resulting from the telecommunications area. These amounts refer to services already provided according to the terms contracted with the client and not yet billed. The vast majority of amounts were billed in 2022, with small exceptions for companies in the construction area, in which they may not yet be fully billed. This heading increased by around 52 million euros, due to the entry of Inpower Group and Obelisk into the group of companies, with an increase of 11.9 million euros and 7.5 million euros respectively. Moreover, this increase was mainly due to the companies MJ Quinn (9.2 million euros), Constructel Belgium (6.1 million euros) and Constructel GmbH with an increase of 3.3 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. During the financial years ending on the 31st of December 2022, no clients represented more than 15% of consolidated turnover. It should be noted that there are still balances relating to client contracts, relating to services already billed in the amount of 207 million euros (see note 27).

10.3 Liabilities associated with contracts with clients

	Years	Global	Industry	Tourism, Real Estate and Services	TOTAL
Advances from clients	2021	8,201,906	698,553	844,858	9,745,316
	2022	9,640,796	2,504,703	2,654,977	14,800,477
Billing on services to be rendered	2021	23,418,554	1,744,385	2,904,681	28,067,620
	2022	47,966,524	3,095,238	1,056,967	52,118,730
Liabilities associated with contracts with clients	2021	31,620,459	2,442,938	3,749,539	37,812,936
	2022	57,607,321	5,599,941	3,711,944	66,919,206

The increase in liabilities associated with client contracts in the Visabeira Global area is the result of Constructel Belgium (9.4 million), PDT (4.8 million), Viatel (2.1 million) and Visabeira Infraestruturas (1.5 million).

11. Own work capitalised

	2022	2021
Construction of the site "Casa Alegre" - Vista Alegre	0	671,627
Increase in manufacturing capacity and introduction of new advanced technologies – MOB	278,347	89,673
Remodelling and optimisation of the production system - Pinewells	237,565	332,200
Projeto Horus - Real Life	189,414	246,974
TOTAL	705,326	1,340,474

12. Other income and other operating costs

	2022	2021
OTHER INCOME		
Supplementary income	25,651,437	19,106,571
Losses on tangible fixed assets	3,233,108	2,635,332
Gains/(Losses) on the acquisition and sale of subsidiary companies (Note 8)	0	12,194,465
Investment and operation grants	5,699,774	12,870,671
TOTAL	34,584,320	46,807,039

OTHER EXPENSES		
Taxes	7,037,947	7,838,556
Others	11,979,155	9,457,111
TOTAL	19,017,102	17,295,667

“Supplementary income” includes sales and debts to subcontractors related to expenses incurred on behalf of them and also redeemed to other related parties.

In 2021, the item “Subsidies” refers to extraordinary support for reduction in economic activity as a result of the impacts resulting from the pandemic caused by the new Covid-19 coronavirus. These supports included the measures adopted by the different companies of Grupo, either through simplified lay-off or through Support for Recovering Business Activity.

The “Taxes” item mainly include taxation on the activity volume in France.

13. External supplies and services

	2022	Weight %	2021	Weight %
Subcontracts	525,170,546	74%	410,741,054	72%
Rents and leases	29,745,709	4%	20,531,018	4%
Fuel	24,865,853	3%	19,553,373	3%
Maintenance and repair	24,186,804	3%	24,040,829	4%
Specialised work	20,349,053	3%	18,363,987	4%
Insurance	13,065,264	2%	12,009,205	2%
Electricity	8,329,166	1%	8,947,230	2%
Transport of goods	5,796,552	1%	5,145,634	1%
Travel and stays	5,723,789	1%	3,763,445	1%
Communication	5,211,922	1%	5,112,362	1%
Commissions	4,723,794	1%	5,113,434	1%
Tools and utensils for fast wear	4,510,171	1%	4,772,707	1%
Fees	4,174,243	1%	2,516,778	-
Advertising	3,768,590	1%	2,664,920	1%
Cleaning, hygiene and comfort	2,820,295	-	2,395,312	1%
Surveillance and safety	2,539,322	-	1,649,631	-
Office Supplies	1,649,051	-	2,089,726	-
Representation expenses	1,474,081	-	861,209	-
Others	25,431,009	4%	18,388,178	2%
TOTAL	713,535,215	100%	568,660,032	100%

The increase in subcontracts in the amount of 114 million euros, 42 million euros are justified by the changes in the perimeter observed during 2022, the remaining being the result of the growth of the Grupo's activity, in the telecommunications area, adopting the strategy of hiring external labour.

14. Staff costs

	2022	2021
Staff costs	264,985,608	234,147,335
Social Security contributions	43,559,729	39,006,064
Remuneration premiums	3,531,071	3,588,702
Corporate bodies	4,061,380	2,996,645
Insurance	2,267,157	2,013,227
Social initiatives expenses	1,043,284	886,299
Occasional and on retainer employees	838,981	686,051
Others	15,174,626	13,624,291
TOTAL	335,461,836	296,948,614

In 2022, Grupo recorded under the heading of “Staff remunerations” an increase of 30 million euros, of which 20 million euros relate to the recent companies purchased.

The average number of the Grupo's employees during 2022 was 13,605 (2021: 12.897), with the following distribution by sector of activity and country, shown in the following tables:

Average number of employees by business area	2022	2021
Global	8,794	8,247
Industry	2,863	2,827
Tourism, Real Estate and Services	1,947	1,824
TOTAL	13,605	12,897

Average number of employees by country	2022	2021
Portugal	5,686	5,428
Europe	4,273	3,896
Africa	3,465	3,175
America and Asia	180	399
TOTAL	13,605	12,897

The remuneration of the key management staff (under the terms of IAS 24) has an essentially fixed nature and does not include post-employment benefits or employment termination benefits. In 2022, it amounted to 4 million euros (2021: 3 million euros). Key management staff refer to the Board of Directors of Grupo Visabeira as well as other directors of its main subsidiaries.

15. Depreciation and amortisation

	2022	2021
TANGIBLE DEPRECIATIONS		
Land and natural resources	106,812	1,196,716
Buildings and other constructions	25,477,543	8,193,204
Basic equipment	23,834,809	22,547,912
Transport equipment	3,769,389	5,671,422
Office equipment	1,481,009	1,807,988
Others	2,274,411	4,196,201
Total tangible depreciations	56,943,973	43,613,443

DEPRECIATION OF RIGHTS OF USE ASSETS		
Land and natural resources	14,818	17663
Buildings and other constructions	12,959,045	13,656,761
Basic equipment	946,261	727,735
Transport equipment	19,682,918	14,232,005
Office supplies	83,406	116,261
Others	526,407	139,801
Tangible assets	15,776	17,210
Total asset depreciation of rights of use assets	34,228,632	28,907,437

INTANGIBLE ASSETS AMORTISATIONS		
Development projects and software programmes	1,360,488	299,578
Order to Backlog	7,145,219	4,185,717
Others	3,775,097	5,392,970
Total intangible amortisation	12,280,803	9,878,264

TOTAL DEPRECIATION AND AMORTISATION	103,453,408	82,399,145
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16. Provisions and impairment losses

	2022	2021
Increases in provisions and adjustments	8,896,066	1,172,397
Decreases in provisions and adjustments	-2,271,507	-527,159
TOTAL	6,624,558	645,238

In 2022 and 2021, regarding “increases in provisions and impairment losses”, we highlight the provisions set up mainly to cover risks related to collections from clients and the reinforcement of provisions to cover other estimated losses.
The heading details are as follows:

	2022	2021
Other receivables	0	377,278
Impairment Losses Clients	2,841,614	32,196
Retirement pension provisions	941,365	283,250
Provisions for other risks and expenses	-1,175,163	147,594
Goodwill impairment	3,759,771	0
Others	256,971	838,170
TOTAL	6,624,558	645,238

17. Interest expense, net

	2022	2021
Interest paid		
Loans obtained	-40,978,480	-38,952,527
	-40,978,480	-38,952,527
Interest earned		
Loans granted	2,185,625	1,841,133
	2,185,625	1,841,133
TOTAL	-38,792,855	-37,111,394

18. Gains/(losses) on listed shares

	2022	2021
Other financial assets recorded at fair value through profit or loss (see note 7.2)	12,950	41,677
TOTAL	12,950	41,677

19. Other financial expenses, net

	2022	2021
Unfavourable exchange differences	-11,272,247	-20,811,101
Other costs	-7,670,913	-6,647,663
Change in fair value of contingent remuneration	-170,275	2,068,480
Fair value variation of the Downside Protection financial liability (see note 37)	9,020,770	0
Cash payment discounts granted	-455,373	-243,506
Favourable exchange rate differences	17,061,408	28,165,749
Cash payment discounts obtained	99,714	40,926
Other income	173,381	290165.3311
TOTAL	6,786,465	2,863,050

Exchange rate differences are mainly explained by transactions with the following currencies in which countries the Grupo has relevant operations (meticals, kwanzas, pounds sterling and us dollars).
The operations in Mozambique contributed positively in the amount of 6.1 million euros (2021: positively with 4.6 millions euros), as a result of the valuation of the metical (2022: 68.18; 2021: 72.32), moreover, operations in Angola contributed positively to 45 million euros (2021: positive in 2.1 million euros), as a result of the valuation of the Kwanza (2022: 537.44; 2021: 629.02) to the net balance of exchange rate differences. In terms of the impact of Pounds and Dollars, there was no significant variation, since the currencies in question remained fairly stable during 2022.
The costs recorded under “Variation in the fair value of the Downside Protection” refer to the liability variation associated with the Downside Protection mechanism, which allows Goldman Sachs to oblige Grupo Visabeira to cover losses in the event of negative financial performance. Thus, leading to the devaluation of Constructel Visabeira shares to a level below the value of the investment made by Goldman Sachs. The value of the financial liability measured on the date of the transaction was 35.5 million euros (see note 8), and on the 31st of December 2022 the financial liability decreased by around 9 million euros to 26.5 million euros.
The “Other costs” account includes interest costs related to factoring and confirming.

20. Income tax

	2022	2021
Current tax	-19,232,675	-17,223,672
Deferred tax	-3,274,710	-7,979,432
Income tax provisions	-2,100,000	-3,336,896
Income tax for the financial year	-24,607,385	-28,540,001

	2021	Changes to the scope of consolidation	Effect on the results	Effect on equity	Transfers	2022
DEFERRED TAX ASSETS						
Adjustments and other provisions not fiscally accepted	33,270,926	0	-4,235,095	231,852	1,381	29,269,064
Tax losses	5,184,130	0	-1,967,184	601,394	-20,138	3,798,202
Changes in exchange rates not accepted for tax purposes	829,591	0	-583,340	48,850	0	295,101
Tax credit	259,730	0	1,334,254	0	0	1,593,984
Unrealised income in intra-group operations	577,845	0	-2,101	0	0	575,744
Fiscal adjustment in transition "snc"	602,526	0	0	0	0	602,526
TOTAL	40,724,748	0	-5,453,466	882,096	-18,757	36,134,620

DEFERRED TAX LIABILITIES						
Changes in the fair value of investment properties	49,933,003	0	1,097,175	885,312	0	51,915,490
Monetary adjustment (IAS 29 - Angola)	9,216,663	0	-880,466	1,225,221	0	9,561,417
Change in the fair value of intangible assets	18,490,141	2,476,990	-1,973,665	0	0	18,993,466
Change in fair value of tangible fixed assets	76,970,846	0	-2,359,587	6,814,900	-21,806	81,404,353
Fiscal adjustment in transition "snc"	1,155,393	0	0	0	0	1,155,393
Unrealised income in intra-group operations	59,230	0	-26,360	0	0	32,869
Changes in exchange rates not accepted for tax purposes	1,293,813	0	1,391,267	63,725	-7,307	2,741,498
Adjustment difference in amortisations accepted for tax purposes	3,526,803	0	572,880	219,642	0	4,319,325
Other provisions	6,366,328	0	2,100,000	0	-1,203,974	7,262,354
TOTAL	167,012,220	2,476,990	-78,757	9,208,800	-1,233,087	177,386,166

In 2022, due to the valuation of the metical and kwanza, there was an increase of 9 million euros in the liability balance which affects the Equity. The amount included in "other provisions" is related to tax contingencies other than income tax. During the 2022 financial year there was an increase of 2.1 million euros in provisions and a decrease of 1.2 million euros due to the payment of previously provisioned contingencies. It is important to note the changes in the group of companies, that took place during the year as a result of the entry of Elektro-Würkner and Inpower Group.

	2020	Changes to the scope of consolidation	Effect on results	Effect on equity	Transfers	2021
Deferred tax assets						
Adjustments and other provisions not fiscally accepted	35,687,704	401,377	-2,599,052	-219,103	0	33,270,926
Tax losses	7,027,443	0	-2,369,865	526,553	0	5,184,130
Changes in exchange rates not accepted for tax purposes	2,335,694	726,780	-2,996,627	763,744	0	829,591
Tax credit	532,481	0	-285,346	12,596	0	259,730
Unrealised income in intra-group operations	827,944	0	-2,101	-247,998	0	577,845
Fiscal adjustment in transition "snc"	602,526	0	0	0	0	602,526
Total deferred tax assets	47,013,791	1,128,157	-8,252,992	835,792	0	40,724,748

Deferred tax liabilities						
Changes in the fair value of investment properties	51,187,499	0	-495,288	-759,208	0	49,933,003
Monetary adjustment (IAS 29 - Angola)	7,548,254	0	-630,476	2,298,885	0	9,216,663
Adjustments and other provisions not fiscally accepted	1,945,589	0	-2,517	27,319	-1,970,390	0
Change in the fair value of intangible assets	20,105,419	0	-1,609,767	-5,510	0	18,490,141
Change in fair value of tangible fixed assets	62,410,907	2,942,192	-2,108,230	13,725,977	0	76,970,846
Fiscal adjustment in transition "snc"	1,155,393	0	0	0	0	1,155,393
Unrealised income in intra-group operations	105,220	0	-45,991	0	0	59,230
Changes in exchange rates not accepted for tax purposes	31,846	0	980,381	281,586	0	1,293,813
Adjustment difference in amortisations accepted for tax purposes	0	0	0	1,556,413	1,970,390	3,526,803
Other provisions	2,728,000	0	3,638,328	0	0	6,366,328
Total deferred tax liabilities	147,218,127	2,942,192	-273,560	17,125,460	0	167,012,220

In 2021, due to the valuation of the metical and kwanza, there was an increase of 13 million euros in the liability balance. The changes in terms of companies belonging to the group stem from the entry of *Companhia Santomense de Telecomunicações* and *Electrotec*.

The tax reconciliation for the year is detailed as follows:

	2022	2021
Results before taxes	70,871,367	66,501,724
Nominal rate of tax on profits	21.0%	21.0%
Tax rate - 21%	-14,882,987	-13,965,362
Differentiated nominal tax rates	-3,693,657	-3,904,966
Differences between more and less tax and accounting	2,546,125	5,062,218
Autonomous Taxation	-705,736	-545,575
Non-deductive provisions	-445,000	0
Non-deductive financial charges	-2,848,500	-3,007,266
Negative equity variations not reflected in the net income	1,173,877	0
Local tax	-247,073	-771,273
Temporary differences	240,000	-294,354
Tax benefits	-48,000	469,669
Corrections of previous years	-222,440	-756,625
Other	-99,285	489,863
Total current assets	-19,232,675	-17,223,671
Deferred tax	-3,274,710	-7,979,432
Provisions	-2,100,000	-3,336,896

* Differentiated tax on profits: France and Belgium 25%; Mozambique 32%; Angola 25% (TV CABO Angola – 35%); UK 19%; Italy 27.9%; Denmark 22%, Spain 24% and United States of America 30%.

21. Tangible assets

	Land	Buildings and other constructions	Basic equipment	Transport equipment	Office equipment	Other tangible fixed assets	Tangible assets in progress	Advance payments on account of tangible assets	TOTAL
Opening balance on the 1 st of January 2021	22,740,630	309,216,252	147,285,746	7,854,982	6,162,077	25,238,858	47,426,700	198,213	566,123,457
Increases	333,402	7,000,108	25,007,614	7,651,265	1,104,738	1,035,885	18,819,696	0	60,952,708
Sales / Transfers	542,703	17,183,759	2,031,469	824,762	-1,792,539	4,551,546	-19,369,275	0	3,972,424
Changes to the perimeter *	82,762	14,298,528	19,819,376	1,380,850	372,144	-337,660	171,797	0	35,787,796
Revaluation exchange rate update	0	24,802,899	10,275,297	0	22,943	2,650,343	0	0	37,751,482
Exchange rate effect	124,271	21,413,209	6,119,044	880,215	361,343	530,831	4,035,682	0	33,464,596
Impairment	0	-2,070	-189,931	0	0	4,238	0	0	-187,763
Amortisation for the year	-1,196,716	-8,193,204	-22,547,912	-5,671,422	-1,807,988	-4,196,201	0	0	-43,613,443
Closing balance on the 31 st of December 2021	22,627,052	385,719,481	187,800,702	12,920,651	4,422,718	29,477,840	51,084,600	198,213	694,251,257

On the 31 st of December 2021									
Acquisition costs	23,191,978	409,696,196	382,512,337	64,092,247	33,666,585	61,076,349	51,068,117	198,213	1,025,502,022
Accumulated amortisations	516,511	149,086,266	239,630,560	51,134,509	28,667,452	43,756,214	-16,483	0	512,775,028
Impairment losses	48,415	-462,550	4,978,569	37,087	682,364	24,018	0	0	5,307,903
Net effect of revaluations	0	124,647,002	49,897,494	0	105,949	12,181,722	0	0	186,832,166

Tangible assets	22,627,052	385,719,481	187,800,702	12,920,651	4,422,718	29,477,840	51,084,600	198,213	694,251,257
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Opening balance on the 1 st of January 2022	22,627,052	385,719,481	187,800,702	12,920,651	4,422,718	29,477,840	51,084,600	198,213	694,251,257
Increases	1,263,591	17,407,163	22,174,768	2,257,259	1,881,851	-3,039,166	25,479,437	0	67,424,903
Sales / Transfers	2,440,438	39,793,514	-8,422,058	-246,168	-779,588	7,202,378	-25,777,021	0	14,211,494
Changes to the perimeter *	33,725	2,120,251	956,965	2,650,769	89,979	367,894	322,638	0	6,542,221
Revaluation exchange rate update	0	46,835,102	1,323,115	0	4,030	3,741	0	0	48,165,988
Exchange rate effect	86,012	14,555,792	3,092,280	210,740	213,181	-36,377	676,507	0	18,798,134
Impairment	-452,000	-18,760,790	-8,129,401	0	-19,380	-2,923,385	0	0	-30,284,956
Amortisation for the year	-106,812	-25,477,543	-23,834,809	-3,769,389	-1,481,009	-2,274,411	0	0	-56,943,973
Closing balance on the 31 st of December 2022	25,892,005	462,192,970	174,961,563	14,023,862	4,331,782	28,778,513	51,786,161	198,213	762,165,068

On the 31 st of December 2022									
Acquisition costs	26,790,056	484,278,836	396,026,447	65,324,923	32,965,860	71,339,740	51,779,029	198,213	1,128,703,104
Accumulated amortisations	397,636	166,982,888	258,959,913	51,239,470	28,042,318	51,799,288	-7,132	0	557,414,381
Impairment losses	500,415	2,573	5,196,180	61,591	682,359	22,605	0	0	6,465,724
Net effect of revaluations	0	144,899,595	43,091,209	0	90,599	9,260,665	0	0	197,342,069

Tangible assets	25,892,005	462,192,970	174,961,563	14,023,862	4,331,782	28,778,513	51,786,161	198,213	762,165,068
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*It was decided to present the accumulated tax amortisations amounts associated with the assets acquired.

During 2022, the increases that occurred are mainly explained by the purchase of the necessary equipment for operational teams of Grupo Constructel Visabeira in the amount of 19.2 million euros, investments for building and expanding the coverage network for television operations in Africa through TVCABO in Angola and in Mozambique in the amount of 14.6 million euros.

During 2022, investments made in Grupo Vista Alegre amounted to approximately 7.1 million euros, namely as regards purchasing equipment for the porcelain and stoneware sectors, and they have enhanced greater operational efficiency and reducing costs, reinforcing the positioning of Vista Alegre as an owner of the most technologically advanced factories in the world. Still in the industry sector, Mob invested 5.5 million euros to improve and expand its industrial plant. At Pinewells, the 5.5 million euro increase in assets is related to the purchase of a new industrial plant.

The most relevant changes for the increase in tangible fixed assets were Obelisk (2.3 million euros) and Elektro-Wurkner (0.7 million euros), acquired during the 2022 financial year.

The most significant values presented as "Tangible assets in progress" relate to the expansion and renovation works of the hotels and the construction of new areas, in the Tourism sector. In this area, it is important to highlight Montebelo Aguireira Lake Resort & SPA expansion, and Montebelo renovation works, amounting to 6.9 million euros and 4.9 million euros, respectively. The aforementioned investments by Visabeira Indústria's subsidiaries represent a total of 13.9 million euros under this heading.

REVALUATION OF NETWORK ASSETS

As of the financial year 2019, Grupo started to measure TVCABO Angola and TVCABO Moçambique network assets according to the revaluation model, due to the very significant currency devaluation of the kwanza and the metical. Grupo engaged an independent and accredited entity, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, to determine the fair value on the 31st of October 2019 of the TVCABO Angola and TVCABO Moçambique networks, which include assets such as the copper network, the optical fibre network, civil construction and network control equipment (such as servers, routers and terminals) and equipment installed at clients.

The fair value was determined based on the cost approach, which reflects the amount that would be required to replace the assets service capacity (usually referred to as the current replacement cost). As relevant elements of the evaluation, stands out the cost of acquisition of goods purchased in Europe, estimated by external specialists, supported by Grupo's technicians. To the goods' cost of acquisition, an amount corresponding to transportation, assembly, and even customs fees was added to place the equipment in Angola and Mozambique, as well as the labour cost for its installation. Estimates regarding transport costs and customs fees were carried out.

The determination of fair value falls within level 3 of IFRS 13.

If the assets of companies TVCABO Angola, TVCABO Moçambique and Companhia Santomense de Telecomunicações had been held at cost, the carrying amounts would have been 48.0 million euros, 27.7 million euros and 20.3 million euros, respectively.

As a result of re-evaluating amortisations for the year amounted to 6.7 million euros (2021: 5.4 million euros).

On the 31st of December 2022, the net effect of the increased revaluation of network assets amounted to 145.8 million euros (Buildings and other constructions) and 43.1 million euros (Basic Equipment).

IMPAIRMENT TESTS

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

Taking into account the significant increase in the carrying amount of the TVCABO Angola, TVCABO Moçambique and São Tomé (Companhia Santomense de Telecomunicações) networks, impairment tests were carried out in accordance with the value in use method, based on business plans approved by the Grupo's Executive Board of Directors, under the following assumptions:

ASSUMPTIONS IMPAIRMENT TEST	Angola	Mozambique	São Tomé
Period	2023-2027	2023-2027	2023-2027
Sales growth rate (CAGR)	7.75%	7.10%	2.37%
Exchange rate (Euros)	53744	68.18	24.37
Growth rate in perpetuity	6.38%	5.50%	5.03%
Discount rate (2022)	17.16%	18.50%	11.38%
Discount rate (2021)	14.77%	14.79%	10.52%

In 2022, Grupo Visabeira recognised an impairment and deferred tax on the assets relating to the Angola and Mozambique networks, in the amount of 29.4 million euros and 9.8 million euros respectively in the revaluation reserve. The reason for this impairment was the increase in the discount rates for Angola and Mozambique due to the risk premium for investments in these countries and the increase in the risk-free interest rate. The sensitivity of the impairment tests results – carried out on the assets of the networks of the main key assumptions, namely the discount rate and the growth rate in perpetuity – were as follows:

SENSITIVITY TO KEY ASSUMPTIONS	Perpetuity discount rate*		Growth rate in perpetuity	
	0.50%	-0.50%	0.50%	-0.50%
TVCABO Angola	-4,368,645	4,826,906	780,780	-5,284,441
TVCABO Mozambique	-1,635,665	1,780,121	114,593	-113,715
Companhia Santomense de Telecomunicações	-2,243,548	2,624,177	201,122	-197,979

*Taking into account the impact of inflation on the economies concerned, different discount rates are used in each of the periods under analysis.

With regard to assets in Angola, an increase in the discount rate of 0.5% or a decrease of 0.5% in the perpetuity growth rate implies an impairment record in the amount of 4.4 million euros and 5.3 million euros, respectively.

With regard to assets in Mozambique, an increase in the discount rate of 0.5% or a decrease of 0.5% in the perpetuity growth rate implies an impairment record in the amount of 1.6 million euros and 114 thousand euros, respectively.

Regarding assets in São Tomé, the variations described do not imply the recording of impairments.

22. Right-of-use assets

The heading “Right-of-use assets”, in 2022, has the following composition:

	Land	Buildings and other constructions	Basic equipment	Transport equipment	Office equipment	Others tangible fixed assets	Tangible assets in progress	Intangible Assets	TOTAL
Opening balance on the 1 st of January 2021	28,700	44,224,001	2,719,576	41,800,887	192,620	670,821	126,752	83,182	89,846,540
Increases	7,771	12,734,466	1,667,079	15,406,118	68,174	481,700	0	0	30,365,308
Reductions	-45	-3,161,034	-70,965	-735,218	-4,912	-35,036	0	0	-4,007,210
Exchange rate effect	485	549,111	0	1,079,799	989	12	0	0	1,630,396
Amortisation for the year	-17,663	-13,656,761	-727,735	-14,232,005	-116,261	-132,981	-6,821	-17,210	-28,907,437
Closing balance on the 31 st of December 2021	19,248	40,689,783	3,587,955	43,319,582	140,609	984,516	119,932	65,972	88,927,597
On the 31 st of December 2021									
Acquisition costs	44,188	76,068,796	5,853,608	87,141,566	455,226	1,314,377	136,415	103,261	171,117,436
Accumulated amortisations	24,940	35,379,013	2,265,653	43,821,984	314,617	329,861	16,483	37,289	82,189,839
Right-of-use assets	19,248	40,689,783	3,587,955	43,319,582	140,609	984,516	119,932	65,972	88,927,597
On the 31 st of December 2022									
Opening balance on the 1 st of January 2022	19,248	40,689,783	3,587,955	43,319,582	140,609	984,516	119,932	65,972	88,927,597
Increases	20,066	7,933,712	1,423,955	20,767,205	0	1,190,433	0	0	31,335,372
Reductions	0	-5,350,715	-537,075	439,825	0	-485,439	0	0	-5,933,404
Exchange rate effect	9,447	417,662	-110,983	1,036,450	0	12	0	0	1,352,587
Amortisation for the year	-14,818	-12,959,045	-946,261	-19,682,918	-83,406	-520,155	-6,252	-15,776	-34,228,632
Closing balance on the 31 st of December 2022	33,944	30,731,396	3,417,590	45,880,143	57,204	1,169,367	113,679	50,196	81,453,520
On the 31 st of December 2022									
Acquisition costs	66,902	64,353,794	6,589,428	93,889,348	447,307	2,007,687	136,415	103,261	167,594,142
Accumulated amortisations	32,958	33,622,397	3,171,838	48,009,205	390,103	838,320	22,736	53,065	86,140,622
Right-of-use assets	33,944	30,731,396	3,417,590	45,880,143	57,204	1,169,367	113,679	50,196	81,453,520

The most relevant assets in Right-of-use assets are: under Buildings and other constructions, the *Montebelo Viseu Congress Hotel*, and to a lesser extent other hotels; under Transport equipment, several vehicles from different companies, mainly MJ Quinn fleet and Constructel France.

During 2022 Grupo had an increase of 29 million euros in right-of-use assets. For this increase, the companies belonging to Constructel Visabeira contributed 24.7 million euros, of which 20.5 million euros are related to investment in transport equipment.

During 2021 Grupo had an increase of 30.3 million euros in right-of-use assets. For this increase, the companies belonging to Constructel Visabeira contributed 22.7 million euros, of which 13.8 million euros are related to investment in transport equipment.

23. Goodwill

	Year of acquisition	Value of goodwill 2022	Value of goodwill 2021
VISABEIRA GLOBAL			
TELECOMMUNICATIONS			
MJ QUINN - Integrated Services, Ltd	2018	53,970,861	56,958,936
Viatel - Tecnologia de Comunicações, SA	1997, 2002	14,997,178	14,997,178
Elektro-Würkner GmbH	2022	14,690,096	0
Franz-Josef Braun GmbH & Co. KG	2020	11,860,192	11,860,192
Oude Marktvoerliedennatie NV (OMV Natie)	2020	11,635,976	11,635,976
Obelisk International Group Holdings Ltd	2022	10,364,164	0
Constructelmodal, SA	2017	5,666,717	5,666,717
Inpower Group SCPA	2022	2,372,316	0
Escot Marrocos	2021	2,090,500	2,090,500
Others		1,494,749	1,709,661
CONSTRUCTION			
Martifer Visabeira	2019	2,305,872	2,173,871
Edivisa - Empresa de Construções, SA	1993, 2002	888,354	888,354
Others		415,801	245,225
ENERGY			
Cunha Soares & Filhos, SA	2021	31,528,217	28,288,684
EIP Serviços, SA	2021	16,070,135	13,394,866
Toft Hansen, ApS	2019	2,609,671	2,609,671
MJ Quinn Solar, Ltd	2022	2,322,446	0
IEME, SRL	2017	1,263,270	1,263,270
Others		153,502	247,456
VISABEIRA INDÚSTRIA			
Mob - Indústria de Mobiliário, SA	1998, 2002	1,320,221	1,320,221
Granbeira II - Rochas Ornamental, SA	1992, 1998, 2001, 2002	905,101	905,101
Others		325,420	551,392
VISABEIRA TURISMO, IMOBILIÁRIA E SERVIÇOS			
Visabeira Moçambique, SARL	2001, 2002	0	3,390,676
Empreendimentos Turist. Montebelo, SA	1998, 2002	2,768,845	2,768,845
Others		220,556	225,390
TOTAL		192,240,162	163,192,184

The amounts recorded in the Goodwill item refer exclusively to acquisitions of financial holdings. The acquisition of financial investments in entities or business activities under common control is recorded i) through the “method of communion of interests”, with the difference between the cost of the business combination and the net assets acquired (at the respective net book values) recorded in contra entry equity; or ii) through the acquisition method (provided for in IFRS 3), whenever the business combination of entities under common control has commercial substance, which is carried out for the purpose of combining entities with complementary activities and the transaction has been carried out at fair value.

MOVEMENTS DURING THE YEAR

In 2022, new companies were purchased, representing an increase of 29.7 million euros. The goodwill of these purchases was based on the value of the net assets at the date of entry into the consolidation group of companies and their acquisition price. In addition, there was an increase in goodwill from the acquisitions during 2021 of the companies Cunha Soares and EIP Serviços in the amount of 6.1 million euros (see note 8). The decrease in the amount of MJ Quinn's goodwill is exclusively explained by currency devaluation of the pound sterling occurred during the financial year in analysis. The increase in Martifer's goodwill is also explained exclusively by the exchange rate valuation of the metical.

IMPAIRMENT TESTS

For the purpose of impairment tests, the goodwill amount was distributed among the cash-generating units that correspond to the reportable business segments. The Executive Board of Directors, based on the estimated future cash flows of these segments, discounted at the rate considered applicable to each business, concluded that, except for Cash Generating Units located in Mozambique, on the 31st of December 2022, the carrying value of financial investments, including goodwill, does not exceed its recoverable value. In Visabeira Global - the telecommunications and energy sectors, the main assumptions used in the impairment test for 2022 were the following:

ASSUMPTIONS IMPAIRMENT TESTS	MJ Quinn	Obelisk	Viatel	Franz-Josef Braun	Elektro- Würkner	OMV Natie	Cunha Soares	EIP Serviços
Method used	Updated cash flow method	Updated cash flow method	Updated cash flow method	Updated cash flow method	Updated cash flow method	Updated cash flow method	Updated cash flow method	Updated cash flow method
Based used	Projection	Projection	Projection	Projection	Projection	Projection	Projection	Projection
Years of projection	5 years	5 years	5 years	5 years	5 years	5 years	5 years	6 years
Sales growth in 2023	2.00%	11.45%	2.33%	10.04%	10.04%	-2.34%	4.67%	2.29%
CAGR sales 2024-2027	2.00%	5.54%	2.23%	3.50%	3.50%	1.69%	2.24%	2.20%
Growth rate in perpetuity	2.00%	2.00%	2.03%	1.95%	1.95%	1.66%	2.03%	2.03%
WACC used in perpetuity	5.99%	5.99%	7.06%	4.52%	4.52%	4.36%	7.06%	7.06%

The sensitivity of the impairment tests results - carried out on Goodwill of the main key assumptions, namely the discount rate and the growth rate in perpetuity - were as follows:

SENSITIVITY TO KEY ASSUMPTIONS	Discount rate		Perpetuity sales growth rate	
	0.50%	-0.50%	0.50%	-0.50%
MJ Quinn	23,945	-18,599	2,122	-2,730
Obelisk	10,305	-8,021	-6,527	8,397
Viatel	12,359	-10,129	-7,934	9,687
Franz-Josef Braun	6,810	-4,603	-4,035	5,983
Elektro-Würkner	26,937	-18,182	-15,925	23,614
OMV Natie	38,289	-26,334	-23,087	33,572
Cunha Soares	14,063	-11,520	-9,053	11,053
EIP Serviços	3,644	-2,985	-2,345	2,863

On the 31st of December 2022, except for what was mentioned in the previous paragraph, if a discount rate higher than 0.5% had been used, or a perpetuity growth rate of less than 0.5%, or projected cash flows less than 5%, the results obtained in the tests mentioned above would not have given 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 Grupo's Executive Board of Directors, which cover an average of five years. In the financial year ending on the 31st of December 2022, impairment losses were recorded in some of the Cash Generating Units (“CGU”) located in Mozambique, mainly caused by the increase in the discount rate used in this country, which rose significantly due to the risk premium of investments in Mozambique and the increase in the risk-free interest rate. The impairment recognised by CGU can be broken down as follows:

Impairments	
Visabeira Moçambique	-3,390,676
Marmonte	-174,065
Selfenergy	-93,954
Others	-101,076
Total	-3,759,771

No impairment loss was recorded in the financial year ending on the 31st of December 2021.

24. Investment properties

	2022 Level 3*	2021 Level 3*
Opening balance	297,323,457	311,148,821
Transfer of inventories	-597,973	-19,741,000
Acquisitions	14,765	475,422
Foreign currency translation reserves	4,447,530	5,084,540
Sale	-398,412	0
Change in fair value	4,964,751	355,675
TOTAL	305,754,119	297,323,457

* Classified according to the fair value hierarchy defined in IFRS 13 (not applicable to investment properties measured at acquisition cost)

	Appraisal method	2022	2021
Projeto Parque Desportivo	DFC Method	72,959,000	72,141,000
Montebelo Resort Golf Project	1,209,000	59,324,614	58,495,204
Real Estate Project in Maputo	DFC Method	60,691,918	55,819,735
Urbeira Project	Comparative method	33,290,000	33,303,000
Quinta dos Areais Project	Comparative method	19,320,000	19,310,000
Land held for capital appreciation	Comparative method	17,551,756	19,147,960
Vista Alegre Buildings	Comparative Methods and DCF Method	14,717,822	13,584,222
Project for Quinta do Bosque	DFC Method	11,809,000	12,540,726
Condomínio de Belo Horizonte development (Mozambique)	Cost method	7,949,371	8,765,918
Mozambique commercial space project	DFC Method	4,439,138	4,169,969
Marinha Grande project	DFC Method	3,653,000	0
Agrovisa (Xinavane land)		48,501	45,724
TOTAL		305,754,119	297,323,457

Investment properties in use are measured at fair value, calculated using the discounted cash flow (DCF) method and properties under development or intended for valuation are measured at fair value, calculated using the DCF method, the comparative method or the cost method. In cases where fair value cannot be reliably determined, investment properties are kept at cost.

According to the DCF method, the fair value of the property is estimated based on the current amount of cash flows that the property is expected to generate in the future, based on financial projections concerning the business under development or to be developed (rental). Cash flows are discounted at a discount rate that reflects the time value of money, as well as the risks associated with cash flows.

The comparative method refers to the values of similar properties and intends to estimate the presumed value of sale.

The cost method considers that the value of the asset is the sum of the cost of acquisition of the land, construction, projects, licensing, financial charges, marketing fees and estimated profit of the project.

In the case of investment properties not generating income, the estimated costs for the construction and development of the project were discounted. The valuations were carried out by accredited independent valuers (Envisábio - Engenharia, Unipessoal Lda, Figueira Center Imobiliária, Lda, EVIA - Eng. Valuation & Invest., Lda, REC - Real Estate Consulting, Lda and JF - Consultores Associados, Lda) with the necessary qualifications and experience in property valuations. The appraisal models used are consistent with the principles set out in IFRS 13.

In 2022, no changes were made to the investment property valuation methods. Investment properties include a set of land acquired several years ago for development in relation to the Grupo's real estate business, but, in the current financial context, they are held for future appreciation.

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

The classification of certain land as investment properties, and not as Inventories or Tangible Assets, depends on the use that the Board of Directors predicts for the assets as the one that maximises its recoverable value for Grupo.

PARQUE DESPORTIVO DE AVEIRO PROJECT

Project located at the eastern end of the city of Aveiro, next to the Municipal Stadium of Aveiro, occupying an area of about 165 hectares, is located in a particularly privileged area in terms of access, whether to the city, or the A25 and the A17 roads.

Comprehensive project that consolidates tourism, housing, services, sports, leisure and entertainment in a unique environment, mainly for the sophistication and quality of its green areas ruled by streams and water surface, its wide parks and gardens that will create a unique and permanent experience in touch with nature.

PDA will have a construction area of around 320.000 m² comprising trade, housing, services, sports and leisure / tourism facilities, such as the 18-hole golf course, 5-star hotel, horse riding centre and tennis complex.

Its fair value was determined using the DFC method, summarised as follows:

		Construction area (m²)	Appraiser Value 2022	Appraiser Value 2021
Polo 2	Horse riding facilities	31,448	12,694,000	12,702,000
Polo 3	Ludo Parque	48,246	9,690,000	9,316,000
Polo 5	Central	74,750	14,343,000	14,986,000
Polo 6	South Central	71,175	10,830,000	9,803,000
Polo 7	Golf Resort	68,478	25,402,000	25,334,000
	Hotel	24,000		
TOTAL		318,097	72,959,000	72,141,000

In addition to the discount rate, the sale price, the construction price and the estimated sales schedule of the project are the variables that most influence the value of the appraisal, so the sensitivity analysis to these variables resulted in the following values:

—A 5% increase in building prices would reduce the value of the valuation to 63.3 million euros. These changes in construction prices, combined with the changes shown in the sensitivity analysis conducted on the discount rate, result in a minimum value of 58.6 million euros (+ 5% in construction prices plus 1 p.p. in the discount rate) and with a maximum amount of 88.3 million euros (-5% in building prices and 1% in the discount rate).

—A reduction of -5% in sales prices, foreseen in the evaluation, would result in an amount of 59.3 million euros and a 5% increase of these same sales prices would result in an amount of 86.5 million euros. Combined with an increase in the discount rate of 1 pp, it would have been 80.9 million euros.

The growth of 5% in sales prices combined with the reduction of the discount rate by 1%. would increase the appraisal value to 92.6 million euros.

—Deferring 10% of the sales considered in the valuation each year, adding an extra year of commercialisation to the project in some Poles compared to the base scenario, would have reduced the amount of the valuation to 65.8 million euros. This variation in the project's trading, combined with the changes shown in the sensitivity analysis of the discount rate, result in a minimum amount of 60.4 million euros (10% advances in the sales, plus 1 year trading plus 1% in discount rate) and a maximum amount of 81.5 million euros (5% in advance of the sales and less 1% in the discount rate).

GOLFE MONTEBELO RESORT PROJECT

The *Golfe Montebelo Resort* project aims at addressing deficiencies and enhancing the features of the 27-hole Golf Course, in operation for many years. Besides enhancing and revitalising the area of Golf, it will enable its promotion and the recognition of the area as an urban location, connected to the city, creating a prestigious sport-tourism hub in one single unit.

There are about 168,421 m² of construction, comprising houses (68,913 m²), apartments (70,506 m²) and a five-star hotel (29,003 m²). The intervention will target 3 different areas: the first addresses the real estate network, which is small and does not clash with the second area, the Resort. The project also includes a common area for services, equipment and commerce.

The appraisal values were the following:

	Area	2021	2020
Land for houses	68.913 m²	40,000,000	39,462,537
Land for apartment buildings	70.506 m²	17,000,000	16,892,963
Land for hotel	29.003 m²	1,440,000	1,255,090
Additions for the construction of infrastructures		884,614	884,614
TOTAL	168.422 m²	59,324,614	58,495,204

In addition to the discount rate, the sale price, the construction price and the estimated sales schedule of the project are the variables that most influence the value of the appraisal, so the sensitivity analysis to these variables resulted in the following values:

—A 5% increase in building prices would reduce the value of the valuation to 52.7 million euros. This change in the construction prices, combined with the changes shown in the sensitivity analysis conducted on the discount rate, result in a minimum value of 49.6 million euros (+ 5% in construction prices plus 1 p.p. in the discount rate) and with a maximum amount of 69.7 million euros (-5% in building prices and 1 p.p. in the discount rate).

—A reduction of -5% in the sales prices, foreseen in the evaluation, would result in an amount of 49.8 million euros and a 5% increase of these same sales prices would result in an amount of 68.8 million euros. Combined with the 1 pp increase in the discount rate, it would have been 65 million euros. The growth of 5% in sales prices combined with the reduction of the discount rate by 1%. would increase the appraisal value to 72.9 million euros.

—A 10% advance of sales in all years considered in the appraisal, adding another year of trading to the project against the base scenario, would reduce the amount of the appraisal to 53.7 million euros. This variation in the project's trading, combined with the changes shown in the sensitivity analysis of the discount rate, result in a minimum amount of 50 million euros (10% advances in the sales, plus 1 year trading plus 1 p.p. in discount rate) and a maximum amount of 63.3 million euros (5% in advance of the sales and less 1 p.p. in the discount rate).

—With regard to the discount rate sensitivity analysis, a decrease of -1 p.p. in the discount rate, provided for in the valuation, would translate into a valuation value of 62.9 million euros and an increase of 1 p.p. in that same discount rate would be an appraised value of 55.9 million euros.

REAL ESTATE PROJECT IN MAPUTO

The Real Estate Project in Maputo is a land occupied by the former FACIM in downtown Maputo, with a total area of about 82,389 m².

The land has a “master plan” project approved by the Municipality of Maputo in October 2018, for a real estate development with an above-ground construction area of 456,456 m², which include residential, offices, commerce and tourism areas.

The assessment was carried out by REC, Lda (Real Estate Consulting) which is a member of the Royal Institution of Chartered Surveyors (RICS) and aimed at determining the Fair Value of the land for real estate development, mentioned above.

Market research was carried out for office areas, flats, commercial areas and even Hotels, Apart-Hotels and conference and event rooms, in order to determine the average price per square meter of land at 737 €/m² and the average price per square meter according to the construction potential and location at 122€/m², thus determining the value of the land of the Maputo Real Estate Project through the Comparative Method at around 60.7 million euros, which was later also validated through the Residual Method or Discounted Cash Flows (DCF).

Meanwhile, the sensitivity analysis carried out showed that if the market conditions led to a 10 pp increase in the average price per square metre of land mentioned above (737€/m²), this would have increased the valuation from 60.7 million euros to 63.7 million euros. Likewise, a decrease of 10 p.p. would reduce the evaluation amount to 57.7 million euros.

An increase of 5 p.p. in the average price per square meter of construction as mentioned above (122€/m²) would increase the valuation to 62.2 million euros. However, a decrease of 5 p.p. would reduce the evaluation amount to 59.2 million euros.

If the variations referred to in the previous points occur simultaneously, the valuation would have a maximum amount of 65.2 million euros and a minimum amount of 56.1 million euros.

URBEIRA PROJECT

The so-called “Urbeira” land, which is a property of about 279,860 m² located southwest of the city of Viseu and located at a distance of only 3 km from the city centre, has an approved real estate project with a feasibility of building at 137,421 m² divided into housing, commerce and services.

The fair value was determined using the comparative method, with an average price of 242 euros per m², considering the construction area.

VISTA ALEGRE ATLANTIS BUILDINGS

These are properties (land and buildings) that are not used in Grupo's normal course of business, but are intended for sale, in their current state or after a capital valuation process.

The fair value of investment properties was determined based on market evidence. With regard to leased investment properties, lease contracts of limited duration are in force, typically with a duration of five years and automatically renewable for periods of one year unless they are terminated.

The fair value was determined by EVIA - Eng. Valuation & Invest and by Envisábio - Engenharia, Unipessoal Lda, as follows:

	Fair value 2022	Fair value 2021	Evaluation competences	Appraiser	Location	Assumptions	Intervals (average in euros)
Vista Alegre Atlantis Buildings							
Pine forest	938,237	938,237	Cost method	J. Curvelo	Alcobaça	price per m²	€ 25.09
Miscellaneous Properties	2,994,025	2,818,300	Cost method	J. Curvelo	Ílhavo	price per m²	€ 187.77
R. Neves Ferreira	484,000	377,000	Comparative method	J. Curvelo	Lisbon	price per m²	€ 523.61
RAN Plots of Land	407,080	130,000	Comparative method	J. Curvelo	Ílhavo	price per m²	€ 2.20
Urbanização I	1,496,990	1,447,500	Cost method	J. Curvelo	Ílhavo	price per m²	€ 147.73
Bairro Allotment and annex plots Attachments	5,386,000	5,070,000	Cost method	J. Curvelo	Ílhavo	price per m²	€ 137.38
Murteira Allotment	1,209,000	946,000	Cost method	J. Curvelo	Ílhavo	price per m²	€ 30.02
Rua Fáb. VA Allotment VA	1,607,000	1,390,000	Cost method	J. Curvelo	Ílhavo	price per m²	€ 122.42
Ongoing investments	195,489	467,185					
TOTAL	14,717,822	13,584,222					

QUINTA DOS AREAIS PROJECT

Property with 51,633 m² located about 500 meters from the Hospital São Teotónio de Viseu that borders at west with *Primeira Circular Sul de Viseu*. It has a real estate project with a construction feasibility project of 61,375 m² divided by housing, commerce and services.

The fair value was determined using the comparative method, with an average price of 315 euros per m², considering the construction area.

LAND HELD FOR CAPITAL APPRECIATION

This refer to 13 lots, 12 of which are located in *Quinta do Bosque* next to Montebelo Viseu Congress Hotel, a predominantly residential area, and another in Guimarães, near the railway station. These are lots already developed, with all the necessary infrastructures, and with a total construction area of 54,406 m² for land with an overall area of 12,854 m².

The fair value of these properties was mainly determined using the comparative method, with an average price of 344 euros per m², considering the construction area.

During 2022, there was a change in the use of a plot in Aveiro, which was transferred to inventory, because the aim is not increase its value in the long term and Grupo Visabeira intends to build and capitalise on the plot. The project's licensing process is in progress.

PROJECT FOR QUINTA DO BOSQUE

The so-called Project for “Quinta do Bosque”, which is divided into two lots, has 31,915 m² of construction area, is located in the city, next to Hotel Montebelo, in a predominantly residential area. It is intended to be used for the construction of a trade and services building to increase the offer in the central region of Portugal. Its fair value was determined using the DCF method, with an average price of 448 euros per m², considering the construction area.

CONDOMÍNIO DE BELO HORIZONTE DEVELOPMENT PROJECT (MOZAMBIQUE)

The land of the future project *Condomínio do Belo Horizonte*, located in Matola, on the outskirts of Maputo, is in a residential area, which mostly comprises medium-/ high-quality houses. The land of the project *Condomínio do Belo Horizonte* is in a well-established residential area, and is subdivided into 69 plots with a total area of 67,667 m². Its fair value, determined by an independent entity, after obtaining a building permit on the 16th of December 2013, is 7.9 million euros.

MOZAMBIQUE COMMERCIAL SPACE PROJECT

There are two commercial stores, with areas of 468,78m² and 600m², which are not used in the usual business activity of Grupo, that are leased to third parties. The fair value of these two stores was determined using the DFC method with an average price per m² of 2,587 euros and 5,139 euros, respectively, considering the construction area. Regarding these investment properties, there are short-term lease agreements, which are automatically renewable for periods one or two years, if it hasn’t been terminated. The determination of the fair value of these investment properties was supported by market evidence using the Yield Method.

MARINHA GRANDE PROJECT

In 2021, this plot was classified as inventory, but in 2022 there was a change of use and it is no longer available for sale, and is now held for future valuation. Envisábio-Engenharia, Lda valued the plot at the end of 2022, essentially using the “Dynamic Residual Method of Valuation”. The plot is located next to one of the main roads of the city of Marinha Grande, where the urban area is essentially made up of residential buildings, of different sizes, between 4 and 7 floors, with the ground floors used for the commercial sector or services. With 8,976 square metres, this investment property can be divided into two areas. ZONE A1, which is where the clay brick factory is located and where no increase will be necessary in the construction area beyond what has already been built, will be considered. The options considered for this area will involve developing a restaurant and coworking/business incubator facility on the site, possibly with a multi-purpose exhibition room available to the community, but which must respect the building, preserve and enhance the memory of the site, taking advantage of the fact that this building is classified as a “property of public interest”. ZONA A2 is mainly a vacant plot with damaged sheds, where it will be possible to develop a property project with 6,880 m² in construction. The appraisal values were the following:

	Area	2022
Land for houses	3.243 m²	853,000
Additions for the construction of infrastructures	5.733 m²	2,800,000
TOTAL	8.976 m²	3,653,000

In addition to the discount rate, the sale price, the construction price and the estimated sales schedule of the project are the variables that most influence the value of the appraisal, so the sensitivity analysis to these variables resulted in the following values:

- A 5% increase in building prices would reduce the value of the valuation to 3.3 million euros. These changes in the construction prices, combined with the changes shown in the sensitivity analysis conducted on the discount rate, result in a minimum value of 3.2 million euros (+ 5% in construction prices plus 1 p.p. in the discount rate) and with a maximum amount of 4.1 million euros (-5% in building prices and 1 p.p. in the discount rate).
- A reduction of 5% in the sales prices, foreseen in the evaluation, would result in an amount of 3.2 million euros and a 5% increase of these same sales prices would result in an amount of 62.8 million euros, combined with an increase of 1 p.p. discount rate would be 4.1 million euros. Combined with the 1 pp increase in the discount rate, it would have been 3.1 million euros. The growth of 5% in sales prices combined with the reduction of the discount rate by 1 p.p. would increase the appraisal value to 4.2 million euros.
- 10% advance of sales in all years considered in the appraisal, adding another year of trading to the project against the base scenario, would reduce the amount of the appraisal to 3.5 million euros. This variation in the project's trading, combined with the changes shown in the sensitivity analysis of the discount rate, result in a minimum amount of 3.3 million euros (10% advances in the sales, plus 1 year trading plus 1 p.p. in discount rate) and a maximum amount of 3.8 million euros (5% in advance of the sales and less 1 p.p. in the discount rate).

INVESTMENT PROPERTIES PROVIDED AS COLLATERAL AND CONTRACTUAL RESPONSIBILITIES

On the 31st of December 2022 and on the 31st of December 2021, there are no contractual obligations to purchase, build or develop investment properties. Likewise, there are no restrictions on the ability to carry out investment properties or on the income from disposal.

AMOUNTS RECOGNISED IN THE INCOME STATEMENT

In addition to the changes in fair value identified above and presented in the line “Change in fair value of investment properties”, investment properties did not generate income in the period and the corresponding direct expenses were of intangible value.

25. Intangible assets

	Development projects and software	Order to Backlog	Other intangible assets	Intangible assets in progress	Total
Opening balance on the 1 st of January 2021	2,247,072	11,510,721	88,705,906	367,783	102,831,482
Increases	206,005	0	1,672,517	170,584	2,049,106
Sales / Transfers	-1,097,618	0	1,514,891	89,159	506,432
Changes to the scope of consolidation	688,461	0	1,863	1,229,132	1,919,456
Exchange rate effect	10,637	0	2,486,150	35,166	2,531,952
Amortisation for the year	-299,578	-4,185,717	-5,392,970	0	-9,878,264
Closing balance on the 31 st of December 2021	1,754,978	7,325,004	88,988,358	1,891,824	99,960,164
On the 31 st of December 2020					
Acquisition costs	9,706,388	19,234,455	97,825,566	1,891,824	128,658,232
Accumulated amortisations	7,951,409	11,909,451	8,643,016	0	28,503,877
Impairment losses	0	0	194,191	0	194,191
Intangible Assets	1,754,978	7,325,004	88,988,358	1,891,824	99,960,164
Opening balance on the 1 st of January 2022	1,754,978	7,325,004	88,988,358	1,891,824	99,960,164
Increases	75,811	0	1,852,602	426,376	2,354,789
Sales / Transfers	402,035	0	413,651	-236,513	579,172
Changes to the scope of consolidation	144,788	12,450,818	193,047	159,766	12,948,418
Exchange rate effect	94,772	0	296,939	-402,261	-10,550
Amortisation for the year	-1,360,488	-7,145,219	-3,775,097	0	-12,280,803
Closing balance on the 31 st of December 2022	1,111,896	12,630,604	87,969,500	1,839,191	103,551,190
On the 31 st of December 2022					
Acquisition costs	10,423,793	31,685,273	100,581,805	1,839,191	144,530,062
Accumulated amortisations	9,311,898	19,054,670	12,418,113	0	40,784,680
Impairment losses	0	0	194,393	0	194,393
Intangible Assets	1,111,896	12,630,603	87,969,298	1,839,191	103,550,988

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. The increase in the year is due to new business combinations, namely of Obelisk and Elektro-Würkner (see note 8). In the line item “Other intangible assets”, we should highlight the value of the Vista Alegre brand name (around 80 million euros), as attributed by an independent specialised entity at the time of the acquisition of Grupo Vista Alegre Atlantis. The brand's value is regularly verified through an external evaluation that supports the values on the brand's balance sheet. The latest valuation was carried out by Brand Practice, on the 31st of December 2022. At the same time, for the purpose of impairment testing, the brand value was assessed using a Discounted Cash Flow method, based on business plans of the cash generating units in the porcelain, glass and crystal segments approved by the Executive Board of Directors of Grupo, with the following assumptions: discount rate of 8.02%, projections to 2027 with a sales growth rate of 0.5% in 2023; growth in perpetuity of 2.03%. No evidence of impairment of the brand's value emerged from the valuation and the additional tests carried out.

26. Inventories

	Raw Material	Goods	Finished products	Products and work in progress	Total
31 st of December 2021					
Acquisition cost	45,530,695	23,137,691	89,644,514	1,437,727	159,750,627
Adjustments	-1,285,597	-2,659,303	-21,815,369	-1,408,393	-27,168,663
Inventories valued at either the acquisition cost or realisation value, whichever is lower	44,245,098	20,478,387	67,829,145	29,334	132,581,964
31 st of December 2022					
Acquisition cost	62,780,344	26,635,232	95,515,756	2,847,766	187,779,098
Adjustments	-2,823,325	-3,048,666	-22,102,906	-1,311,393	-29,286,291
Inventories valued at either the acquisition cost or realisation value, whichever is lower	59,957,019	23,586,566	73,412,850	1,536,373	158,492,807

We should highlight the contribution of the sub-holding Visabeira Imobiliária to this line item (Note 10.a). In 2022, there was a change of use of a plot located in Aveiro, which was transferred from investment property to inventory in the amount of 598 thousand euros. It should be noted that the companies purchased during the year under review represent an increase of 3.7 million euros in this heading. Finished products include 24.5 million euros related to real estate assets, namely buildings and land owned by the Grupo's real estate companies in Portugal.

27. Clients

	2022	2021
Clients - current account	225,819,536	190,435,183
	225,819,536	190,435,183
Impairment of debts receivable	-18,330,841	-15,406,200
TOTAL	207,488,695	175,028,983

Carrying amounts presented are net of accumulated impairment losses for doubtful debts, which were estimated by Grupo 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 Executive Board of Directors believes that the carrying value of accounts receivable is close to its fair value. The companies in Grupo 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 TMCEL, EDM – Eletricidade de Moçambique, Angola Telecom, Orange, Belgacom, British Telecom, Deutsche Telekom, PT, NOS, EDP and natural gas concessionaires.

The maturity of the amounts receivable is detailed as follows:

	Not yet overdue	Months after the maturity date				TOTAL
Clients - current account		< 6	6 – 12	12 – 18	> 18	
2022	115,409,443	42,245,552	13,333,574	10,035,991	47,046,517	228,071,076
2021	78,432,422	46,383,011	10,676,957	10,237,821	44,704,971	190,435,182

Of the balance older than 18 months, around 90% refers to balances receivable from companies in Angola and Mozambique, which, as mentioned above, are almost entirely companies of recognised financial standing and held by the Governments of each country. The Executive Board of Directors finds the debt adjustment appropriate, and its evolution is detailed as follows:

	Opening balance	Change scope of consolidation	Write-off and exchange effect	Increases / Decreases	Final balance
Impairment of debts receivable	15,406,200	384,454	-301,427	2,841,614	18,330,841

28. State and other public entities

	Assets		Liabilities	
	2022	2021	2022	2021
Income tax	2,393,894	0	0	140,212
Total - Income tax	2,393,894	0	0	140,212
Third-party income tax withholding	0	0	5,132,546	3,317,386
Value-added tax	0	0	6,993,704	9,112,730
Social Security contributions	0	0	7,020,777	7,850,669
Total - State and other public entities	0	0	19,147,026	20,280,784
Total - State and other public entities	2,393,894	0	19,147,026	20,140,572

The values of Liabilities, State and other public entities are included in other accounts payable (Note 371).

29. Other accounts receivable and other assets

29.1. Other receivables

	2022	2021
NON-CURRENT		
Other debtors	2,251,540	2,267,196
	2,251,540	2,267,196
CURRENT		
Shareholders	1,051,152	1,624,783
Other debtors	25,723,589	26,918,631
Advances to suppliers	4,745,848	5,825,058
Outstanding balances from suppliers	329,918	683,958
Subsidiary companies	1,000,474	1,000,415
	32,850,980	36,052,846
TOTAL - Total other receivables	35,102,520	38,320,041

Under the heading “Other debtors” during the 2022 financial year, there is the amount of 12.9 million euros related to the Special Tax Regime for Groups of Companies (RETGS) (see Note 43). During the financial year, there was an increase of 24.7 million euros in interest-bearing loans granted to the NCFGEST shareholder, which were offset at the end of 2022 with the distribution of dividends.

29.2. Other assets

	2022	2021
CURRENT		
Deferred expenses	18,221,294	16,491,014
TOTAL - Other assets	18,221,294	16,491,014

The amount of “Deferred costs” essentially corresponds to material/services, which is recognised as a cost depending on their consumption/use and invoices received in 2022 (2021), but these refer to costs incurred only in subsequent years.

30. Cash and cash equivalents

	2022	2021
Demand deposits	130,983,117	93,968,949
Term deposits	64,137,336	32,545,076
Cash	201,083	937,829
Treasury investments	3,398,435	3,444,672
TOTAL	198,719,972	130,896,526

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), with the exception of the amount of 3.4 million euros relating to indexed treasury bonds, incorporated in Angola and maturing on the 2nd of September 2023.

31. Share capital and Share issue premiums

The authorised share capital is represented by 23,308,043 bearer shares, with a nominal value of five euros and the amount paid up is 116,540,215 euros. On the 31st of December 2021 and 2022, the majority shareholder Fernando Campos Nunes held indirectly 98.57% of Grupo Visabeira, owning 22,974,443 shares.

Issuance premiums correspond to revenue obtained from the issuance or capital increases. In accordance with Portuguese commercial law, the amounts included in this caption follow what is established in the “Legal reserve”, which is to say, the amounts are not distributable, except in case of liquidation of the company, however it can be used to absorb losses, after all other reserves have been exhausted, and for incorporation into the capital.

32. Earnings per share

	2022	2021
Basic		
Net income of the year for the purpose of calculation	31,451,113	31,742,596
Weighted average number of shares for the purpose of calculation	23,308,043	23,308,043
Basic earnings per share	1.349	1.362
Diluted		
Net income of the year for the purpose of calculation	31,451,113	31,742,596
Weighted average number of shares for the purpose of calculation	23,308,043	23,308,043
Diluted earnings per share	1.349	1.362

33. Retained earnings and other reserves

	2022	2021
Retained earnings	258,459,472	174,482,569
Financial investments - Swaps	25,518	29,307
Reserves	143,031,546	124,620,214
Fair value reserve of financial assets	-2,543,978	-2,338,194
Foreign currency translation reserves	-105,216,371	-133,722,301
TOTAL	293,756,186	163,071,595

Under Portuguese law, the amount of distributable reserves is determined based on the individual financial statements of Grupo Visabeira, SA, presented in accordance with the International Financial Reporting Standards, as adopted by the European Union (IFRS-EU).

Portuguese commercial law establishes that 5% of 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 reserves are exhausted.

The balance of retained earnings is not fully available for distribution, as it included gains resulting from increases in the fair value of investment properties. In 2022, this heading recognised the capital gain of 111.2 million euros obtained from the sale of 22% of Constructel Visabeira to Goldman Sachs (see note 8).

The caption reserves corresponds essentially to the revaluation, contractual reserves and legal reserves set up in each subsidiary. According to the approval of the General Shareholders Meeting held on the 31st of December 2022, it was decided to distribute free reserves amounting to 31.9 million euros, which were used to settle a shareholder’s outstanding balance. Based on the information available on this date, no dividend distribution to shareholders is expected to 2023.

The Fair Value Reserve of financial assets essentially corresponds to the devaluation of shares recorded at fair value through Other Comprehensive Income (see note 7.1).

34. Non-controlling interests

	% of minority interests		Book value		Attributed results		Main shareholders
	2022	2021	2022	2021	2022	2021	
VISABEIRA GLOBAL							
TVCABO Angola, Lda	50.00%	50.00%	60,815,370	46,490,566	2,227,674	1,410,227	Angola Telecom (50%)
TVCABO Moçambique, Lda	50.00%	50.00%	25,418,999	27,413,387	1,183,747	228,205	TMCEL (50%)
Televisa, Lda	50.00%	50.00%	2,804,276	2,007,200	672,892	1,138,133	TMCEL (50%)
Cunha Soares & Filhos, S.A.	20.00%	20.00%	1,178,164	787,609	890,555	356,877	P&C-Pintos e Companhia, SGPS, S.A (20%)
CST - Companhia Santomense de Telecomunicações, S.A.R.L.	49.00%	49.00%	19,102,752	19,065,751	43,120	-39,723	Estado Santomense (49%)
Martifer-Visabeira, SA	50.00%	50.00%	2,815,049	2,158,366	1,031,257	1,317,617	Martifer Metallic Constructions (50%)
Electrotec, SA	51.00%	51.00%	1,781,413	669,596	1,389,690	1,222,047	Intelec Holdings (50%); Salimo Abdula (1%)
Constructel Visabeira	21.89%	-	53,530,458	0	5,663,810	0	Goldman Sachs (22%)
Inpower Group	45.50%	-	2,405,706	0	383,516	0	Inpower Group- Consorzio Stabile S.C.P.A. (46%)
VISABEIRA INDÚSTRIA							
Vista Alegre, SA	14.40%	14.40%	20,710,581	19,623,923	1,066,164	236,162	Free Float (14.40%)
Ambitermo, SA	49.00%	49.00%	3,506,062	3,583,959	-77,897	-46,396	Raquel Mateus Gomes da Silva (44%); Hidrax (5%)
VISABEIRA TURISMO, IMOBILIÁRIA E SERVIÇOS							
PDA, SA	45.00%	45.00%	17,730,107	18,222,669	-492,562	-429,685	Município de Aveiro (25%)
Constellation, SA	42.86%	42.86%	17,098,301	15,981,015	309,843	365,792	Fundo de Pensões do Banco de Moçambique (23%); Seguradora Internacional de Moçambique (20%)
Others			2,161,401	1,252,168	521,062	459,872	
TOTAL			231,058,640	157,256,209	14,812,870	6,219,128	

In 2022, Goldman Sachs purchased 21.86% of Constructel Visabeira’s share capital, as previously described in note 8, representing the main increase in the Non-controlling interests heading.

The financial information of these companies is as follows:

	TVCABO Angola	TVCABO Moçambique	Televisa	Vista Alegre	Ambitermo
Tangible and Intangible Fixed Assets and Right-of-use	213,526,051	95,202,941	1,044,869	131,394,298	4,462,037
Investment properties	0	0	0	938,237	0
Other Assets	31,877,494	5,200,318	26,839,374	78,300,934	6,855,456
Cash and cash equivalents	4,175,207	938,475	126,780	27,746,395	4,149,402
Bank loans	-9,144,695	-2,061,691	-1,039,324	-73,766,703	-1,171,401
Other liabilities	-121,035,613	-34,011,308	-21,363,147	-89,034,021	-7,486,072
Total net assets	119,398,444	65,268,734	5,608,551	75,579,141	6,809,422
Consolidated turnover	43,081,354	25,446,652	7,752,581	143,036,852	11,364,176
Net income	2,113,272	2,380,329	525,689	6,322,904	-158,990

	PDA	Constellation	Companhia Santomense de Telecomunicações	Constructel Visabeira
Tangible and Intangible Fixed Assets and Right-of-use	13	0	31,740,183	133,581,963
Investment properties	72,959,000	60,691,918	0	10,000,000
Other Assets	111,736	88,276	2,333,367	529,139,725
Cash and cash equivalents	6,500	337	2,728,071	133,841,218
Bank loans	0	-2,586,413	0	-105,362,410
Other liabilities	-33,240,354	-14,430,004	-7,887,482	-426,557,232
Total net assets	39,836,894	43,764,114	28,914,139	274,643,263
Consolidated turnover	112,556	0	12,774,838	1,026,413,171
Net income	-82,179	722,919	70,047	40,239,430

35. Debt

	2022			2021		
	Current	Non-current	Total	Current	Non-current	Total
Commercial paper	147,100,000	32,050,000	179,150,000	104,700,000	93,050,000	197,750,000
Bank loans	151,744,158	139,260,949	291,005,107	84,762,227	215,659,088	300,421,315
Bond loans	4,184,983	227,954,314	232,139,297	3,303,587	224,648,572	227,952,158
Reimbursable grants	2,025,615	11,737,235	13,762,850	1,106,582	12,766,288	13,872,870
TOTAL	305,054,756	411,002,498	716,057,254	193,872,396	546,123,948	739,996,344

During the period 2022, the evolution of indebtedness can be represented as follows:

	Bank loans
Opening balance on the 1 st of January 2022	739,996,344
Transactions with cash impact:	
Investing activities	
Receipts of refundable subsidies	2,450,625
Financing activities	
Receipts of loans	345,989,629
Amortisation and repayment of loans	-385,332,192
	-36,891,938
Transactions without cash impact:	
Exchange rate variation	-555,445
Recognition of amortised cost	2,630,284
Changes to the scope of consolidation	3,355,203
Reclassifications	8,212,275
Unrefunded Financing	-689,469
	12,952,848
Closing balance on the 31 st of December 2022	716,057,253

Issuing commercial paper, although maturing in a period inferior to or equal to one year, is covered by medium and long term programs which ensure their automatic renewal throughout the programme period. Thus, commercial paper issues are presented as due in the medium and long term, unless the programme ends within a period of less than 12 months.

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 Grupo or the majority shareholder.

Financing operations that are subject to covenants related to levels of financial autonomy and indebtedness ratios, determined based on the consolidated financial statements of Grupo and some of the subsidiaries, were negotiated under normal market conditions.

On the 31st of December 2022, no creditor could demand the early repayment of any financing granted to Grupo as a result of a non-compliance of covenants.

On the date of the statement of financial position, the Grupo's average debt maturity was 2 years (2021: 2.5 years).

35.1 Commercial paper

	2022			2021		
	Current	Non-current	Total	Current	Non-current	Total
Grupo Visabeira, SA	86,700,000	10,050,000	96,750,000	89,400,000	52,400,000	141,800,000
Viatel, SA	0	0	0	5,100,000	4,550,000	9,650,000
Visabeira Global, SGPS, SA	58,400,000	20,000,000	78,400,000	7,700,000	34,600,000	42,300,000
Pinewells, SA	500,000	2,000,000	2,500,000	1,000,000	0	1,000,000
Visabeira Indústria, SGPS, SA	1,500,000	0	1,500,000	1,500,000	1,500,000	3,000,000
TOTAL	147,100,000	32,050,000	179,150,000	104,700,000	93,050,000	197,750,000

35.2 Bank loans

Bank loans have the following geographic division:

	2022			2021		
	Current	Non-current	Total	Current	Non-current	Total
AUTHORISED BANK OVERDRAFTS	4,021,510	128,406	4,149,916	16,002,665	219,971	16,222,636
Portugal	3,648,075	0	3,648,075	10,010,441	0	10,010,441
Africa	148,063	0	148,063	0	0	0
Europe	225,372	128,406	353,778	5,992,223	219,971	6,212,194
LOANS OBTAINED	147,722,648	139,132,543	286,855,191	68,759,562	215,439,117	284,198,679
Portugal	135,529,524	107,050,649	242,580,173	53,223,414	171,576,656	224,800,070
Africa	5,968,489	12,763,885	18,732,374	6,254,678	13,743,534	19,998,212
Europe	6,224,635	19,318,009	25,542,644	9,281,470	30,118,927	39,400,398
America	0	0	0	0	0	0
TOTAL	151,744,158	139,260,949	291,005,107	84,762,227	215,659,088	300,421,315

The interest rate varies by country, company, type of contracted line, guarantees and term of financing.

In Europe the lowest rates show a margin of 0% in some liquidity support lines signed within the pandemic framework, and the maximum rate of 8%. It should be noted that the average interest rate on new loans has more than doubled during the last year. Even so, the average rate for bank loans in Europe, during 2022 stood at 2.2%

In Angola, loans are contracted in the local currency, mostly indexed to Luibor or with spreads between 1.75 and 3.5%. In Mozambique, financing is contracted in local currency, mostly indexed to the Prime Rate of the financial system, with spreads between -4.5% and 4.75%.

35.3 Bond loans

	2022			2021		
	Current	Non-current	Total	Current	Non-current	Total
Grupo Visabeira, SA	0	92,000,000	92,000,000	0	92,000,000	92,000,000
Constructel Construccions et Télécommunications, SA	0	55,000,000	55,000,000	0	55,000,000	55,000,000
Visabeira Moçambique, SA	733,000	1,649,250	2,382,250	691,000	2,245,750	2,936,750
Visabeira Global, SGPS, SA	2,238,186	27,158,788	29,396,974	1,398,866	29,396,974	30,795,840
VAA – Vista Alegre Atlantis, SGPS, SA	1,250,000	47,500,000	48,750,000	1,250,000	48,750,000	50,000,000
Visabeira Investigação e Desenvolvimento	0	6,400,000	6,400,000	0	0	0
Amortised cost and fair value	-36,203	-1,753,724	-1,789,927	-36,279	-2,744,152	-2,780,432
TOTAL	4,184,983	227,954,314	232,139,297	3,303,587	224,648,572	227,952,158

The bond loans includes the Constructel amounting to 55 million euros maturing on 27/09/2024; and a guaranteed bond loan from Vista Alegre amounting to 50 million euros issued in two instalments: i) an instalment issued in MARF (Alternative Market of Renta Fija) in the amount of 45 million euros, raised by several institutional investors, starting on 21/10/2024 for 5 bullet years and ii) a second instalment in the amount of 5 million euros starting on 21/10/2019 and maturing on 21/10/2024 with constant annual liquidations of capital subscribed by BPI.

It also includes syndicated issues by Grupo Visabeira with maturities from 2024 to 2026 and bond loan by Visabeira Global SGPS of 15.2 million euros maturing on 22/07/2025 with *Montepio*, as well as bond loan by Visabeira Global totalling 16.3 million euros with *Montepio Geral* and *Montepio Investimento*, maturing in 2026. However, these issues will be considered in the bank debt restructuring scheduled to take place in 2023 and their settlements may occur early.

In general, these issues include the covenants that are common in this type of financing, namely financial autonomy and debt ratios as well as clauses with *pari passu*, cross default, negative pledge and ownership conditions.

35.4 Debt maturity and contracted currency

	Portugal	Europe	Africa	TOTAL
2023	291,755,197	6,450,007	6,849,551	305,054,755
2024	184,143,438	60,650,425	5,425,556	250,219,419
2025	73,683,693	6,990,722	4,327,583	85,001,998
2026	36,720,723	4,606,080	3,645,577	44,972,380
2027 and followings	27,979,542	1,814,740	1,014,419	30,808,701
TOTAL	614,282,593	80,511,974	21,262,686	716,057,253

Grupo has set itself the goal of restructuring its bank debt, in line with and adapted to the growth strategy planned for the coming years, and to this end has set up a structured financing operation with Santander bank. The amount of short-term debt includes approximately 14.5 million euros relating to Secured current accounts and authorised overdrafts and 147.1 million euros of commercial paper, with the remainder relating to bilateral financing operations. Short-term debt amounts to 305 million euros, representing around 48% of consolidated debt, and includes a Commercial Paper Programme of 46.4 million euros relating to a bridge loan granted by *Santander* bank following ongoing negotiations which will be converted into medium and long-term debt during 2023 when the debt restructuring operation is completed.

36. Suppliers

	2022	2021
Suppliers - current account	225,867,283	182,977,879
TOTAL	225,867,283	182,977,879

The suppliers heading in 2022 increased by 42.9 million euros, of which 25.8 million euros relate to the entry of the companies purchased in the year under review.

37. Other accounts payable and other liabilities

37.1 Other accounts payable

	2022	2021
NON-CURRENT		
Investment subsidies	30,194,304	16,668,772
Debt related to purchase of subsidiaries - Contingent remuneration	31,950,062	32,270,174
Selling option related to the acquisition of subsidiaries	11,003,837	10,492,270
Financial liability of Downside Protection	26,496,451	0
Debt related to purchasing subsidiaries	1,800,000	14,900,000
Others	4,188,636	8,476,661
Total non-current	105,633,290	82,807,876

CURRENT		
Factoring	14,020,518	19,791,690
Discount of documentary collection	3,889,541	5,949,575
Express Bill	2,248,234	8,726,179
Confirming	45,265,519	43,163,445
Investment suppliers	258,727	3,989,625
Investment subsidies	2,173,564	1,852,086
Advances on account of sales	530,886	452,625
Associated and subsidiary companies	1,039,795	630,683
Debt related to purchasing subsidiaries	600,000	600,000
Debt related to purchase of subsidiaries - Contingent remuneration	16,204,252	18,210,854
Selling option related to the acquisition of subsidiaries	5,035,122	4,368,929
Post-employment benefits	214,539	199,523
Client creditors balances	1,232,118	605,280
State and other public entities (except income tax)	19,147,026	20,280,784
Staff	5,476,648	7,741,713
Others	40,629,586	39,104,852
Total current	157,966,075	175,667,843

TOTAL OTHER ACCOUNTS PAYABLE	263,599,365	258,475,720
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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 highlight the increase in sale options related to purchases that took place during the year under analysis (see note 8). During the 2022 financial year, Grupo VAA converted the financing component of the Porcelain, Crystal and Glass project into a non-refundable subsidy in the amount of 3.8 million euros. This subsidy recognise the innovative nature of these projects and the compliance with contractually fixed metrics, established within the scope of their results. In addition, the VAA - *Empreendimentos Turísticos, S.A.* and *Empreendimentos Turísticos Montebelo* companies also received around 10 million euros. The total liability related to repurchase options on shareholding in *Visabeira Global SGPS, SA* and *Visabeira Indústria, SGPS, SA* under “Others”, amounts to 7.2 million euros on the 31st of December 2022. Additionally, there is a liability of 1.2 million euros related to a repurchase agreement for buildings that are part of *Bordallo Pinheiro's* tangible fixed assets. Confirming balances were exclusively contracted in Portugal. It should be noted that the heading “Others” includes 9.4 million euros relating to balances payable to Cunha Soares shareholders (see note 8). This payment is expected to occur in 2023.

In October 2021, an agreement was signed between Constructel Visabeira and Goldman Sachs for purchasing 21.86% of the share capital of Constructel Visabeira in the amount of 200 million euros, which took place on the 12th of May 2022, after obtaining the necessary authorisations, namely authorisation from competition authorities. Under the aforementioned agreement, Goldman Sachs has a Downside Protection mechanism which obliges Grupo Visabeira to cover losses in the event of negative financial performance, leading to devaluation of Constructel Visabeira shares to a level below the investment value made by Goldman Sachs. This instrument is a derivative financial instrument and changes in fair value are recognised in the income statement.

Grupo Visabeira estimated the fair value of the financial liability, using a Binomial Lattice Model for each of the conditions in which the Downside Protection mechanism can be carried out by Goldman Sachs, the fair value of the corresponding obligation is calculated, should such a scenario occur. In this model, the amount of the financial liability is calculated by adding up the amounts calculated in each of the possible scenarios, each of which is weighted by its probability of occurrence and its value discounted to the present day using a discount rate.

The estimated amount of the financial liability (under the terms aforementioned) depends largely on two factors:

- A. Expected volatility of Constructel Visabeira's business value - Volatility was determined based on the historical performance of the shares (daily return) of the companies in the same activity sector of Constructel Visabeira S.A. over the last 3 years. The volatility observed, once annualised, was 48.1%.
- B. Discount rate (Ke) - The discount rate, which corresponds to the opportunity cost, is the Cost of Equity (Ke) determined by the Capital Asset Pricing Model (CAPM). The Cost of Equity (Ke) applied in the estimate was 12.08%.

The following table shows the sensitivity of the estimate of the amount of financial liabilities to variations in the main assumptions (namely the two aforementioned factors):

	Discount rate		
	11.08%	12.08%	13.08%
ANNUALISED VOLATILITY			
38.09%	20.9	18.7	16.6
48.09%	29.1	26.5	24
58.09%	38.5	36.5	32.8

The value of the financial liability measured on the date of the transaction was 35.5 million euros (see note 8), and on the 31st of December 2022 the financial liability decreased by around 9 million euros to 26.5 million euros. The decrease in the financial liability was due to three factors, namely (i) the increase in the risk-free interest rate incorporated in the discount rate, which increased the discount rate by 2.5%; (ii) Constructel Visabeira's positive financial performance; and (iii) the effect of the reduction in the time for the option to be carried out.

The future variation in the fair value of this financial liability will depend largely on Constructel Visabeira's financial performance as well as on the market conditions that occur and that may have an impact on the value of Constructel Visabeira's shares and, consequently, on the conditions under which the Downside Protection mechanism may be carried out by Goldman Sachs.

If the current growth outlook is confirmed, the downward trend in financial liabilities associated should continue during the coming years.

37.2. Other liabilities

	2022	2021
CURRENT		
Remunerations payable	20,893,024	17,664,228
Work in progress not invoiced by suppliers	81,811,614	68,496,822
Derivative financial investments (See Note 39)	25,518	13,560
TOTAL OTHER LIABILITIES	102,730,156	86,174,610

In 2022, the amount of “Work in progress not billed by suppliers” is essentially related to the telecommunications business.

38. Lease liabilities

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

Non-Current lease liabilities	58,143,347
Current lease liabilities	29,830,774
Closing balance on the 31st of December 2021	87,974,121
Changes in the scope of consolidation	307,698
Increases	23,986,070
Debt amortisation	-33,192,221
Closing balance on the 31st of December 2022	79,075,668
NON-CURRENT	
Financial institution	14,501,768
Other creditors	32,148,270
Total non-Current lease liabilities	46,650,038
CURRENT	
Financial institution	10,123,311
Other creditors	22,302,319
Total current lease liabilities	32,425,630
TOTAL LEASE LIABILITIES	79,075,668

38.1. Maturity of lease liabilities

	Portugal	Europe	Africa	Total
2023	10,680,536	21,044,291	700,803	32,425,630
2024	7,214,334	16,678,158	464,248	24,356,740
2025	5,423,402	5,009,266	180,359	10,613,027
2026	4,565,113	1,117,094	181,834	5,864,041
2027 and following	4,412,031	823,393	580,807	5,816,231
TOTAL	32,295,416	44,672,202	2,108,051	79,075,668

39. Financial Risks

Grupo 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 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, Grupo Visabeira promotes an accurate and proactive management of these risks, aiming at applying the most appropriate coverage measures for each situation. Within this context, Grupo 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, thereby jeopardising its strategic objectives.

Market risk

INTEREST RATE RISK

Grupo Visabeira's exposure to interest rate risk arises mainly from loans obtained, since financial investments are usually short-term investments and loans granted to its subsidiaries are mostly remunerated at a fixed rate. The impacts of changes in interest rates in recent years, which proved to be residual until the end of 2022, did not have a significant impact on the accounts. However, in view of the changes in the behaviour of the main indexes from the second quarter of 2022 onwards, with the corresponding increase in interest rates, which was accentuated during the first months of 2023, financial costs associated with outstanding loans will be affected.

The balance of the consolidated financial debt of Grupo Visabeira by the end of December 2022 was contracted, for the most part, at the indexed interest rate, and the main indexing factor was the Euribor rate at the different maturities for domestic financing, and the Libor rate for loans in dollars, mostly granted to foreign companies. By the end of 2022 Grupo Visabeira's exposure to variable interest rates totalled about 2/3 of its financial debt. In order to mitigate the impact of the expected increase in interest rates, Grupo Visabeira decided to launch a programme to restructure part of its financial debt, having decided to contract financing with a fixed rate, thus reducing the risk of index fluctuations. In 2018, Grupo Visabeira had issued a fixed-rate bond loan worth 55 million euros and, in order to further reduce its exposure to variable interest rates, it successfully completed a 450 million euros debt refinancing programme for Grupo Visabeira and Visabeira Global at the beginning of 2023, 50% of which was contracted at a fixed rate.

Following the completion of this operation, the financial debt contracted at a variable rate was reduced by about half, which represents a considerable reduction in the Grupo Visabeira's exposure to the unpredictability which fluctuations in the variable interest rate entail. In addition to these operations, Grupo Visabeira has continually sought (and successfully completed) negotiations with the various financial institutions with which Grupo Visabeira has a relationship, in order to reduce the spreads of loans in progress, as well as amortise existing lines, always with a view to effectiveness and efficient and rigorous management of its treasury.

On the date of the statements of financial position, Grupo Visabeira has open positions classified as hedging instruments associated with this index for 659,132 million euros, contracted in 2015 with a mark-to-market value of -25.5 thousand euros, as follows:

Company	Description	Nominal value	Operation type	Average maturity	Economic target
Naturenergia, SA	Swap Euribor 3M	659,132	Interest rate swap	8 years	Eliminate the risk of variation of the interest rate on financing

The fair value of all these derivative financial instruments is reflected in the statement of financial position, as follows:

Company		Book value 2021	Book value 2020
Naturenergia, S.A.	Swap Euribor (3M€)	-25,518	-13,560

Having started the year with a value of -0.57%, the 3-month Euribor by the end of the year settled at 2.132%. This upward trend in Euribor was even more marked during the first months of 2023, which will lead to a significant increase in Grupo Visabeira's interest costs in 2023. An increase of 25 basis points in the interest rate would imply for Grupo Visabeira, by reference to consolidated accounts, an increase in financial charges of around 1.2 million euros. It should be noted that under the refinancing operation signed in March 2023 (after the reference date of these financial statements), Grupo Visabeira also decided to fix the interest rate for a 215 million euro instalment.

EXCHANGE RATE RISK

Grupo Visabeira, within its various areas of activity, is exposed to exchange rate and transaction risks. Exposure to transaction risk refers to potential changes in the value of outstanding obligations due to changes in exchange rates between the start date and settlement date and are reflected in profit-and-loss for the period. Exposure to foreign exchange risk results from the translation into national currency of the financial statements of its subsidiaries, whose assets and liabilities are denominated in currencies other than the reporting currency of the consolidated accounts - the Euro - and are reflected in equity, under exchange conversion reserves.

Grupo holds assets and liabilities denominated in US dollars in different countries and subsidiaries, which allows partially hedging exchange rate risk vis-à-vis that currency. In foreign markets, particularly Angola and Mozambique, local companies import goods and services from the European market in euros, billing clients in kwanzas and meticals, respectively. These markets present a historic devaluation trend against the "strong" currencies, the Euro and the US Dollar, except for in the last two years. In Mozambique, during the previous year, there was a devaluation of 0.06% of the metical against the US dollar and a 5.72% appreciation of the metical against the euro. The European currency has become the benchmark for the Angolan market since the beginning of 2017 due to restrictions that affected the corresponding banks. The Angolan government initiated in 2018 a process leading to a devaluation of the currency, eliminating the peg against the dollar, through auctions limited in volume and exchange rate, controlled by the BNA (National Bank of Angola), under the Macroeconomic Stabilisation Program.

Another goal defined was to combat the gap between the rates in the formal and informal market, which at the beginning of 2018 stood at 159% against the dollar. In 2019, by decision of the Monetary Policy Committee of the BNA (National Bank of Angola), new objectives were introduced in the context of the reform that had been carried out. The National Bank of Angola decided, at the end of that year, for the implementation of a floating exchange rate regime in which the exchange rate is freely defined by the market, i.e., according to the demand and supply of foreign currency. Ever since, the BNA (National Bank of Angola) as continued the process of liberalising the exchange market, continuing the work carried out in the previous years where it updated and clarified the rules and procedures for making payments abroad for foreign exchange transactions involving invisible currents, goods and capital, with the desired effect of reducing the gap between the exchange rates in the formal and informal markets, against the dollar. During the last two years, there has been a tendency for the national currency to recover. In 2022, the kwanza appreciated 9.2% against the dollar and 14.5% against the euro, breaking a cycle of strong devaluation which started in 2018. Angola also saw its rating improved by the financial rating agency Moody's, complied with an International Monetary Fund (IMF) financial adjustment program, whose performance is praised by the Fund's staff, and benefited from the increase in oil prices, the country's main raw material, worth 90% of revenues. Consolidated financial results include a currency positive impact from Angola of 45 thousand euros.

MJ Quinn, a company purchased in 2018 and operating in the United Kingdom within the telecommunications infrastructures sector for *British Telecom*. The company trades in British Pounds, so it is not exposed to relevant transaction risks. Integrating the company in the consolidated accounts is subject to the exchange rate fluctuation of the British Pound against the Euro - transpose risk. Future dividends will also be exposed to said exchange rate fluctuation. The British Pound started the year at 1,119,007 Euros and ended the year at 1,127,48 Euros. The same applies to the factors cost with J.F. Edwards Construction Company LLC, a company purchased in 2020 operating in the United States of America in the energy sector, which subject to transposition risk. Due to its integration in the consolidated accounts, it is subject to the fluctuation of the US Dollar against the Euro. The US dollar started the year at 0,88067 Euros and ended the year at 0,93756 Euros.

An exchange rate devaluation of 5% of the reference currencies in the main countries, by reference to outstanding balances as of the 31st of December 2022 would have the following impact on the income statement headings:

Exchange 31/12/2022	Angola	Mozambique	Portugal	Brazil	Dubai	France	Overall Total
AED	3.90	0	0	0	-404	0	-404
AOA	537.44	0	-620	-4,245	0	0	-4,865
EUR	1.00	-539,829	-1,898,494	0	-115,007	0	-2,553,330
MZN	68.18	-13,520	-2,779	47,694	0	0	31,395
USD	1.07	255,416	627,978	-18,031	11,309	0	876,672
ZAR	18.11	45	3,100	233	0	0	3,378
BRL	5.60	0	0	-179	0	0	-179
GBP	0.88	0	0	6,597	0	-68,041	-61,444
Total	-297,888	-1,270,815	32,069	-103,698	-404	-68,041	-1,708,777

CREDIT RISK

Credit risk is an important and complex activity that is present in the everyday life of most companies of Grupo Visabeira, 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 and others 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. Grupo Visabeira maintains policy underwriting in Portugal, Germany, Spain, the United States of America, Brazil and France, delegating in first instance the analysis of credit granting in professionals specialised in the collection and recovery of debts, receiving from the credit insurer an assessment of the exposure - credit limit - adjusted to the credit worthiness of each client. Thus, management can be primarily focused on operational issues. Covering this risk allows for compensation of 90% of unpaid client credits. The last few years have been marked by an increase in restrictions on granting credit in general, as a result of the Covid-19 outbreak and the credit insurance company recorded very significant reductions in credit line limits from various national and foreign entities, with particular emphasis on companies operating in the sectors most affected by the pandemic, which in some cases even forced some spaces to close and some activities to stop over extended periods of time. 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, Grupo Visabeira 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, as well as to obtain coverages for risks that have no value attributed in said base policy, up to the limit of one hundred 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 greater precision and stricter requirements in assessing applications for internal credit. Also relevant is the amount received as advance payment or payments in cash, which, in the year under review, represented about 7.15% of turnover, with a special contribution from the cable TV and Internet distribution, tourism, restaurants and leisure businesses. Loans granted to external entities, which also act as suppliers of the Grupo, had a weight of 0.4% in 2022..

Companies in Grupo Visabeira that operate as infrastructure and telecommunications service providers sell to entities of recognised financial probity, which accounted for about 44% of consolidated turnover in 2022. This group includes entities such as telecommunications operators, usually directly held by the Government of each country, replacing credit risk with political risk. Examples of most prestigious operators in the Grupo's portfolio: Orange (France Telecom); British Telecom; Proximus (Belgacom); Deutsche Telekom; MEO – Serviços de Comunicações e Multimédia; NOS Comunicações; Vodafone Portugal; EDP Distribuição; E-REDES, GRDF – Distribution de Gaz Naturel en France; ERDF – Électricité Réseau et Distribution France; EDM – Eletricidade de Moçambique; TDC A/S; Huawei Technologies Denmark ApS; Hidroeléctrica de Cahora Bassa; Vodacom Moçambique; and natural gas concessionaires, among others. At the closing date, the largest credit risk exposures refer to public telecommunications companies in Mozambique and Angola (TMCEL and Angola Telecom, respectively), which had balances of about 376 million euros.

LIQUIDITY RISK

Grupo Visabeira manages liquidity risk in such a way as to ensure the financing of assets by maturity date and at appropriate rates and the timely settlement of its financial commitments, while maintaining appropriate cash balances and short-term credit lines, which allow for the proper management of cash to meet short-term financial commitments. As a way of minimising the impacts of recent adverse phenomena, such as the pandemic caused by the Covid-19 virus and the effects of the armed conflict between Ukraine and Russia, which have caused impactful changes in economies around the world, governments continued to launch measures throughout the year aiming at continuing to support and mitigate the direct impacts that these phenomena could have on companies and their employees. Measures such as access for companies to credit lines agreed upon with the government, with access to differentiated conditions, as well as incentives and measures to support families, particularly to fight high inflation and rising interest rates, were some of the initiatives implemented in 2022 that companies and individuals could access. Grupo reinforced its strategy of diversifying funding sources. In November 2022 registration of the 75 million euro commercial paper programme on the *Mercado Alternativo de Renta Fija (MARF)* in Spain was renewed. Throughout 2022, several new issues of various maturities were recorded, with active issues totalling 44 million euros at the end of 2022. The use of this programme has reinforced the strategy of progressively reducing dependence on national banks and diversifying funding sources. Grupo also contracted new commercial paper with the national banks, in the amount of 87.5 million euros maturing in 2023, in addition to several other refinancing operations. The new investments made in industrial companies were financed with maturities between six and seven years. During 2023, taking into account that the amount of the debt presented in the statement of financial position on the 31st of December 2022 as payable in the short term that incorporates 24.6 million euros in terms of secured current accounts and authorised overdrafts, as well as 61.5 million euros of revolving debt with corporate investors, we believe that the short term debt that may be subject to refinancing will amount to 233 million euros, representing about 33% of the consolidated debt. Under the same assumption, if cash and cash equivalents are taken into account (although around 18.8 million euros may be subject to the restrictions currently maintained in transferring foreign currency from Angola and Mozambique), the residual short-term net debt that may be subject to refinancing will be largely covered by the value of the availabilities, which can also be addressed with the operational flows released during the year.

Grupo Visabeira, through its policy of concentrated management, ensures that the cash holdings as well as the investments of all the Grupo's companies are managed by a global and centralised organisation, especially working for this purpose, thus allowing to reduce liquidity risks, as well as avoiding exposure to variations that may affect the companies' profit. To this end, in March 2023, a 450 million euros financing contract was signed, which made it possible to refinance 430 million euros of outstanding debt at the end of 2022, consolidating it into a single contract and extending the maturity (of the 430 million euros refinanced, more than 220 million euros were to come due in 2023), with this financing contract having an average life of more than 4 years. This financing was contracted through a mix of loans and bonds and an additional treasury line totalling 20 million euros was also contracted. This operation significantly mitigated liquidity risk. Grupo has lines of credit approved under the *Portugal 2020* program, and under financial institutions, which amount to 26.9 million euros. Grupo will seek to obtain specific funding for the remaining investments planned for 2022. Grupo also has support lines for cash holdings, under factoring, payment to suppliers and discount of documentary remittances to the amount of 68.6 million euros, available at the end of 2022. The use of factoring, on the other hand, allows for a reduction in the average receivable terms with the inherent anticipation of receipts and, at the same time, facilitates better cash management. This policy also ensures that the working capital necessary to finance the operating cycle, which is fundamental to a sustained economic and financial growth. On the 31st of December 2022, amounts paid in advance by clients in this format stood at 14 million euros. Grupo has additionally contracted short-term current accounts to meet occasional cash needs. It should also be noted that the Grupo's cash and cash equivalents amounted to 1976 million euros, mostly concentrated in European countries, which in itself represents an important source of liquidity. ARC Rating has rated Grupo Visabeira's debt and has classified its ability to fulfil its short-term and medium- and long-term financial commitments as A3 and BBB- stable, respectively.The overall liquidity ratio in the consolidated accounts was 0.91 in 2022, showing an improvement in the adequacy of financing of current assets by current liabilities. Taking into account that current liabilities include support lines for commercial activity amounting to 61.5 million euros and which are of a revolving nature, the liquidity ratio is at 0.97. The maturity of the financial liabilities is detailed as follows:

2022	0-1 year	1 - 2 years	2 - 3 years	3 - 4 years	> 4 years	Total
Suppliers (note 36)	225,867,283	0	0	0	0	225,867,283
Loans (note 35)	305,054,755	250,219,419	85,001,998	44,972,380	30,808,701	716,057,253
Lease liability (note 38)	32,425,630	24,356,740	10,613,027	5,864,041	5,816,231	79,075,668
Debt related to purchase of subsidiaries - Contingent remuneration (note 37.1)	16,204,252	20,722,569	2,710,084	2,710,084	5,807,325	48,154,313
Debt related to purchase of subsidiaries (note 37.1)	600,000	600,000	600,000	600,000	0	2,400,000
Selling options (note 37.1)	5,035,122	7,251,381	1,582,500	2,169,955	0	16,038,959
Repurchase options from holdings (note 37.1)	4,287,739	4,188,922	0	0	0	8,476,661
Financial liability relating to the Downside Protection mechanism (37.1)	0	0	0	0	26,496,451	26,496,451
Total	589,474,780	307,339,031	100,507,609	56,316,461	68,928,708	1,122,566,588

In October 2021, an agreement was signed between Constructel Visabeira and Goldman Sachs for 21.86% of the company's capital in the amount of 200 million euros, taking place on the 12th of May 2022 after obtaining the necessary authorisations, namely authorisation from competition authorities. The entry of this capital was foreseen in the company's strategy to ensure financing for future M&A operations, maintaining the expansion cycle that has occurred to date. The agreement with Goldman Sachs was signed on the 12th of May 2022 after obtaining the necessary authorisations, namely the authorisation from competition authorities. Under the aforementioned agreement, Goldman Sachs has a Downside Protection mechanism which obliges Grupo Visabeira to cover losses in the event of negative financial performance, leading to devaluation of Constructel Visabeira shares to a level below investment value. On the 31st of December 2022, the liability associated with this situation amounted to 26.5 million euros* (a variation of 9 million euros compared to the date on which the agreement was reached), and the future variation in the financial liability will depend largely on Constructel Visabeira's financial performance. If the current growth outlook is confirmed, the downward trend in financial liabilities should continue during the coming years.

* Liabilities estimated using a Lattice Binominal Model.

GRUPO VISABEIRA'S CAPITAL MANAGEMENT

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

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

	2022	2021
Total bank loans (Note 35)	716,057,254	739,996,344
Total lease liability (Note 38)	79,075,668	87,974,121
Factoring (Note 37.1)	14,020,518	19,791,690
Confirming (Note 37.1)	45,265,519	43,163,445
Discount of documentary collection (Note 37.1)	3,889,541	5,949,575
Express Bill (Note 37.1)	2,248,234	8,726,179
Cash and cash equivalents (Note 30)	-198,719,972	-130,896,526
NET DEBT	661,836,762	774,704,828
Total Equity	688,647,444	484,160,422
CAPITAL AND NET DEBT	1,350,484,206	1,258,865,250
GEARING RATIO	49%	62%

To achieve this purpose, the Grupo'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.

No changes were made to capital management purposes, policies or processes during 2022 and 2021.

OTHER DISCLOSURES ON FINANCIAL INSTRUMENTS

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

	2022	2021
Financial assets recorded at amortised cost		
Clients	207,488,695	175,028,983
State and other public entities	2,393,894	0
Other receivables	35,102,520	38,320,041
Cash and cash equivalents	198,719,972	130,896,526
Other financial investments recorded at fair value through other comprehensive income		
Listed shares	409,877	689,947
Other financial instruments measured at fair value through profit or loss		
Listed shares	391,952	379,109
Cash flow hedging derivatives recorded at fair value	25,518	13,560
Financial liability at amortised cost		
Long-term debt	411,002,498	546,123,948
Short-term debt	305,054,756	193,872,396
Suppliers	225,867,283	182,977,879
Other accounts payable	172,884,124	193,133,493

MEASURED AT FAIR VALUE

The following tables present the fair value hierarchy of the assets and liabilities held by Grupo, as of the 31st of December 2022 and 2021:

Assets measured at fair value - 2022				
	Total	Level 1	Level 2	Level 3
ASSETS MEASURED AT FAIR VALUE				
Investment properties	305,754,119			305,754,119
Listed shares	801,829	801,829		
Financial investments in unlisted companies	4,877,566			4,877,566
ASSETS MEASURED AT FAIR VALUE				
Financial instruments - Swaps	25,518		25,518	
Other bills to pay - Contingent remuneration and put option relating to the purchase of subsidiaries	64,193,272			64,193,272
Financial liability relating to the Downside Protection mechanism	26,496,451			26,496,451

Assets measured at fair value - 2021				
	Total	Level 1	Level 2	Level 3
ASSETS MEASURED AT FAIR VALUE				
Investment properties	297,323,457			297,323,457
Listed shares	1,069,055	1,069,055		
Financial investments in unlisted companies	4,603,752			4,603,752
ASSETS MEASURED AT FAIR VALUE				
Financial instruments - Swaps	13,560		13,560	
Other bills to pay - Contingent remuneration and put option relating to the purchase of subsidiaries	65,342,227			65,342,227
Financial liability relating to the Downside Protection mechanism	0			

No transfers between levels 1 and 3 were made in the financial years 2022 and 2021.

The fair value of loans paid to banks is considered close to their book value, given the recent renegotiation of the most significant loans and the market rates applied.

40. Contingencies

A) PROCEEDINGS WITH PROBABLE LOSSES

On the 31st of December 2022 and on the 31st of December 2021, several legal claims and other tax contingencies filed against various companies in the Grupo 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, Grupo recorded provisions (note 41) 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 2022 and on the 31st of Decembe 2021, there were several legal claims and other tax contingencies filed against certain companies in Grupo, 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:

	2022	2021
Other contingencies	11.446.909	11,589,501
TOTAL	11,446,909	11,589,501

No significant losses are expected to result from these proceedings.

41. Provisions for other risks and expenses

	2022	Change to the scope of consolidation	Retirement benefits paid	Increases / Decreases	2021
Provisions					
Retirement Pensions Vista Alegre	2,457,863	0	-877,000	2,262,565	1,072,298
Other retirement pensions	679,271	0	0	-1,321,200	2,000,471
Others	5,006,753	2,500,000	0	-1,175,163	3,681,916
TOTAL	8,143,887	2,500,000	-877,000	-233,798	6,754,685

	2021	Change to the scope of consolidation	Retirement benefits paid	Increases / Decreases	2022
Provisions					
Retirement Pensions Vista Alegre	1,072,298	0	0	-66,288	1,138,586
Other retirement pensions	2,000,471	0	0	283,250	1,717,221
Others	3,681,916	750,000	0	-69,368	3,001,284
TOTAL	6,754,685	750,000	0	147,594	5,857,091

41.1 Retirement Pensions

Grupo Vista Alegre has a number of defined benefit pension plans in place, some of which are borne by the Pension Funds specially constituted and managed by the actuarial society (*Futuro- Sociedade Gestora de Fundos de Pensões, S.A.*) and others are borne by the Group itself (*“Plano de benefícios definido – sem Fundo”*).

- One (“Ex-Atlantis” [Former Atlantis]), called *Adesão Coletiva Atlantis*, has an indeterminate duration. All employees of Vista Alegre Atlantis, S.A., from Ex-Atlantis – Cristais de Alcobaça, S.A, working for the Subsidiary’s until the 31st of December 2013, and who meet the requirements of eligibility provided for in the Pension Plan, which is to say all participants who are 65 years old and who have worked at least ten years for the subsidiary, are entitled to a supplementary old-age pension calculated in accordance with the Pension Plan. This fund is financed by the Viva Pension Fund.
- Other (“Former Vista Alegre” and “Vista Alegre Grupo”), called the *Fundo de Pensões Grupo Vista Alegre*, also of indefinite duration, which includes the employees of Vista Alegre Atlantis S.A., from the former *Fábrica de Porcelana da Vista Alegre, S.A.* and from *Vista Alegre Grupo-Vista Alegre Participações SA.* who have signed an individual employment agreement before the 20th of December 1976 and that are covered by the Collective Agreement for the Ceramic Industry.

The main features of the Pension Plan in terms of defined benefits are as follows:

- i) The pension plan is complementary to the public Social Security plans, independent of the pensions awarded by the Social;
- ii) The pension plan provides for the existence of acquired rights;
- iii) Payment of benefits is made directly by the Pension Fund;
- iv) The Former Atlantis Pensions Fund covers 169 people with an average age of 52.7 years;

Grupo Vista Alegre’s pension fund is financed by the Grupo Vista Alegre Pension Fund.

	2022	2021
Liabilities - Provisions for retirement pensions		
Retirement benefits - Benefit plan managed by Grupo VAA	-2,457,863	-1,072,298
Assets - Accrued income		
Retirement benefits - Defined benefit plan with constituted fund	-224,234	-66,249

On December 2014, the Supreme Court condemned VAA – Vista Alegre Atlantis SGPS, S.A. to pay a complementation of the life retirement pension to a former administrator, in the total annual amount of 230,923.38 euros, to be paid in 12 monthly instalments in the amount of 19,243.62 euros each, updatable annually according to the official inflation index, having already been paid the amounts due until February 2018, in accordance with the settlement concluded between the parties.

From February 2018 (date from which the former administrator retired), considering the analysis and position of the Grupo Vista Alegre legal advisors, the amount of the complementation of the retirement pension assigned to the former administrator was reduced (from 20.8 thousand euros to 7.5 thousand euros) under certain legal provisions, in particular the provision which prohibits commercial companies from awarding of pensions to an administrator higher than the high remuneration of the administrator with executive functions.

As a result of that reduction in the payment of the pension supplement during the 2018 financial year, and during 2019, 2020, 2021 and 2022, the former administrator delivered an executive application related to the payment of the difference between the amount that Vista Alegre Atlantis SGPS, S.A. was ordered to pay and the amount effectively paid from February 2018, while the company presented an appeal to court decision. A bond was also set up to meet the aforementioned executive requirements, which, as a result of the process completion, was returned during the first quarter of 2023.

The provision constituted on 31st December 2021 approximately to the amount of 687 thousand euros (during 2021 financial year, a 20 thousand euro provision was strengthened), was the best estimate of the Company's Board of Directors with respect to future expenditures with the complementation of the retirement pension to that former administrator. This position of the Board of Directors was supported by a legal opinion issued by Grupo's advisors who monitor this litigation process.

During the first semester of 2022, the *Supremo Tribunal de Justiça* issued a decision unfavourable to Grupo VAA by ordering to pay the pension requested by the Former Director. A payment of 675 thousand euros referring to the difference between the amount that Grupo VAA paid monthly and what it was ordered to pay until May 2022, plus default interest in the amount of 192 thousand euros.

Taking into account the court decision, the retirement pension payable by Vista Alegre is now 18 thousand euros and the Company has reinforced the provision associated with that retirement pension complement, with effect from the 31st of December 2022, to 2.1 million euros based on assumptions equivalent to those used in the Grupo's other pension funds.

The table below summarises the composition of net pension costs for the years ended on the 31st of December 2022 and 2021 recognised in the consolidated income statement as staff costs:

	2022	2021
Operating costs		
Defined benefit plan managed by Grupo VAA and active staff	-4,625	-4,842
Defined benefit plan with a fund set up	-25,840	-24,651
Operating income		
Defined benefit plan with a fund set up	20,114	19,097
Net Amount	-10,351	-10,396

DEFINED BENEFIT PLAN MANAGED BY GRUPO VAA AND ACTIVE STAFF

Obligations arising from these plans are directly met by Grupo and they are currently estimated, on the date of closure of accounts, by a specialised entity (*Futuro Grupo Montepio*).

Operations of Grupo VAA during the financial year:

	2022	2021
Balance on the 1st January	1,072,298	1,138,586
Costs with interest + actuarial gains/losses + increase in provisions + corrections on previous exercise	2,262,716	56,336
Retirement benefits paid	-877,151	-122,624
Balance on the 31st of December	2,457,863	1,072,298

DEFINED BENEFIT PLAN WITH A FUND SET UP

Liabilities resulting from these plans are covered by an autonomous pension fund managed by a specialised entity (*Futuro Grupo Montepio*).

Amounts recognised in the balance sheet of the Grupo VAA:

	2022	Variation	2021
Present value of bonds	-1.393.107	349,269	-1,742,376
Market value of the fund	1,168,873	-507,253	1,676,126
Assets recognised in the balance sheet	-224,234	-157,985	-66,249

41.2 Other 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.

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

The variation in the year results from the variation in the estimate, with no payment relating to retirement pensions.
To calculate this estimate, the following assumptions were used:

	Amount withheld on 31/12/2022	Amount withheld on 31/12/2021
Discount rate	3.75%	1.00%
Inflation rate	1.00%	1.60%
Salary growth rate (Inflation included)	1.00%	1.60%
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 2022	INSEE 2019
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 and the rate of salary increase fixed regarding the expected long-term inflation. The impact of changing these assumptions is not significant.

41.3 Others

The 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 Grupo companies are involved.

42. Guarantees provided

	2022	2021
Guarantees provided		
Actual guarantees	181,534,182	217,244,454
Financial guarantees	45,590,996	48,278,977
Technical guarantees / good workmanship	86,822,676	92,994,526
TOTAL	313,947,853	358,517,957

In 2022, real guarantees represent a value of 181 million euros and relate to guarantees provided under leasing contracts (24 million euros) and loans (111 million euros), especially for Visabeira Global, and there are guarantees of 27 million euros.
It should be noted that the main change in terms of technical guarantees from 75.5 million euros to 28.6 million euros is mainly caused by the company J.F. Edwards – a number of the works which were in progress and which had high value guarantees were completed. As for the financial guarantees, their variation is justified by the drastic reduction of Cunha Soares.
On the 31st of December 2022, the technical and financial guarantees provided to third parties as bank guarantees and bond insurance, namely to clients whose works are in charge of different companies that make up the Grupo Visabeira's group of companies, detailed by currency, are presented as follows:

	2022	2021
Guarantees provided		
EUR	75,715,220	75,372,373
AOA	3,990,498	2,802,044
USD	48,668,058	59,965,442
MZN	3,424,347	2,324,561
ZAR	301,194	505,704
DKK	191,641	187,383
AED	122,714	115,995
TOTAL	132,413,672	141,273,503

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

	2022	2021
Guarantees provided		
J.F. Edwards (USA)	43,912,210	52,909,713
Grupo Visabeira (PT)	9,759,388	9,882,226
Edivisa (PT)	8,317,859	9,620,342
Grupo Vista Alegre (PT)	11,489,911	8,727,010
Constructel Belgium (BE)	9,432,044	7,497,970
Visabeira infraestruturas (PT)	8,858,087	6,955,978
Electrotec (MZ)	3,672,465	5,553,791
EIP Serviços (PT)	7,015,410	4,771,231
Viatel (PT)	2,772,099	3,432,997
Empreendimentos Turísticos Montebelo (PT)	2,907,045	2,841,806
Cunha Soares (PT)	775,296	2,580,363
TVCABO Angola (AO)	3,033,763	2,505,379
Pinewells, SA (PT)	3,114,676	2,077,308
VAA - Empreendimentos Turísticos (PT)	2,655,089	1,802,126
Visabeira Global (PT)	858,971	1,026,117
Other	13,839,362	19,089,146
TOTAL	132,413,672	141,273,503

43. Related parties

	Years	Sales to related parties	Purchases from related parties	Interest earned	Amounts receivable from related parties	Amounts payable to related parties
Other related entities	2022	8,142,461	5,278,456	0	9,178,547	2,959,185
	2021	3,484,143	4,229,026	0	8,643,578	5,486,301
Associated companies and other capital holdings	2022	3,928,563	729,558	43,055	17,965,663	1,775,421
	2021	434,226	655,900	50,566	18,313,581	1,628,426
Shareholders	2022	2,728,012	12,952,731	323,058	13,755,308	16,359,607
	2021	1,427,902	11,136,637	91,667	22,100,250	16,077,883

The balances with the Shareholders can be divided into two different types, one concerning balances relating to the Special Taxation Regime of Group of Companies, since the shareholder NCFGest, SA, became in 2020 the consolidating entity, while another part concerns the debt owed by entities in the African market, related to the acquisition of materials from NCFGest, SA, included in its operation as a trader. Purchases from “other related entities” include NCFTRADETUR with around 2 million euros relating to the rent of the Hotel Montebelo and Movida with around 2.9 million euros relating to the rent of offices and stores in *Palácio do Gelo Shopping*. Of particular note are the purchases from shareholders, as part of their trading operation, TVCABO Angola and TVCABO Moçambique totalled around 3.7 million euros and 1.8 million euros respectively. With regard to sales to shareholders, these essentially concern services provided by *Centro de Serviços Partilhados do Grupo Visabeira* [Grupo Visabeira’s Shared Services Center].

44. Subsequent events

It should be emphasised that during 2023, the Competition Authority approved the purchase of the companies Arquiled, O+M and Tavan by Constructel Visabeira, as disclosed in note 8. One of Grupo Visabeira’s short-term goals was to refinance its bank debt in order to increase the maturity of the bank debt and thus bring its indebtedness into line with the growth strategy planned for the coming years and allow the management team to be more available to focus on more operational issues and consequently on business growth. To this end, a refinancing programme was also launched in 2022, which involved Grupo Visabeira consolidating the debt of Grupo Visabeira and Visabeira Global holding companies within Visabeira Global. This operation was finalised in March 2023 with the signing of a 450 million euro Financing Agreement, which, among other things, made it possible to consolidate various financing lines into a single Financing Agreement, and also guaranteed the purpose of extending the maturity referred to in the previous paragraph, with this Financing Agreement having a maturity of 5 years, with an average life of more than 4 years. There were 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.

Viseu, the 6th of June 2023

The Certified Accountant

The Executive Board of Directors

Claudia Raquel Costa de Amaral Lourenço

Nuno Nunes Marques

Adolfo

João Paulo

António da Silva

Adolfo

Assessment and certification documents



Ernst & Young
Audit & Associados - SROC, S.A.
Avenida da Boavista, 36, 3º
4050-112 Porto
Portugal

Tel: +351 226 002 015
Fax: +351 226 000 004
www.ey.com

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

Statutory Auditor's Report

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Grupo Visabeira, S.A. (the Group), which comprise the Consolidated Statement of Financial Position as at 31 December 2022 (showing a total of 2.328.426.430 euros and a total equity of 688.647.444 euros, including a net profit for the year of 46.263.982 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 a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Grupo Visabeira, S.A. as at 31 December 2022, 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 and the supervisory body 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.

The supervisory body is responsible for overseeing the Group's financial reporting process.

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

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Grupo Visabeira, S.A.
certificação legal das contas
31 de dezembro de 2022

accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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, including the supervisory board, 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.

Oporto, 6 July 2023

Ernst & Young Audit & Associados –SROC, S.A.

Sociedade de Revisores Oficiais de Contas

Represented by:

(Signed)

Daniel José Venâncio Guerreiro (ROC nr. 1303)

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REPORT AND OPINION OF THE FINANCIAL MATTERS COMMITTEE
CONSOLIDATED ACCOUNTS


Dear Shareholders,

In compliance with the requirements of article 420 paragraph g), together with article 508-D no 1 of the Commercial Companies Code, it is our responsibility to issue the Annual Supervisory Report and to issue an Opinion on the Consolidated Management Report, the Consolidated Financial Statements presented by the Board of Directors of GRUPO VISABEIRA, SA, for the year ending on the 31st of December 2022.

During the year, we have monitored the activity of the Entity and we performed the following procedures:

- Checked the accounting records and related supporting documentation to the extent deemed necessary;
- Checked, when considered appropriate, the existence of goods and other assets owned by the Entity or held by it as security, deposit or otherwise in the way we deemed suitable;
- Checked that the determination of the scope of the consolidation and the consolidation procedures performed are in accordance with those in the consolidation standards;
- Analysed the Statutory Auditors' Reports issued by the Statutory Auditors of the companies' integrated scope of consolidation;
- Checked the completeness and reasonableness of the individual and consolidated financial statements;
- Checked that the accounting policies and the measurement criteria adopted in the consolidated accounts, which are prepared in accordance with the International Standards of the Financial Reporting, as adopted in the European Union, lead to a fair presentation of the assets and results of the Grupo, of which the Entity is the parent company;
- Confirmed that the Consolidated Management Report, the Consolidated Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement Financial Position, the Consolidated Statement of Changes in Shareholder Equity, the Consolidated Statement of Cash Flows and the notes annexed to the Consolidated Financial Statements, respect all legal requirements and reflect the position of the accounting records at the end of the financial year;
- Verified the company's compliance with the law and with the articles of association; and

Grupo Visabeira, SA
Viseu – Sede Social
R. do Palácio do Gale, 1 Palácio do Gale Shopping, Piso 3 3500-606 Viseu – Portugal
T. +351 232 483 000 | F. +351 232 483 100
Lisboa
Av. Almirante Gago Coutinho, 78 1700-031 Lisboa – Portugal
T. +351 218 429 970 | F. +351 218 496 731
geral@grupovisabeira.com | grupovisabeira.com
Cae. Social 115 125 638 006 | NIPC + Mat. C.R.C/Viseu 502 268 628



— Performed all other responsibilities required by the law.

During the course of the procedures we performed to comply with our supervisory duties, we obtained the information and documentation we consider necessary from the Executive Board of Directors and from others in charge.

We have accompanied the work of the auditors responsible for the legal revision of accounts and we have held the meetings deemed necessary for obtaining the required information in view of the Legal Certification of Consolidated Accounts, without reservation and without emphasis, which we agree with.

In this context, it is our opinion that:

(a) The Consolidated Management Report, for the year ending on the 31st of December 2022, complies with the requirements foreseen in the Commercial Companies Code;

(b) The Consolidated Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement Financial Position, the Consolidated Statement of Changes in Shareholder Equity, the Consolidated Statement of Cash Flows and the notes annexed to the Consolidated Financial Statements, respecting all legal requirements and accounting requirements applicable.

Viseu, 6 July 2023

The Financial Matters Committee

Vítor Manuel Lopes Fernandes, Chairman

Alberto Henrique de Figueiredo Lopes

João Carlos Monteiro de Macedo

Grupo Visabeira, SA

Viseu – Sede Social

R. do Palácio do Gelo, 1 | Palácio do Gelo Shopping, Piso 3 | 3500-606 Viseu – Portugal

T. +351 232 483 600 | F. +351 232 483 100

Lições

Av. Almirante Gago Coutinho, 78 | 1700-031 Lisboa – Portugal

T. +351 218 429 970 | F. +351 218 496 731

geral@grupovisabeira.com | grupovisabeira.com

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