2023

MARTIFER GROUP

ANNUAL REPORT

Management Report
Consolidated Financial Statements
Separate Financial Statements
Corporate Governance Report
Sustainability Report

MARTIFER
GROUP

MARTIFER GROUP

MANAGEMENT REPORT

01 MARTIFER GROUP

08 Message from the Board
10 Highlights
11 Key Financial Indicators
12 Main Events
20 Main Events Afterwards
21 Subsequent Events
21 Consolidated non-financial information

02 GUIDELINES

24 Activity
27 International Presence
28 History
34 Market Environment

03 FINANCIAL PERFORMANCE

46 Analysis of the Consolidated Results
46 Operating Income
48 EBITDA and Net Profit
49 Consolidated Capex
49 Analysis of the Consolidated Capital Structure
50 Net Debt

04 ANALYSIS BY SEGMENT

52 Metallic Constructions
56 Naval Industry
58 Renewables

05 SEPARATE FINANCIAL STATEMENTS

62 Separate financial statements

06 MARTIFER SHARE PERFORMANCE

64 Martifer share performance

07 FUTURE PROSPECTS

68 Future prospects

08 MAIN RISKS

70 Financial Risks
75 Operational Risks
77 Legal Risks

09 PROPOSAL OF RESULTS ALLOCATION

80 Proposal of results allocation

10 OTHER INFORMATION

82 Other information

MANDATORY INFORMATION

CONSOLIDATED FINANCIAL INFORMATION

11 CONSOLIDATED FINANCIAL STATEMENTS

92 Consolidated financial statements

12 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

98 Notes to the Consolidated financial statements

SEPARATE FINANCIAL INFORMATION

13 SEPARATE FINANCIAL SATEMENTS

190 Separate financial statements

14 NOTES TO THE SEPARATE FINANCIAL SATEMENTS

196 Notes to the Separate financial statements

223 **Corporate Governance Report**

313 **Sustainability Report**

439 **Audit and Supervision Reports**

Note: For all intents and purposes, the Portuguese version shall prevail.

MANAGEMENT REPORT

MANAGEMENT REPORT

Martifer Group

01 | MARTIFER GROUP

MESSAGE FROM THE BOARD

Dear Shareholders,

In 2023, we saw the intensification of some concerns we had felt in 2022, and which could impact the future:

1. **Climate changes** increasing with each passing year, with natural catastrophes occurring across the planet;

2. The **geopolitical crisis** marked by war in different parts of the world;

3. **Social instability** which causes an increase in **poverty** and a lack of resources to obtain primary **healthcare**, accentuating an unprecedented migration crisis.

Despite the difficulties highlighted above, in the Martifer Group the year 2023 exceeded our best expectations, both in terms of operational results and in the ability to win new contracts, making our order book the best/largest ever:

- We won the largest metallic structure contract ever – HS2 Works (High Speed Railway), in the United Kingdom – 80 M€;
- We won one of the largest Façade works ever – Edenn Office tower, in Paris – 23 M€;
- We started the execution of a new product, in this case, an Ethylene storage tank, a project with a different execution and complexity, for the client TGE, in Belgium – 24 M€;
- We signed Martifer Group's largest contract ever for the construction of 6 ocean patrol vessels, for the Portuguese Navy – 300 M€;
- We signed the largest single contract for the construction of a luxury cruise ship, for a Japanese shipowner – 103 M€. A country that is among the 7 most developed in the world and which we have become accustomed to recognising as leaders in technology and in engineering capacity, which is why we should be filled with pride for being entrusted with a project as different as this one;
- We have reached, in the development phase, more than 300 MW in wind and solar renewable energy projects, between Portugal, Poland and Romania, on a path that we are increasingly taking hand in hand with the sustainability goals that have been guiding all our decisions, namely reducing CO_2 emissions by around 50 %, by 2025;
- We have established an agreement with Enercon, which envisages, on the part of Martifer, the production of the largest number of wind towers ever for a single company;
- We achieved record revenue in the Naval Repair and Reconversion segment, in our West Sea and Navalria shipyards;
- And, last December, we started what will be the Group’s biggest investment of the last 10 years: the construction of a new dry dock in our shipyards in Viana do Castelo, a project estimated at 24 €m.

The next few years will be challenging, and so we will face with renewed ambition the updating of the Strategic Plan until 2030, with the aim of **Sustainable and Sustained Value Creation** and of equilibrium in the weight of the Business Units to Turnover.

No less important will be ensuring that in the 2030 horizon, strategic focus and coherence, mutual assistance and team cohesion, will continue in a consistent and prolonged manner.

And for the Group's sustainability, it will also be crucial to consolidate some of the main pillars of success in recent years, namely:

- Operational efficiency, planning and productivity;
- Group's export profile, optimising industrial capacity;
- Organisational culture, good work environment, personal/professional life balance;
- Governance;
- Social responsibility;
- Safety and working conditions;
- Environmental Performance and Energy Transition.

Martifer Group is becoming stronger, more dynamic and better prepared for the future. This is only possible because we have highly competent people, ready to learn and highly adaptable.

We know that only with everyone's commitment will we be able to improve efficiency and reinforce resilience, performance and well-being in the long term.

Our thanks go to all stakeholders for the trust they have shown in the past and continue to show every day in the Martifer Group.

HIGHLIGHTS

219.9 M€

Operating Income reached 219.9 M€ of which 140.4 M€ in Metallic Constructions, 63.0 M€ in the Naval Industry and 18.6 M€ in Renewables

34.1 M€

Positive EBITDA of 34.1 M€ (margin of 16.1 % on Turnover)

19.7 M€

Net profit attributable to the Group of 19.7 M€

73 %

Turnover generated outside Portugal and exports amounted to 73 % of Total Group Turnover

60 M€

Gross Value Added amounted to around 60 M€, 28 % of Turnover

91 M€

Gross Debt with a reduction of 6 M€ compared to December 2022, down to 91 M€. Net Debt reduced by 33 M€ to 8 M€

0.2 x

Net Debt/EBITDA 0.2x

56.2 M€

Positive Equity of 56.2 M€, with Equity attributable to the Group of 55.5 M€

753 M€

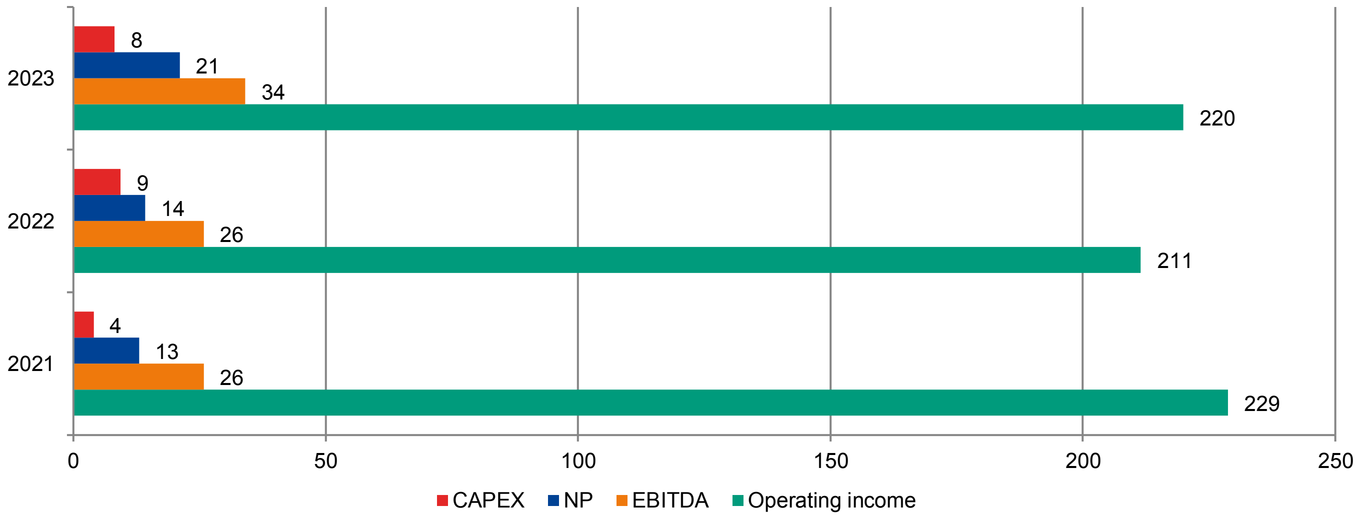
Order book of 753 M€ in Metallic Constructions and the Naval Industry

KEY FINANCIAL INDICATORS

M€	DEC-23	DEC-22	VAR.%
Operating Income	219,9	211,5	4%
EBITDA	34,1	25,8	32%
EBITDA margin	16,1%	13,6%	2.5 pp
Depreciation & Amortization	-5,8	-5,7	-2%
Provisions & Impairment Losses	0,0	0,1	-87%
EBIT	28,2	20,1	40%
EBIT margin	13,3%	10,6%	2.8 pp
Financial Results	-7,3	-5,7	-27%
Results in associated companies	0,6	3,0	-0.8
Profit before taxes	**21,6**	**15,4**	**0.4**
Income tax	-0,5	-1,3	0.6
Net Profit	**21,1**	**14,2**	**49%**
Attributable to non-controlling interests	1,4	0,8	70%
Attributable to shareholders	19,7	13,3	48%

(a) EBITDA = Sales and services rendered + Other operating income – Cost of goods sold and materials consumed – Subcontracts – External supplies and services - Personnel expenses - Impairment losses on financial assets - Other operating expenses

(b) EBITDA Margin = EBITDA/Turnover



MAIN EVENTS

01 2023

New Projects | Ship Repairs

BEATRIZ B
The Beatriz B is a container vessel held belonging to Jüngerhans Maritime Services GmbH. Measuring 158 metres in length and with a beam of 23.5 metres, the ship docked at the Supply Basin on 26 December.

The main work was the installation of the Ballast Water Treatment System.

DRAGA PINTA
The dredger Pinta, belonging to Jan de Nul, 90 metres long and with a beam of 19.5 metres, docked to have repair work done.

The repair includes the following works: normal docking works; several works in the dredging system; replacement of the opening hydraulic jack; and diverse works of all specialties.

Martifer signs Pact to invest in youth employment

Martifer signed the "Pact for More and Better Jobs for Young People", which has the High Patronage of His Excellency the President of the Republic and aims to bring about real change in the current context of vulnerability associated with youth employment. The initiative stems from the "White Paper More and Better Jobs for Young People" and is promoted by the Fundação José Neves (Foundation) and the Government, through the State Secretariat for Labour.

With this partnership, the Martifer Group undertakes, by 2026 and through a set of established goals, to reinforce its focus on various indicators, namely hiring and retaining young workers, guaranteeing quality employment for young people, training, developing and giving a voice to young people.

Carlos Oliveira, Executive President of the Fundação José Neves, highlights that this "is a very important agreement for the country, which brings together companies and public entities to respond to a reality that the country has been struggling with for many years: the vulnerability of youth employment, even among the most qualified, who tend to be more exposed to unemployment and low wages. Something needs to be done to change the state of things and the Pact signed will make it possible to measure its impact and results. We also hope that many more companies will join. We are making it happen and the role of companies is fundamental to a structural change in this situation".

In addition to the High Patronage of His Excellency the President of the Republic, the Fundação José Neves and the State Secretariat for Labour, the other Entities Associated with the Pact are the Business Roundtable Portugal Association, the Conselho Nacional de Juventude (CNJ) (National Youth Council), the Instituto do Emprego e Formação Profissional (IEFP) (Employment and Professional Training Institute) and the Observatório do Emprego Jovem (Youth Employment Observatory), which is responsible for monitoring the Pact.

02 2023

New Project | HS2 – HIGH SPEED 2

Martifer Metallic Constructions won the contract for the supply and assembly of metallic structure railway viaducts, in Birmingham, integrated in the High Speed Two (HS2) project – a new high-speed railway line that will connect London to the north of England. High Speed Two is the largest infrastructure construction project in the United Kingdom and across Europe and the most important economic and social regeneration project in recent decades, with a unique contribution towards carbon neutrality.

The contract has an estimated value of 68 million Euros and the estimated period for carrying out the work is 47 months.

The manufacture of the metallic structure will be carried out mainly in Martifer Group's industrial centre, in Oliveira de Frades, allowing Martifer Group to reinforce its export side.

The award of this contract is a demonstration of confidence in national engineering and in the technical capacity of the Martifer Group.

33 years! Congratulations and Thank you!

Martifer celebrated its 33rd anniversary. On 21 February 1990, Carlos Martins and Jorge Martins brought to existence Martifer. The 90s made the Martifer team and its employees references in the metallic constructions sector in Portugal.

“A special word of affection and thanks to our employees. Your effort, commitment and motivation have constituted a strong weapon in a market as competitive as the one we operate in, conveying security and rigor in meeting deadlines and in the final quality of our products. With all of you the Martifer culture is a reality today“, Carlos Martins, Chairman of the Martifer Group.

03 2023

Martifer on the final stretch of Gare de Lyon Part-Die

Martifer Metallic Constructions has started the assembly of the Gare de Lyon Part-Dieu's third phase, which will run until August. This is the last phase of the project and includes 850 t of metallic structure and 4 600 m^2 of collaborating sheet metal, divided over two interior floors, also in metallic structure.

PHASE 01 and PHASE 02

Phase 01 (Hall Nord) was carried out between January and March 2022 and included 265 t of metallic structure, with this area being handed over to SNCF - Société Nationale des Chemins de Fer Français for operation in June. At this moment, Hall Nord (Phase 01) is open and fully functional.

Phase 02 (Hall Sud Pompidou) was carried out between August and January 2023 and included 635 t of metallic structure and 1 700 m^2 of collaborating sheet metal, divided over 2 interior floors.

ABOUT THE PROJECT

Gare de Lyon Part Dieu has as client the SNCF and its architecture is by AREP. Martifer is responsible for carrying out the 1 750 t relating to the metallic structure project. The work includes the supply, manufacture and painting of the entire main and secondary structure of the new Hall and of the Béraudier Galerie. The production of the metallic structure was carried out at the Group's industrial unit in Romania.

New Project | BioNTech, Rwanda

Mota Engil awarded Martifer Metallic Constructions the construction of two naves of BioNTech's new industrial unit, located in Kigali, in Rwanda.

Martifer is responsible for the manufacture and assembly of around 600 t of steel for this laboratory that will be dedicated to the production of vaccines.

This is Martifer's second project in Rwanda.

04 2023

New Project | Ship Repair

SAGAMORE
The Sagamore is a container ship belonging to Sealift with 184 metres in length and 25.5 metres in beam. The main repair works are: normal docking works; repair of the hatches and other work to be defined.

05 2023

New Project | Rehabilitation/strengthening of the structures of docking stations 4/5 and 6/7

CLT, Companhia Logística de Terminais Marítimos, belonging to the Galp Energia group, awarded Martifer Renewables & Energy the maintenance work for the rehabilitation and reinforcement of the Sines docking stations of the Terminal de Granéis Líquidos (Liquid Bulk Terminal).

The intervention includes the replacement, when necessary, of all metallic structures of the docking station walkways, railings, guardrails and the terminal's process piping supports. The contract also includes the total replacement of the cable mats at the 4/5 and 6/7docking stations.

This is a maintenance project with offshore classification (maritime work), in a terminal of strategic importance for Galp Energia, which ensures the import and export of all petroleum products refined by the company.

The Terminal de Granéis Líquidos, inaugurated in 1978, is the largest liquid bulk terminal in the country, designed in a multi-client and multi-product architecture. With 6 docking stations and natural beds of up to 28 meters ZH, it has the capacity to receive ships of up to 350 000 t Dwt and allows the simultaneous movement of different products (crude, refined products, liquefied gases and other liquid bulk).

New Project | Edenn, Nanterre, France

Martifer Metallic Constructions was the company awarded the aluminium and glass façades sector of the Edenn project. Martifer's intervention includes 7 438 m^2 of modular frames, 3 569 m^2 of curtain façade, 2 400 m^2 of opaque modules, 11 900 lm of aluminium tubes, 10 588 m^2 of aluminium sheet finishes and coverings. These works correspond to Lots no. 03-0 and no. 03-3 of the contract.

Our client and works' owner is ICADE and the architecture firm responsible for the project is Brenac & Gonzalez & Associés.

Edenn is an office block with commercial areas, with 8 floors, committed to sustainability. It is a bioclimatic building with a mixed structure made of wood, concrete and metal.

06 2023

New Projects | Ship Repairs

BOCS SPIRIT
The Bocs Spirit is a general cargo ship belonging to Liberty Shipmanagement with 140 metres in length and 21.8 metres in beam and came to carry out various repair works.

TOSTE R
The Toste R is a dredger belonging to Rohde Nielsen with 45.7 metres in length and 10.5 metres in beam. The dredger came to carry out several repair works.

TRUDE R

The Trude R is a dredger belonging to Rohde Nielsen with 76 metres in length and 12.8 metres in beam. The dredger arrived at the shipyard and entered the dock together with Toste R to carry out the following work: normal docking work; replacement of around 100 t of steel and various works of all specialties.

AETHALIA

The Aethalia is a chemical ship belonging to K-Ships SRL with 150 metres in length and 23.2 metres in beam. Among the works carried out was the installation of the Ballast Water Treatment System (BWTS).

New Project | Travel Marvel Douro

West Sea signed the contract for the construction of a river cruise ship for PCE Douro River Cruises. The Travel Marvel Douro will be 80 metres in length, with a beam of 11 metres and capacity for 122 passengers and 38 crew.

The conceptual project and exterior design of the ship were entirely developed by West Sea and the design of the public spaces by Studio-L. The ship will sail on the Douro River, through tour operator APT Luxury Travel.

APT Luxury Travel is an Australian company offering cruise trips in Europe, Africa, Asia, America and Australia. The company has more than 95 years of history and a fleet of small and large ships.

Avalon Alegria already floats!

The floating of the Avalon Alegria took place in June 2023 and the ship entered the finishing phase in the Supply Basin, with the interior fitting work.

Tests were subsequently carried out in the pier to prove compliance with technical requirements.

The Avalon Alegria is West Sea's 24th construction and began in September 2022. With 80 metres in length and 11.40 metres in beam, the ship has 51 cabins with capacity for 102 passengers and 33 crew.

New Project | Fine Arts Museum of Bilbao

Martifer Metallic Constructions was awarded the expansion of the Fine Arts Museum of Bilbao.

Martifer's intervention includes the manufacture and assembly of the enclosure (12 000 m^2), for the Ampliación Bellas Artes (Urbelán - Altuna y Uria - Campezo – Teusa) consortium. The project has office architecture by Foster + Partners and Luis María Uriarte and will have façade consultancy by ENAR.

The Agravitas project – so named by Foster + Partners – includes the unification of the various buildings. The expansion will increase the main building by two heights, with the new 4th and 5th floors being constructed with curtain façades, with decorative slats, around the entire perimeter of the volume. Between these new floors a terrace is formed with glass railings.

The attached building has an opaque façade made up of sandwich panels that give it great watertightness and thermal transmittance. The exterior is covered with aluminium sheet trays.

ARRIAGA FAÇADES – ENTRY TO THE MUSEUM

Named after a great Spanish classical composer, the façades of this atrium are quite unique. The entrance façade to the museum is the most complex structure of this project. A curtain façade, of great technical difficulty since it is structurally suspended. Consisting of double glass, it is supported by continuous metal rods of almost 12 metres that rest on a V-shaped metallic structure.

The sides of this entrance are made of thick steel sheet profiles. The large format glass, a single piece, has the dimensions of 12x2.6 metres, with a thickness of 12+12+12 and with an approximate weight of 2 800 kg.

As a climax, the ceiling of this entrance is made up of 5x2 metre white glass panels, glued to a metal profile with structural silicone as if it were a ventilated façade.

072023

Martifer is Portugal's 66th most valuable brand in 2023

Martifer is one of the 100 most valuable Portuguese brands in 2023, according to a study by the consultant OnStrategy.

The Consultant presented the results of the study of the "100 most valuable Portuguese brands in 2023", developed using the Royalty Relief methodology in accordance with certification of the standards ISO20671 (strategy and strength assessment) and ISO10668 (financial assessment), in which all brands audited and evaluated have public information on annual financial results and brand strength indicators.

Martifer at the follow-up meeting of the Pact to invest in youth employment

Martifer was present at the second monitoring meeting of the “Pact for More and Better Jobs for Young People”, which has the High Patronage of His Excellency the President of the Republic and aims to bring about real change in the current context of vulnerability associated with employment of young people. The initiative is promoted by the Fundação José Neves and the Government, through the State Secretariat for Labour.

In addition to the debate on good practices and the challenges faced by young people and companies, the meeting also took stock of the start and of the projections of the estimated impact for 2026.

The meeting, which follows the launch of the Pact on 19 January 2023, also formalised the adherence of 51 new companies, which thus join the first 50 adhering companies, which Martifer integrates.

With this partnership, Martifer commits, until 2026 and through a set of established goals, to reinforce the focus on several indicators, namely hiring and retaining young workers, guaranteeing quality employment for young people, training, developing and giving a voice to young people.

08 2023

New Project | Manchester Airport – expansion of Terminal 2

The expansion of Terminal 2 at Manchester Airport was awarded to Martifer Metallic Constructions. The first phase consists of initial support and consultancy during the design development and the second phase involves the supply and assembly of the metallic structure, façade and roof of this terminal.

Our client is Mace/MAG and the package assigned consists of around 7 200 m^2 of façade and 1 300 t of metallic structure. This dock will offer 12 new boarding doors to Terminal 2, which will serve small and large aircraft. It is estimated that the work will be completed in mid-2024.

West Sea received a visit from the Ambassador of China in Portugal

On 26 July, West Sea received a visit from the Ambassador of China in Portugal, Zhao Bentang.
The delegation was received by the Board, which presented the activities and projects carried out at the shipyard. There was also the opportunity to visit the shipyard spaces and see the construction of the ship Avalon Alegria.

The economy of the sea, green energy and energy transition, maritime logistics and also creativity and innovation were the themes that the delegation sought to explore during their visit to Viana do Castelo.

09 2023

Martifer at the European Awards for Steel Structures with the project Gare de Mons

Martifer was distinguished at the 10th Eurosteel conference in Amsterdam, where it received a European Award for the Gare de Mons project. The European Awards for Steel Structures distinguish unusual steel structure projects across Europe. The work of the Martifer team is, once again, internationally recognised.

Eurosteel 2023 aims to present the latest research and professional results related to the use of metallic structures in structural applications, with the general objective of promoting and enabling a more sustainable construction sector.

The conference, focusing on Sustainability, showcased the latest developments in the analysis and design of new and traditional steel and steel-based composite structures for a wide range of applications, including buildings, bridges, towers, support structures for renewable energies and offshore structures, among others.

New Project | Hotel Princesa Madrid

Martifer Metallic Constructions was awarded the rehabilitation of Hotel Princesa Madrid, located in the centre of Madrid, in Spain.

The client is Constructora San José and the Works owner is Selenta. The project management is under the charge of JLL, with which Martifer has already worked on the complex remodelling of Castellana 163.

Martifer's intervention consists of replacing the building's aluminium windows (almost 1 200 units), the new exterior cladding of the main façades, new aluminium frames, the application of the aqua-panel system (which provides watertightness and protection against fire) and in the final finish, with composite panel. Martifer is also responsible for installing the steel and glass entrance hall structures, as well as the automatic doors.

It is an architectural project by Grupo Plan (specialist in hospitality) and is made up of two large volumes, one called Hotel Princesa and the other Hotel Moncloa. The architects' intention is to maintain the global aesthetic in tones of bronze and stone, but using new solutions offered by the market.

Plan for Gender Equality 2024

The Martifer Group presents its Gender Equality Plan, which can be consulted on the Group's website.

“We are 1 331 people, we live in different countries and our perception of the world is closely related to our culture, religion, sex and condition.”

Martifer appears as an aggregator of immense diversity. It is in this plurality that we find common objectives related to equality, sustainability and improving living conditions in general. It is also in this diversity that we find the origin of our innovative spirit, of overcoming, of non-conformity and of transformation.

Ambassadress of the Netherlands and Secretary of State for the Sea visited West Sea

The ambassadress of the Netherlands in Lisbon, Margriet Leemhuis, and the Secretary of State for the Sea, José Maria Costa, visited West Sea.

The delegation was received by the Board, which presented the activities and projects carried out at the shipyard. There was also the opportunity to visit the shipyard spaces and see the ongoing construction projects.

New Projects | Ship Repairs

ALGOCANADA

The Algocanada is a chemical ship belonging to Algoma Central Corporation Canada with 130 metres in length and 19.8 metres in beam. The ship entered the dock to carry out several standard docking works, the manufacture of a 25-ton container for ballast system equipment, to be installed on the ship's deck and installation of the ballast water treatment system (BWTS).

ROAZ
The ROAZ is a cement ship belonging to S & C Lda. with 82 metres in length and a beam of 13 metres. The main work involved repairing the crankshaft and the main machine.

WORLD VOYAGER
The World Voyager is a passenger ship belonging to Mystic Cruises with 120 metres in length and 18 metres in beam. The ship docked at the Bugio pier to carry out painting work (changing the ship's colour) and various works of all specialties.

10 2023

Juan Hurtado de Mendoza (JHM4) - Gold Winner - Global Future Design Awards 2023

The KOI Building was one of the gold winners of the Global Future Design Awards 2023.

KOI (carp, in English - symbol of luck, harmony and sustainability) is the name given by the Juan Hurtado de Mendoza (JHM4) architecture studio to the project. It is currently the headquarters of the Camilo José Cela University, in Madrid.

The uniqueness of Martifer's participation in the project lies in the large format, flat and curved façades, which include wood, steel and aluminium profiles. LEED platinum and WELL certification make it a unique project focused on sustainability and well-being.

The Global Future Design Awards were created in 2016 and are one of the most prestigious global awards for architecture, interior and product design.

It recognises exceptional ideas that redefine architectural design through the implementation of new technologies, materials, software and aesthetics.

New Project | Conversion of the Hypatia de Alejandria

The Hypatia de Alejandria is the most recent naval conversion project underway at the West Sea shipyard.

The Ro-Ro, a passenger ship belonging to Baleària, having 186 metres in length and a beam of 25 metres, arrived at the shipyard on 3 October.

The main conversion work is the installation of two scrubbers in the ship's chimney. The exhausts have already been removed and the scrubbers will soon be installed. A scrubber is a device installed in the exhaust system that treats gases and reduces harmful gas emissions into the atmosphere.

The port stabiliser and bow stabilisers will also be upgraded. It is estimated that the work will last 6 weeks.

11 2023

SAVOIR FAIRE - Martifer presents the Edenn project prototype

Martifer Metallic Constructions presented the Edenn project prototype to the various participants in the project. The consortium for the construction of Edenn was represented by the agent Bateg, of the Vinci group. Also present were BTP (MOE), the architects Brenac & Gonzalez & Associés, RFR and the works' owner and client ICADE (MOA).

Martifer presented the different materials used, the colours and the various architectural elements of the façade, the frames, the railings and the coverings. This was the first important milestone in project planning, fulfilling our commitment to our client with excellence.

ABOUT THE PROTOTYPE

After the manufacture and pre-assembly of some elements carried out at the factory, in Oliveira de Frades, the prototype was assembled on land neighbouring the work, in Nanterre, in the region of Ile-de-France.

The prototype showed the great complexity of this project - it made real the countless architectural cladding elements that make up the exterior skin of the building.

This complexity and the aesthetics required by the works' owner and the architects required extra creativity to execute the prototype. Sets of bent sheets and aluminium tubes managed to replicate the final look that everyone was looking for. One of the most appreciated elements during the prototype presentation was the "cloud profiles" structure.

Manufactured by joining tubes of various diameters, simulating extruded profiles, these are the opaque areas in the alignment of the frames. This layering of architectural elements brings lightness and a unique feeling of suspension.

12 2023

New Project | Ryobi luxury cruise ship

West Sea signed a contract with the Japanese group Ryobi Holdings for the construction of a Luxury Cruise Ship, worth around 100 million Euros, with delivery scheduled for 2027 and which will be built entirely in Viana do Castelo.

This luxury cruise ship, which will operate mainly in Japan and Southwest Asia, has a capacity for approximately 100 to 150 passengers. A ship with a size and concept that will allow each passenger to feel as if they were the owner of a mega-yacht, where they can enjoy private comfort and a personal touch of hospitality.

This Ryobi ship, which will begin construction at West Sea's Viana do Castelo shipyards in the coming weeks, will have a total length of approximately 110-120 metres, with a beam of 19 metres and a draft of approximately five metres.

The choice of West Sea to build this first Ryobi luxurious cruise ship is, simultaneously, a satisfaction and a source of pride for the Viana do Castelo shipyards due to the international recognition of their excellence and capacity to carry out a project of this scale, supported by the experience and know-how that the company has been developing in recent years. This award is part of the ongoing Strategic Plan, allowing the sustainable development of the business and the reinforcement of the Martifer Group's export profile in markets with differentiated added value, according to Martifer Group's management.

New Project | Ocean Patrol Vessels (OPV)

West Sea won the international public tender for the construction of 6 Ocean Patrol Vessels (OPV) for the Portuguese Navy.

The signing of the contract took place on 29 December, at the Portuguese Navy's central facilities, in Lisbon.
The new OPV will have advanced technological capabilities and a "modular and adaptive" design, which transforms the typical surveillance ship into a combat unit that will be useful in the NATO inventory.

These ships are an evolution of the OPVs built by West Sea in 2018 and feature fully electric propulsion, new radar sensors and the ability to operate autonomous vehicles, being able to perform functions in mine warfare and anti-submarine surveillance.

With a length of 81 metres, beam of 12 metres and speed reaching 20 knots, these ships will replace the Navy's aging corvettes, between 2027 and 2030, as they are delivered.

SUBSEQUENT MAIN EVENTS

New Project | VIVA Offices

The Viva Offices project for the façade sector was awarded to Martifer Metallic Constructions, and includes 7 723 m^2 of curtain façade, 65 VEC (glued exterior glass) glass doors, two rotating doors, 1 625 m^2 of coverings including capping and 1 183 lm of glass security guards.

The Viva Offices is a state-of-the-art office complex measuring over 22 000 m^2. A project that is the result of a 50/50 partnership between Sonae Sierra and the Ferreira group (GFH) and which should be completed in the 1st quarter of 2025. In the first phase, it will include an office tower with more than 19 000 m^2 of gross construction area, distributed over 9 floors, with approximately 2 000 m^2 per floor without barriers or pillars and with large balconies, providing a 360º panoramic view.

The project was designed by the architecture firm Broadway Malyan and was designed following demanding sustainability requirements, to provide high environmental and energy performance, with high levels of comfort. In parallel, the more than 12 000 m^2 of gardens and green spaces provide multiple areas for leisure and social interaction, also contributing to the improvement of the ecosystem and local biodiversity.

New Project | Ship Repair

TACCOLA

The Taccola is a Belgian-flagged suction dredger, built in 2003, belonging to the Jan de Nul NV fleet. She arrived at the shipyard in November and over the last few months has been undergoing various works on the dredging system, steel replacement, installation of the ballast water treatment system and various works of all specialties.

New Dry Dock construction has already started at West Sea!

Construction of Dock no. 3 at West Sea has already started.

After delimiting the spaces and installing the construction site, preparation of the reinforcement and formwork began for the construction of the prefabricated modules intended to form the cofferdam. On 18 January 2024, the first concreting of the dock was carried out, which was destined for the first prefabricated module of the cofferdam, in a total of 57 throughout the work. Each prefabricated module will consume approximately 5.8 m^3 of ready-made concrete.

Once the cofferdam is completed, excavation work and other tasks related to the construction of the dock will begin.

ABOUT DOCK NO. 3:
Measuring 220 metres in length and 45 metres in width, Dock no. 3 will be located on the shipyard's old launch ramp, aligned with the Bugio pier. The Dock, intended for ship repairs, will allow larger ships to be harnessed, add production capacity and create new jobs at the shipyard. It is estimated that this construction project will be completed by the end of 2025.

New Project | Monforte de Lemos

Martifer Metallic Constructions was awarded the rehabilitation of the office complex Monforte de Lemos, 28, in Madrid, with responsibility for executing the new building façades.

The project is composed of five volumes: towers, the base (plinth), bridge, courtyards and attached building. The main works consist of the production and assembly of fixed aluminium frames with high-performance glass (around 500 units), 4 000 m^2 of opaque coating with a ventilated façade made of bent aluminium sheet on the outside, 1 000 m^2 of aluminium curtain façade with special extruded profiles and a metallic coating with stainless steel mesh in the service stairs' area.

This project is not an ordinary rehabilitation, as the original building, the Spanish Post Office's IT centre was created in 1972 by the legendary architect Alejandro de la Sota. Its façade is an asset of cultural interest and therefore the new structure will improve the technical characteristics of the frames, glass and coverings, but will maintain all the architectural aesthetics.

The award of this project was possible thanks to the good work previously carried out with partner entities: the works' owner Azora, the architects' office Arquimania de Antonio Ruiz Barbarin and the façade consultant Xavi Ferrés with whom we have already worked on Torre 30 and on AM Growth. This confidence in our ability was decisive for Arcadis, as Project Manager, to select us as the nominated subcontractor and join us with the construction company Construcciones San Martin.

SUBSEQUENT EVENTS

On 19 February 2024, Martifer, through its subsidiary Martifer Renewables SGPS, S.A. completed the acquisition of 32 % of Martifer Renewables Operation and Maintenance sp. Z o.o., coming to hold 100 % of the company.

CONSOLIDATED NON-FINANCIAL INFORMATION

Martifer chose to disclose the information on the consolidated non-financial statement, as required by Article no. 508-G of the Portuguese Commercial Companies Code ("CCC"), in Martifer Group's Sustainability Report, which is available on the Group's website, at www.martifer.com, and was disclosed simultaneously with this Annual Report.

01

MANAGEMENT REPORT

Guidelines

02 | FRAMEWORK

ACTIVITY

Martifer began its activity in 1990, in the metallic structures sector. In 2014, following the strategic decisions defined, Martifer focused its activity on the Metallic Constructions sector. Subsequently, the Naval Industry, through the building and repair of vessels, also became a strategic business segment with great prominence for the Group.

The Group's holding, Martifer, SGPS, S.A., also develops other activities and manages financial shareholdings, namely in the 'Renewables' segment, through the promotion and development of wind and solar projects, and in the Oil & Gas and industrial maintenance sector.

In commercial and business management terms, the Renewables, oil & gas and industrial maintenance segments are grouped under the brand Martifer Renewables & Energy; however, in terms of economic and financial reporting, the information related to oil & gas and industrial maintenance is included in the 'Metallic Constructions' segment.

HOLDING

Martifer SGPS, S.A. is the Holding company of the Group. With the changes in the governance model implemented in 2012, Martifer SGPS, S.A. positions itself as a Financial Holdings company, establishing and defining rules and policies for the Group and monitoring the activity of the business areas, to which a greater degree of independence and decision-making power has been attributed.

The business areas act independently, following the strategic guidelines approved by the Holding, based on annual budgets and business plans approved by Martifer SGPS, S.A.'s executive directors.

METALLIC CONSTRUCTIONS

Martifer Metallic Constructions, SGPS, S.A., sub-holding for the 'Metallic Constructions' business segment and 100 % owned by Martifer, SGPS, S.A., is a globally recognised player in the sector. The company (and its subsidiaries) is focused on two major geographical areas: Europe and the Middle East and Africa, and has industrial units in Portugal, Romania, Angola and Mozambique (in partnership), which allow it, from these countries, to build the most complex projects in locations as diverse as, for example, Luanda in Angola, Kigali in Rwanda, Riyadh in Saudi Arabia, Lisbon in Portugal, Madrid in Spain, Paris in France, or London and Birmingham in the United Kingdom.

This business area maintains its focus on productivity and centres its development strategy on differentiation through engineering quality and innovation, maintaining its vocation for highly complex projects and ensuring the best solutions for its clients. Martifer Metallic Constructions follows a directed strategy resorting to partnerships with companies in complementary segments, which allow it not only to offer more complete solutions but also to gain a greater dimension, mainly on the international panorama.

The 'Metallic Constructions' business area maintains its focus on the Group's identity activity in the segments of metal-mechanical constructions, aluminium and glass façades, oil & gas infrastructures and industrial maintenance, standing out for the skills of its teams spread out in several continents. It counted on 948 employees at the end of 2023.

NAVAL INDUSTRY

The companies which activity focuses on the naval industry are West Sea - Estaleiros Navais Unipessoal, Lda and Navalria - Docas, Construções e Reparações Navais SA..

Resulting from the tender for the sub-concession of the old facilities of the Estaleiros Navais de Viana do Castelo (Shipyards), West Sea was established in this city in 2014 and has been engaged in shipbuilding and ship repair.

West Sea has had the opportunity to bring together the professional skills appropriate to the activity by hiring highly qualified employees with a history of accumulated experience from the old shipyards.

Currently, West Sea has 294 employees. It is with this team that West Sea handles the main shipbuilding and ship repair activities, relying on the subcontractor market for accessory specialities.

West Sea, after the shipyard's sub-concession started in 2014, already has a portfolio of experience that places it as a reference in the market of its sector of activity, which consists of:

- **Shipbuilding** – with a well-defined strategy, the company specialises in quality products and high technological incorporation. The segment of tourism vessels such as River Cruise and Ocean Expedition Cruise vessels are two examples of the segments the company has built, as well as Military Vessels which, due to their technological level, standards of quality and versatility, are another side of the experience already gained, and the company is considered a shipbuilding reference in Europe, thus contributing with a relevant weight to exports in this activity;

- **Ship Repair** – it has had a strong exporting propensity with a capacity for medium and large vessels. The excellent location with proximity to international routes of cargo ships has contributed to this success. The proximity of the North Atlantic hubs allows it to attract internationally renowned clients. This, combined with high-quality service and a quick response, has allowed the West Sea shipyard to be among the best and most competitive in Western Europe. Always focused on client satisfaction, West Sea has been able to consolidate a relationship of trust, creating client loyalty. It should be noted that since 2020, West Sea has made an effort to diversify by also investing in the conversion of vessels to LNG (liquefied natural gas), having intervened in three projects of a Spanish shipowner, thus projecting itself in the market as a crucial infrastructure for energy transition, so sought for nowadays.

In Aveiro, there is another operational unit, Navalria, with more than 40 years of experience, of which more than 10 of them while part of Martifer Group. Its activity is focused on repairs of small- and medium-sized vessels. It is also always available to complement West Sea, in partnership, in carrying out some shipbuilding. Even so, ship repair is the historical activity of the company, and this is the only company to operate around Aveiro. Navalria has maintained and stimulated this segment by attracting new clients outside this region, especially fishing vessels from Northern Spain, tugboats and tourism vessels. Navalria had 44 employees at the end of 2023.

In terms of organisation, the companies are focused on and oriented towards the good management of human resources, allowing the necessary cohesion and the attraction of the best human resources, taking advantage of the availability of specialised labour and also of undifferentiated labour to undergo professional training programmes and, in that way, acquire the appropriate skills.

RENEWABLES

Martifer Renewables, SGPS, S.A, the sub-holding of the 'Renewables' business segment and 100 % held by Martifer, SGPS, S.A. acts as a developer of renewable energy, mainly in the development of wind and PV projects. More than accumulating power in operation, Martifer Renewables' strategy is focused on the rigorous use of capital in the development and construction of projects, having implemented an asset rotation policy in projects under development, construction management, asset management and operation and maintenance (O&M). This policy is based on the principle that the development of renewable projects is financed with funds generated from the sale of other assets in its portfolio, in particular ready-to-build assets, at the end of construction or already in operation.

This business area, which had 41 employees at the end of the year, has wide experience in the development and management of wind farms and solar parks, being present in the Iberian Peninsula and in Central Europe. With a portfolio of over 51.1 MW in operation in Central Europe, wholly owned by Martifer Renewables, these contribute directly to Operating income.

Martifer Renewables has already developed and/or built more than 1 500 MW in different countries, having had as partners in the latest projects that were sold, relevant companies such as IKEA, Galp, Ferrostaal, SPEE, Bank Santander, CPFL, Tractebel, EDP, Solaire Direct and Finerge.

The Group is currently organised as follows:

MARTIFER METALLIC CONSTRUCTIONS

METALLIC CONSTRUCTIONS
STEEL STRUCTURES
ALUMINIUM AND GLASS FAÇADES

WestSEA VIANA SHIPYARD

NAVALRIA DRYDOCKS

SHIPBUILDING
SHIP REPAIR
SHIP CONVERSION

MARTIFER RENEWABLES & ENERGY

DEVELOPMENT OF WIND AND SOLAR ENERGY ASSETS
CONSTRUCTION MANAGEMENT
TECHNICAL MANAGEMENT AND OPERATION
ENERGY INFRASTRUCTURE
INDUSTRIAL MAINTENANCE

INTERNATIONAL PRESENCE

Europe and Middle East

PORTUGAL
SPAIN
FRANCE
UNITED KINGDOM
BELGIUM
POLAND
ROMANIA
SAUDI ARABIA

METALLIC CONSTRUCTIONS
NAVAL INDUSTRY
RENEWABLES & ENERGY

Africa

ANGOLA
MOZAMBIQUE

METALLIC CONSTRUCTIONS

Latin America

ARGENTINA

RENEWABLES & ENERGY

HISTORY

1990
In February 1990, Martifer is incorporated as a proprietary limited company, with a quota capital of approximately 22 500 Euros (at the time: Escudos 4 500 thousand) and registered office in the Oliveira de Frades Industrial Zone, where it continues today.

At the end of its first year of activity, Martifer has 18 employees and a turnover of 240 000 Euros.

1998
On 26 May, the company, with 100 employees, is transformed into a Public Limited Company and changes its shareholder structure. The company's share capital is held by MTO SGPS, S.A. (currently I'M SGPS, S.A.) and by ENGIL SGPS, S.A. (currently MOTA-ENGIL SGPS, S.A.). In Portugal, Expo 98 takes place with Martifer participating in several projects, such as the Vasco da Gama Tower.

1999
In November, Martifer begins its internationalisation process in Spain with the objective of becoming one of the reference companies in metallic constructions in that country.

2002
Martifer builds its second industrial unit in Portugal, located in Benavente, to meet construction needs for the Euro2004 stadiums.

2003
In February 2003, Martifer continues with the internationalisation process by building an industrial unit in Gliwice, in Poland. It starts operating in the second half of 2004.

2004
In February, Martifer begins activity in the renewable energy equipment sector, through Martifer Energia. This company is dedicated to the manufacture of metallic towers for wind turbines and is based in the Oliveira de Frades Industrial Zone.

In November, Martifer, SGPS, S.A. is incorporated with the objective of managing the financial holdings of the Martifer Group companies.

2005
The metallic structures activity widens its market to Central Europe, opening branches in Romania, in Czechia, in Slovakia and in Germany.

Investments are initiated in the area of Agriculture and Biofuels in Romania.

Martifer becomes one of the reference shareholders of the German company REpower Systems AG, one of the largest worldwide producers of wind power equipment, ending the year with a financial shareholding of 25.4 %. In June, REpower Portugal is incorporated, geared to the market of building and providing assistance to wind farms and assembling wind turbines.

In August, the Martifer Group incorporates yet another company called M Energy (today, Martifer Renewables) with the main purpose of centralising the management of all the activities in the promotion of renewable energy area.

2006
In March, through the Ventinveste Consortium, Martifer submits its application to the tender for the attribution of licences for the production of wind power in Portugal.

In May, Martifer Solar is incorporated with the corporate object of projecting, designing, manufacturing and installing solar panels.

At the end of the year, Martifer is awarded the 1st prize for excellence in the promotion of new areas of investment and business, awarded by the Chamber of Commerce and Industry of Romania.

2007

In February, Martifer, together with the Indian Group Suzlon, launches a takeover bid on REpower. The consortium takes control of 56.93 % of the company, and, thanks to an agreement between Areva and Suzlon, the consortium took control of 87.1 % of the voting rights of REpower. Martifer agrees to sell its shareholding in REpower to Suzlon in 2009 for 270 million Euros.

The Ventinveste consortium - formed by Martifer, Galp Energia, Enersis, Efacec and REpower Systems AG – takes first place in “Phase B” of the public tender launched by the Portuguese government for the attribution of 400 MW of injection capacity and the respective reception points associated with the production of electricity in wind power plants.

In June, the Initial Public Offer (IPO) of the Company is concluded. The Company receives 199 million Euros in funds through the offer of 25 million shares which were placed at the peak of the price range, 8 Euros per share. After the IPO, the Company has 65 thousand new shareholders.

Martifer Solar formalises the contract with Spire Corporation for the turnkey supply of the automated photovoltaic module production line with an annual capacity of 50 MW.

The Group is also awarded the distinction “Organic Grower of the Year 2007” by A.T. Kearney’s “Global Growth Assessment”.

2008

Martifer Energy Systems acquires Navalria. The acquisition price reached 4.7 million Euros.

The Chairman and the Vice-Chairman of Martifer, Carlos Martins and Jorge Martins, respectively, win the second national edition of the award attributed by Ernst & Young, Entrepreneur of the Year 2007.

The industrial units for the assembly of wind turbines, components for wind farms and PV modules start producing.

2009

Martifer and Hirschfeld create a Joint Venture for the production of wind energy components in the USA.

The Metallic Constructions’ plant in Angola (capacity of 15 000 t) begins production in the second half of the year.

Martifer Renewables surpasses 100 MW of installed capacity in May and, at the end of the year, is awarded 217.8 MW in the first wind power auction held in Brazil.

In October, the Group adopts a new governance model: Carlos Martins takes on the role of Chairman, Jorge Martins becomes CEO and Mário Couto is appointed CFO.

2010

In March, Martifer sells 11 % of Prio Foods and Prio Energy for 13.75 million Euros, thereby reducing its shareholding from 60 % to 49 % in these companies and in their respective subsidiaries.

Also in March, the subsidiary Martifer Metallic Constructions acquires 45 % of the share capital of Martifer Alumínios from HSF SGPS, coming to hold the company's entire share capital.

In April, Martifer Solar increases its capital to 50 million Euros to meet the company's investment needs, strengthening its capital structure.

In September and in October, Martifer Solar finalises the construction of the two largest photovoltaic solar plants in the African Continent, in the islands of Sal and Santiago, in Cape Verde.

At the end of the year and in line with Martifer Renewables’ implemented asset rotation policy, the Group sells the wind farms held in Germany, Bippen and Holleben, with 53.1 MW of installed capacity.

Also in December, Martifer Solar signs an agreement with EDP to sell 60 % of the company Home Energy.

MARTIFER GROUP

2011

Martifer becomes a multinational company with over 3 000 employees worldwide, focused essentially on two business areas: Metallic Constructions and Solar.

The Group increases its exposure to markets outside Europe with its entry into promising markets. In the ‘Metallic Constructions’ area, the first half year highlights the start of the construction of a metallic structures plant in one of the markets with the highest growth potential for the coming years: Brazil. In Solar, we witness the award of the first photovoltaic solar energy project in India, in June.

In February, and following the Group’s strategic guideline to focus on its core activities, Martifer sells its 50 % shareholding in REpower Portugal to REpower Systems AG.

2012

2012 is the year of full operation of the Martifer Metallic Constructions plant in Brazil. With the capacity to produce 12 000 t of steel structures per year, this plant aims to respond to the big projects of the company in Brazil.

Martifer Solar is awarded its first contract in Brazil: a PV installation with 300 kW in a General Motors plant in Joinville, in the State of Santa Catarina. The company also continues its internationalisation process entering Ukraine, Romania and Mexico.

2013

In 2013, Martifer Solar builds Latin America’s largest PV plant (30 MW), in Mexico. The company oversaw the Engineering, Procurement and Construction of the plant and was also responsible for the subsequent Operation and Maintenance (O&M) services.

Martifer Renewables concludes the third wind farm in Poland (Rymanów) for the Ikea Group. The farm, with 26 MWp, was inaugurated in June.

In November, following an international public tender, Martifer Energy Systems and Navalria, both Martifer Group subsidiaries, are awarded the sub-concession of the lands and the infrastructure of the Viana do Castelo Shipyard (Estaleiros Navais de Viana do Castelo (“ENVC”)).

2014

At the beginning of the year, Martifer signs the contract for the sub-concession of the lands and infrastructure of the old Viana do Castelo Shipyard (ENVC - Estaleiros Navais de Viana do Castelo). It is in May that West Sea, the company created by Martifer to operate the sub-concession, starts operating in Viana do Castelo. At the end of the year, West Sea signs the first shipbuilding contract.

Also in 2014, Brazil hosts the FIFA World Cup. Martifer Metallic Constructions participates in the construction of three stadiums: Arena Fonte Nova (Salvador da Bahía), Arena Castelão (Fortaleza) and Arena da Amazônia (Manaus). Martifer Solar is also present in this event, with the installation of the PV roof of the Mineirão Stadium, in Belo Horizonte.

2015

It is in 2015 that West Sea signs a contract with the Portuguese Navy for the construction of two Ocean Patrol Vessels.

In the Renewables sector, the Group concludes and sells its fourth wind power project in Poland, Gizalki, to the Ikea Group, and signs an agreement for the sale of a 216.4 MW portfolio in Portugal to EDP Renováveis.

2016

In 2016, the production of wind towers for the Âncora project was completed. This project began in 2014 and involved more than 100 employees dedicated exclusively to the production of 84 wind towers.

The Âncora project has four wind farms in operation (171.6 MW). This project includes two wind towers coated with elements projected and designed by two internationally renowned artists, Vhils and Joana Vasconcelos, in what is considered the largest contemporary art project in height.

In the naval sector, the first ship built by West Sea in Viana do Castelo is delivered to Douro Azul. Viking Osfrid is a vessel very similar to the two hotel-ships built in 2014 by Navalria (Viking Hemming and Viking Torgil). It is 79 metres long and accommodates 106 passengers.

2017

In 2017, Martifer Metallic Constructions is awarded the supply and assembly of the metallic structure for the expansion of the Geneva International Airport - East Wing, which consists of the construction of a new building, 520 metres long and 20 metres wide.

In the ‘Naval Industry’ area, West Sea begins the construction of NRP Setúbal and NRP Sines, the two Ocean Patrol Vessels for the Portuguese Navy. Mystic Cruises awards West Sea the construction of a luxury cruise ship to navigate in Antarctica. With 126 metres in length and a beam of 19 metres, it will have the capacity for 176 guests and 125 crew members.

Martifer Renewables wins a bid in Argentina for a 100 MW solar energy project located in the municipality of Iglesia, in the province of San Juan, approximately 1 000 km from the capital, Buenos Aires. This is the first big step in the development of its activity in Argentina.

2018

Martifer Metallic Constructions is awarded the global contract for the maintenance of the Sines refinery for a period of three years, this being Martifer's first contract in the Oil & Gas sector. The Sines Refinery is one of the largest in Europe, with a distillation capacity of 10.9 million t per year, i.e., 220 thousand barrels per day.

In the ‘Naval Industry’ area, the World Explorer, the first polar expedition vessel to be built in Portugal, was one of the major shipbuilding projects at West Sea. The World Explorer is a luxury cruise ship that will navigate in Antarctica. The vessel is 126 metres long and has a beam of 19 metres. The year ends with the award of another two polar expedition vessels: the World Voyager and the World Navigator.

In the ‘Renewables’ area, in Poland, the milestone of 440 MW of wind power assets in operation for third parties is achieved.

2019

The christening of the Portuguese Republic Ship Setúbal - the NRP Setúbal - is held at West Sea. This is the second military ship built by the consortium West Sea and Edisoft for the Portuguese Navy.

The christening ceremony of the polar vessel World Explorer, the first oceanic vessel fully designed and produced in Portugal, is held at the West Sea shipyard. The World Explorer is 126 metres long and has a beam of 16 metres and, although not a very large cruise ship, it is unique in its purpose - luxury travel to extreme weather locations.

In Mozambique, Martifer-Visabeira is awarded the construction of the liquid bulk storage terminal for Galp, in Beira. An important step in the Oil & Gas industry.

Following the Group's asset rotation strategy, the wind farms Vila Franca de Xira and Baião, which together have an installed capacity of 18.9 MW and 6 PV solar parks in Spain, with an installed capacity of 8.1 MWp, are sold.

2020

The Martifer Group celebrates its 30th anniversary on 21 February. It was on this day that, in 1990, the company was founded in the metallic constructions area, materialising the dream of two brothers.

At West Sea, the year begins with the award of four more Polar Expedition “Ice” Class vessels of the Explorer series, for Mystic Cruises. The World Traveller, the World Seeker, the World Adventurer and the World Discoverer will come to fill the construction areas so that, in 2023, West Sea will have 7 polar vessels sailing.

Martifer Metallic Constructions consolidates its position as a service provider in the area of Operation and Maintenance (O&M) with the award of several projects.

Also, in the area of ‘Metallic Constructions’, Martifer wins and is responsible for the completion of the Gare de Mons project in Belgium, with architecture by Santiago Calatrava.

At Martifer Renewables, a Ready-to-Build Wind Farm in Poland is sold, and the Babadag wind farm in Romania has its best year ever in terms of operating results.

2021

The Group restructures the business areas with the integration of the energy and industrial maintenance segments in Martifer Renewables & Energy, previously Martifer Renewables. In this way, it seeks to be at the forefront of new energy challenges, already forming part of the Green.H2.Atlantic consortium, created for the production of renewable hydrogen in Sines. Also in this area, in the wind and solar segment, a memorandum is signed for the creation of a Renewable Energy Community, the first in Portugal at the industrial level, in Viana do Castelo. In Poland, the company wins an auction guaranteeing a tariff of 229 zł / MWh, valid for 15 years.

Martifer Metallic Constructions is chosen to participate in the construction of two reference projects: the Marseille-Provence Airport in Marseille with Foster+Partners' architecture, which includes the construction of a new building and the rehabilitation of Terminal 1; and Mareterra with Renzo Piano's architecture, currently one of the boldest and most innovative projects in Europe, in Monaco.

In the Naval Industry, the World Traveller floats, this being the fourth ocean vessel to be built by West Sea. The World Voyager also makes its maiden voyage, to the Portuguese islands. In the ship repair segment, there are several projects that fill the company's portfolio. In ship conversion, 4 vessels have already been transformed by West Sea, following the natural trend in the industry for decarbonisation and for the change to more efficient and sustainable fuels.

2022

The Naval Industry strengthens its position within the Group with the ship repair segment continuing its path and gaining ever more trust from shipowners. The construction of the new dock will increase West Sea's production capacity, allowing it to receive larger ships and continue the excellence of the service it has been providing in terms of quality, speed of execution and incorporation of engineering solutions. In shipbuilding, the World Traveller, the fourth ocean vessel built by West Sea, is delivered to the client.

In the Renewables & Energy area, in line with the goals established for the energy transition, we consolidate our presence in the Green.H2.Atlantic consortium and invest in the creation of partnerships for the development of Renewable Energy and Self-consumption Communities, which will be fully operational next year. In the energy infrastructure and operation and maintenance segment, we maintain a path consistent with client loyalty and long-term contracts.

Martifer Metallic Constructions maintains its focus on strategic markets and projects and wins the contract for the execution and assembly of 2 200 modules for the south and west roof of the future Santiago Bernabéu Stadium, in Madrid; carries out the rehabilitation of the façades on the lower floors of the building Castellana 83-85, in Madrid; the rehabilitation of Oriente Green Campus, an office building with 3 floors, in Lisbon; and is part of the consortium Synavia, to which the Service d'Infrastructure de la Défense (ESID), of the French Ministry of the Armed Forces, awarded the contract for the adaptation of the MY03 basin and the construction of new buildings for a nuclear base, in Missiessy, Toulon.

2023

Martifer Metallic Constructions wins the contract for the supply and assembly of metallic structure railway viaducts, in Birmingham, as part of the High Speed Two (HS2) project - a new high-speed railway line that will connect London to the north of England. This is one of the largest contracts ever for Martifer in the metallic structure segment. Still in the area of metallic construction, for the façades segment, it is worth highlighting the award of the projects: Edenn, in France, the Fine Arts Museum of Bilbao and the Hotel Princesa Madrid, in Spain and Terminal 2 of the Airport of Manchester, in the United Kingdom.

The Naval Industry closed the year with two very important awards in the construction segment. The contract for the construction of a Luxury Cruise Ship, for the Japanese group Ryobi, with delivery scheduled for 2027 and the contract for the construction of 6 Ocean Patrol Vessels (OPV) for the Portuguese Navy. The ship repair segment maintained its trajectory of sustained growth, continuing its excellent work.

In the area of Renewables & Energy, for the energy infrastructure and operation and maintenance segment, 2023 was the best year ever, growing sustainably, with new clients and new types of projects. An example of this is the award, by TGE Gas Engineering, for the supply and assembly of the Ethane Tank (197 000 m^3) for Project ONE of INEOS, to be carried out in Antwerp, Belgium.

In the Renewables segment, it was possible to obtain connection licenses and the consequent (future) hybridisation of our wind farm in Babadag, in Romania; in Portugal, a development agreement (MoU) was signed for the development and implementation of a 50 MW wind UPAC (Production Unit for Self-Consumption).

MARTIFER GROUP

MARKET ENVIRONMENT

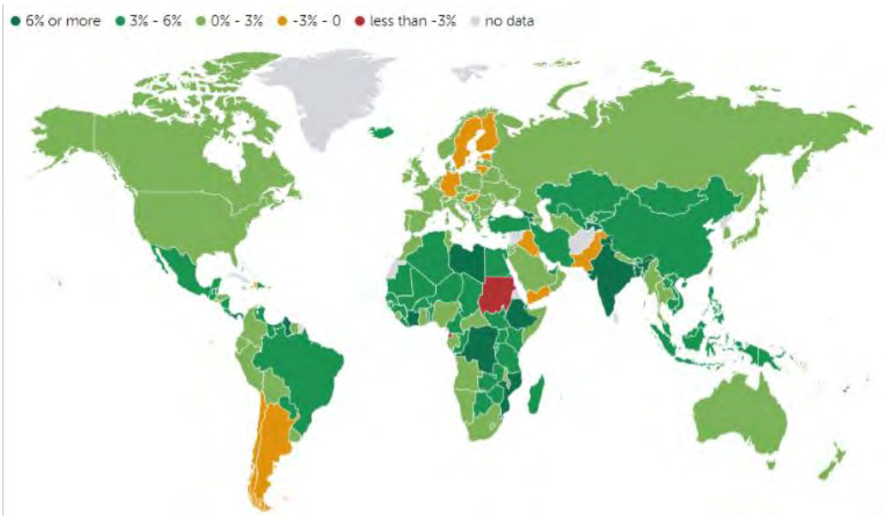
GLOBAL ECONOMY

According to the report prepared by the World Economic Forum (WEF), in general terms the events of 2023 brought a mix of global attention. Vulnerable populations have found themselves embroiled in deadly conflicts that have spread from Sudan to Gaza and Israel, amid unprecedented environmental challenges such as heatwaves, droughts, forest fires and record-breaking floods. The WEF's lacklustre outlook can be attributed to the stringent policy measures needed to combat inflation, the repercussions of worsening financial conditions, the lingering impact of the conflict in Ukraine, and the growing trend of geoeconomic fragmentation.

ECONOMIC GROWTH

Economic activity continues to lag pre-pandemic levels, which is particularly noticeable in emerging markets and developing economies, while regional disparities are accentuated. The WEF's latest projections indicate a slowdown in global growth from 3.5 % in 2022 to 3 % in 2023 and to 2.9 % in 2024. This represents a decline of 0.1 % for 2024, which reveals a continuous deviation in relation to historical averages.

GDP Growth | Annual change (%)



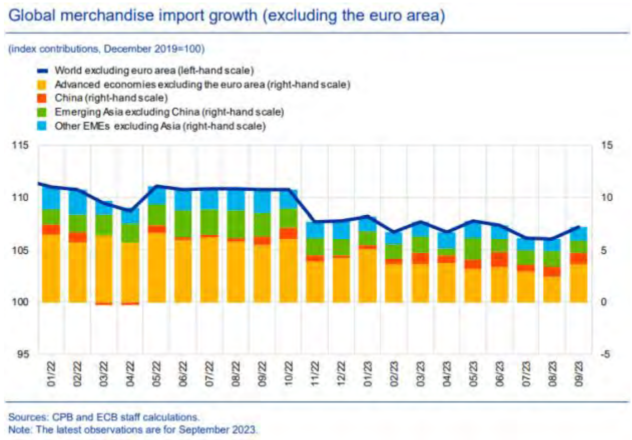
Source: World Economic Forum

EMERGING MARKETS

Many emerging market economies have demonstrated considerable resilience and exceeded expectations. Increased demand for labour-intensive services has led to tighter labour markets and persistent inflation in the services sector. However, there are signs of a slowdown in the services activity, along with a continued decline in manufacturing, which indicates a potential decline in services inflation and a slowdown in labour markets and economic activity in 2024, according to the WEF.

Additionally, there has been a notable expansion on the supply side, characterised by a widespread increase in workforce participation, resolution of supply chain disruptions that emerged during the pandemic, and a reduction in delivery times.

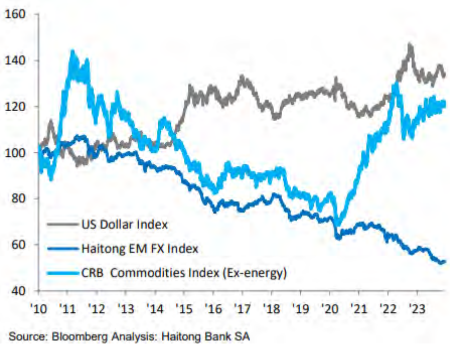
Global growth of imports, excluding the Eurozone



Emerging markets are facing a challenging scenario characterised by high inflation and currency depreciation, says Haitong.

The same source states that these factors collectively contribute to increased uncertainty and economic pressures in emerging market economies, requiring careful navigation by policymakers to mitigate potential risks.

USD vs. EM FX & Commodities



CHINA

In context, the economic outlook in 2022 was marked by a slowdown related to the pandemic and a crisis in the real estate sector, leading to substantial production losses of around 4.2 % compared to pre-pandemic forecasts, as indicated by the WEF.

Through the data provided by the WEF, this recession was particularly pronounced in other emerging markets and developing economies, especially in low-income countries, where production losses were, on average, in excess of 6.5 %. On the demand side, according to the same source, several factors contributed to the downward pressure on prices, namely a weaker-than-expected recovery in oil consumption in China, temporary fears of recession resulting from banking problems and tighter monetary policy in many major economies, particularly evident in the second quarter of 2023. China's growth momentum suffered from the initial surge in economic activity following the reopening in early 2023. Growth slowed from 8.9 % in the first quarter to 4.0 % in the second quarter, indicating ample economic room for manoeuvre. The decline in energy and food prices further dampened inflation, which fell to an estimated 0.2 %.

The WEF says recent indicators suggest continued weakness, exacerbated by the ongoing housing crisis in China. Country Garden, the country's largest property developer and one of the main beneficiaries of government support, is facing severe liquidity strains, signaling the spread of difficulties in the property sector to stronger developers despite policy easing measures. Furthermore, real estate investment and housing prices continue to decline, putting pressure on local authority revenues from land sales and exacerbating current pressures on public finances. Evergrande was once China's biggest property developer, but its failure to meet offshore debt obligations in 2021 triggered a crisis across the board. The company recorded debts of more than USD

300 thousand million, much of which was owed to individuals whose properties were never built. Real estate developer Evergrande obtained an extension until the end of January to try to restructure its debts and avoid liquidation, in one of the most publicised cases of the long Chinese real estate crisis.

Chinese economy and its Momentum

Sources: CEIC Data Company Limited; Haver Analytics; and IMF staff calculations.
Note: In panel 1, real investment denotes PPI-adjusted fixed asset investment in real estate sector. The figure shows year-over-year percent change of housing starts and sales measured in square meters. PPI = producer price index.

USA

The United States has registered the most robust recovery among the main economies, with GDP in 2023 estimated to exceed pre-pandemic levels, according to the WEF.

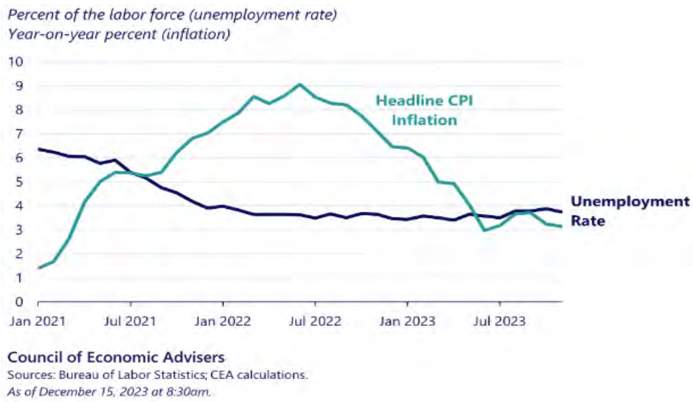
In the United States, growth is forecast to decline from 2.5 % in 2023, up from 1.9 % in 2022, to 2.1 % in 2024 and 1.7 % in 2025, with the lagged effects of monetary policy tightening and the gradual contraction of budgetary policy.

Employment data continued at a very strong pace in 2023, although below the rates observed in 2021 (58.4 %) and 2022 (60 %) immediately after the pandemic recession.

In mid-March/April 2023, the unexpected collapse of specialised regional banks in the United States such as Silicon Valley Bank, Signature Bank and First Republic Bank, and the subsequent collapse of confidence in Credit Suisse, a bank of global importance, triggered significant turbulence in financial markets. According to Goldman Sachs, small banks are responsible for 70 % of all small business loans. Small businesses are a critical component of the U.S. GDP, making up nearly half of the country's workforce.

WEF analysts state that this disruption led bank depositors and investors to reassess the security of their holdings, leading to a move away from institutions and investments considered vulnerable. Loss of confidence in Credit Suisse resulted in a brokered takeover, exacerbating concerns in the financial sector. This uncertainty surrounding the short-term economic outlook has contributed to more restrictive financial conditions, which could lead to a decrease in lending and economic activity, if it continues. The events of 2023 highlight the fragility of the confidence in the financial system and the challenges that policymakers face in restoring stability and maintaining investor confidence, as stated by the WEF. While authorities work to resolve these issues, market participants continue to closely monitor developments, aware of the potential implications for the broader economy.

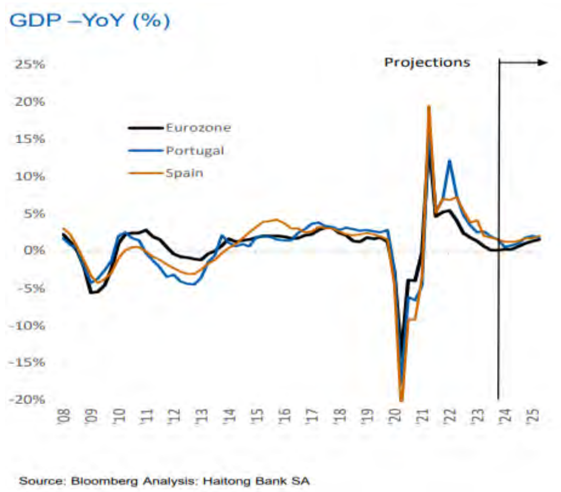
Unemployment rate vs. CPI



EUROPE

The Eurozone's recovery has been less vigorous, with production still lagging by 2.2 % in relation to pre-pandemic projections. This discrepancy is attributed to greater exposure to the conflict in Ukraine, resulting in an adverse trade situation, as well as a significant increase in imported energy prices (WEF). The CNN report states that the European economy avoided ending 2023 in recession by a very small margin. Better-than-expected growth in Italy and Spain in the last three months of 2023 - where production increased by 0.2 % and 0.6 %, respectively - appears to have helped keep the European economy stable at the end of last year. The French economy, the second largest in Europe, stagnated in the fourth quarter, but grew 0.7 % throughout 2023.

GDP | Annual change (%)



GERMANY

The European Commission highlights that private consumption was affected by a loss of purchasing power. High construction and borrowing costs, in addition to labour shortages and high energy prices, have depressed investment in construction and energy-intensive sectors.

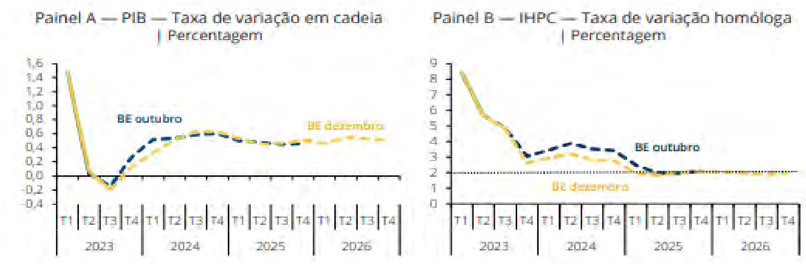
Inflation (HICP) slowed from its peak of 11.6 % in October 2022 to 6.0 % in 2023. This reduction is mainly due to the decline in wholesale energy prices and the introduction of energy support measures, which were discontinued in November 2023. However, Germany avoided falling into a technical recession from two successive quarters of negative growth. This is due to revised data for the third quarter, which went from a contraction of 0.1 % to stagnation. In this context, Europe remains vulnerable to the risk of recession in the first half of 2024, according to Haitong's analysis. According to the WEF, the cumulative effect of almost two years of monetary tightening in developed economies, combined with the slow pace of global economic growth since the end of the COVID-19 pandemic, is expected to put significant pressure on European economic performance. This fact highlights the challenges facing policymakers in navigating the delicate balance between promoting growth and managing the potential risks of recession in the region.

GDP growth and contributions| Germany

PORTUGAL

The Portuguese economy is expected to grow 2.1 % in 2023, with a slowdown projected in 2024, to 1.2 %, and a recovery in growth in the following years, to 2.2 %, in 2025. The economy stagnated in the second and third quarters of 2023 and is expected to maintain low growth in the fourth quarter. The recent evolution of activity reflects the weakness of external demand, the cumulative effects of inflation and the greater restrictiveness of monetary policy, which was transmitted to the financing conditions of economic agents.

Percentage change in GDP and HICP



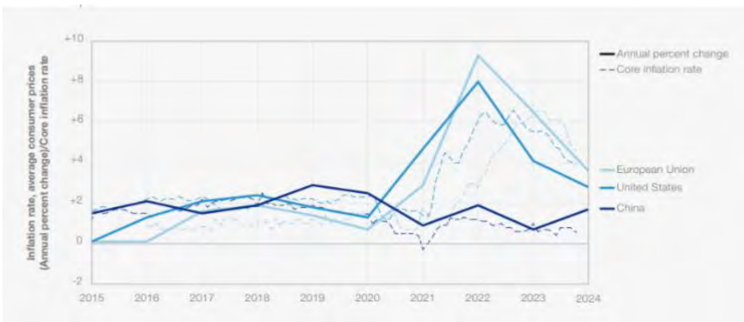
Fontes: Banco de Portugal e INE. | Nota: As linhas a tracejado correspondem aos valores projetados nos BE de dezembro e de outubro de 2023.

The risks surrounding the activity's projection are mostly downward pointing, with the outcome being more balanced for inflation. The growth of activity in Portugal may be lower than projected if the identified risks of external origin materialise, such as, for example, a worsening of geopolitical tensions, with an impact on raw material prices and confidence; a greater than expected impact from tightening financial conditions; and greater persistence of inflation, translating into high interest rates for longer periods. In the case of inflation, the upside risks associated with disruptions in energy markets are offset by the downside risks for the economic growth with a negative impact on prices.

INFLATION

Despite central banks' efforts to contain inflation by raising interest rates and lowering food and energy prices, underlying price pressures remain resilient, particularly as labour markets become more restrictive in several economies. This situation highlights the challenges of achieving a balanced economic environment amid current inflationary pressures and financial market volatility. According to Goldman Sachs, 2023 saw volatile sequential inflation imprints, but also a marked slowdown in the underlying sequential inflation pressures. According to the same source, the pace of deceleration was more pronounced than expected, with the surprises turning from positive to negative as the year progressed, with the methodological changes registered this year distorting the sequential inflation context and with the fiscal and weighting changes to the 2024 HICP on the horizon.

Inflation Data

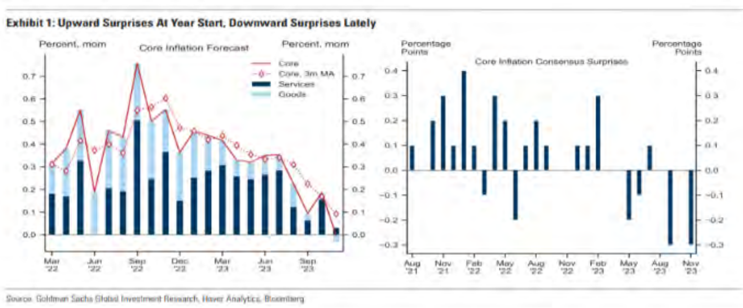


The WEF asserts that tighter monetary policies aimed at curbing inflation have uneven effects across countries. Although corporate bankruptcies have increased in the US and the Eurozone, they remain relatively low in historical terms. While advanced economies, except for Japan, are approaching the peak of their boom cycles, some emerging markets, such as Brazil and Chile, have already started to slow down. Furthermore, according to the WEF, the impact of last year's commodity price shock varies across economies, with economies that rely heavily on Russian energy imports experiencing sharper energy price increases and steeper slowdowns.

Inflation, Year Variations

	2022	2023	2024
Global Inflation	8.7%	6.9%	5.8%
	2023	2024	2025
EU HICP Inflation	6.3%	3.0%	2.5%
	2023	2024	2025
Euro Area Inflation	5.4%	2.7%	2.2%

Core Inflation Forecast



CLIMATE RISKS

The World Economic Forum highlights that the year has been characterised by intense heatwaves and droughts amid record global temperatures, offering a glimpse of a future marked by the ravages of climate change. More frequent crop failures are expected in all countries, which will lead to increased food prices and greater food insecurity. The current El Niño phenomenon, historically associated with annual increases of more than 6 % in global food prices, presents additional risks. Furthermore, under normal circumstances, the Panama Canal handles around 3 % of global maritime trade volume and 46 % of containers moving from Northeast Asia to the US East Coast. The canal is Panama's biggest source of revenue, with revenue of USD 4.3 thousand million in 2022. With water levels remaining 1.8 metres below normal, the canal authority has limited the number of ships passing through. The limits imposed late last year were the strictest since 1989, when the pipeline was closed when the US invaded Panama to remove its *de facto* ruler, Manuel Noriega.

GEOPOLITICAL RISKS

The World Economic Forum presents information indicating that the war in Ukraine and geopolitical tensions in other parts of the world could exacerbate these challenges, potentially triggering supply chain disruptions and new fluctuations in the prices of food, fuel, fertilisers and other base products. The suspension of the Black Sea grain contract in July and recent attacks on Ukrainian grain facilities have raised concerns. Furthermore, the proliferation of export restrictions on agricultural products aimed at stabilising domestic prices further complicates the delivery of commodities to world markets, potentially worsening price volatility.

The above source mentioned that a potential increase in oil prices, resulting from the reduction in oil supply, could further dampen global economic activity and increase inflation, with variable impacts in different regions. Despite these challenges, the global economic recovery following the COVID-19 pandemic, Russia's invasion of Ukraine and the cost-of-living crisis has demonstrated surprising resilience. However, the current division of the world economy into blocs, in a context of geopolitical tensions, presents significant risks. Increased restrictions on trade, limitations on cross-border movements of capital and technology, and disruptions to international payments could impose substantial costs on global prosperity. Trade fragmentation alone could reduce annual global GDP by up to 7 %.

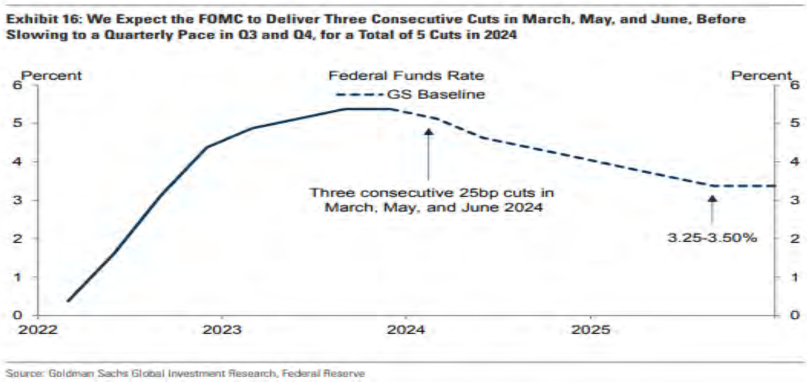
The conflict in Gaza and Israel is another area of concern, especially given the region's importance in global oil and gas exports. Continued attacks on vital trade routes such as the Red Sea, coupled with the conflict in Ukraine, threaten to create adverse supply shocks, leading to spikes in food, energy and transport costs.

AND THE FUTURE?

Geopolitical risks persist as the world evolves towards a multipolar order, with ongoing conflicts and numerous national elections, particularly in the USA, worsening political uncertainty. Stock volatility is expected to increase in 2024, depending on the potential timing and severity of a recession. In Europe, growth in 2024 will be limited by high inflation and interest rates, although improvements are expected towards the end of the year. Domestic demand will benefit from wage growth, tight labour markets and EU-funded investment. The WEF indicates that, however, political fragmentation can complicate policymaking, leading to difficult-to-manage coalitions. Despite some economic recovery, challenges such as high energy prices and dissatisfaction with public services will persist. Disagreements over issues such as immigration and ecological policies can deepen internal divisions. Efforts are expected to be made to accelerate renewable energy projects, but these may fall short of ambitious carbon emission reduction targets.

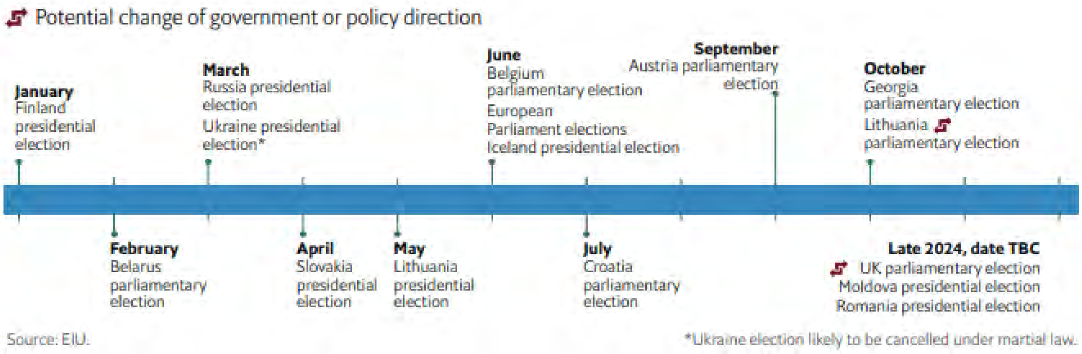
It remains to be seen whether the Federal Reserve (Fed) will make at least four interest rate cuts. Goldman Sachs says yes, based on the surprising speed with which inflation is approaching the 2 % target. They expect the Federal Open Market Committee (FOMC) to initiate rapid cuts to adjust the policy rate, which is considered by most members to be significantly off target. However, the pace and magnitude of these reductions will depend on several factors. Small disparities in inflation outcomes could have a significant influence on political decisions. If inflation falls below the 2 % threshold, the FOMC may opt for an extended series of consecutive cuts. Furthermore, the speed of rate adjustments will depend on the reaction of financial conditions. Although the bond market is already anticipating more cuts than anticipated for next year, there is a risk that acting too quickly could trigger excessive enthusiasm in asset markets. Consequently, the FOMC may choose to slow its pace of cuts in this scenario.

FOMC Expectations



Political risks remain high, with an ongoing shift to a multipolar world order, two major wars and 40 countries holding national elections (including the USA) that could increase political volatility, with geopolitical changes. As such, J.P. Morgan expects stock volatility to be generally higher in 2024 than in 2023, and the extent of the increase depends on the timing and severity of an eventual recession.

Elections



S&P Global Commodity Insights has released its latest report on key risks for 2024. The team says energy demand continues to seek stability amid unprecedented volatility, influenced by factors ranging from the lingering effects of the COVID-19 pandemic to geopolitical tensions, such as the Russian invasion of Ukraine. In 2024, uncertainty remains regarding central banks' efforts to manage inflation, China's economic trajectory, the recovery of European electricity and gas demand following the conflict in Ukraine, and the potential impact of a strong El Niño on global weather patterns and in fluctuations in energy demand. OPEC+ and other producers face a difficult dilemma as they must contend with rising liquids production in North America and growth in non-OPEC+ countries. Despite production cuts aimed at defending prices, OPEC+'s market share has declined to an all-time low, leading to fractures within the alliance and potential shifts to market share strategies at the expense of price defence. The clean technology industry is experiencing a new wave of consolidation as fossil fuel producers leverage profits to acquire assets at lower costs. Furthermore, geopolitical dynamics are evolving, with energy being used as leverage in international affairs, particularly evident in Russia's efforts during the conflict in Ukraine. Elections around the world in 2024 introduce more uncertainty, with potential implications for economic policies, climate agreements and geopolitical alignments.

	2018	2019	2020	2021	2022	2023e	2024f
GDP, anual var. %							
USA	3	2.3	.2.8	6	1.9	3.1	1.4
Eurozone	1.8	1.6	-6.3	5.3	1.9	0.1	1.2
Germany	1.1	1.1	-4.1	2.6	1.8	-0.2	0.8
Portugal	2.9	2.7	-8.3	5.5	6.7	2.2	1.8
Inflation, anual var. %							
USA	2.4	1.8	1.3	4.7	8	3.4	2.3
Eurozone	1.8	1.2	0.3	2.6	8.3	2.9	1.9
Germany	2	1.3	0.4	3.2	8.5	2.9	2.4
Portugal	1.2	0.3	-0.1	0.9	8.3	2.3	1.6
Unemployment Rate, anual var. %							
USA	3.9	3.7	8.1	5.4	3.7	3.7	4.1
Eurozone	8.2	7.6	7.9	7.7	6.8	6.5	6.8
Germany	3.2	3	3.7	3.6	3.1	5.9	6.2
Portugal	7.2	6.6	7	6.6	6.1	6.6	6.5
Weight of Deficit, % GDP							
USA	-6.2	-6.7	-14.9	-12.1	-4.1	-5.9	-6
Eurozone	-0.4	-0.6	-7.1	-5.1	-3.7	-3.3	-2.8
Germany	1.9	1.5	-4.3	-3.9	-2.7	-2	-2.8
Portugal	-0.4	0.1	-5.8	-2.9	-1.8	-0.1	0.1
Preço of Crude							
USD per Barrel	53.8	66	51.8	77.78	85.91	82.17	81
Interest Rates, end of year (%)							
Interest Rates							
- Fed (Fed Funds)	2.60%	1.60%	0.10%	0.40%	4.70%	5.50%	5.00%
- ECB	-0.60%	-0.60%	-0.70%	-0.60%	2.60%	4.50%	4.15%
- BoE	0.80%	0.60%	0.10%	0.50%	3.90%	5.25%	4.75%
Long-term Interest Rates (10Y Bonds)							
USA	2.70%	1.90%	0.90%	1.50%	3.80%	3.80%	4.08%
Eurozone	0.20%	-0.20%	-0.60%	-0.20%	2.60%	2.64%	1.12%
United Kingdom	1.30%	0.80%	0.20%	1.00%	3.70%	3.55%	3.98%
Exchange Rate, end oof year							
EUR/USD	1.2	1.15	1.12	1.22	1.14	1.10	1.12

Source: (Refinitiv, 2024), (OECD,2024), (IMF, 2024), (Trading Economics, 2024)

MAIN RISKS FOR 2024

The 4 main risks for 2024 identified by the Economist Intelligence source were:

I.

In a scenario of restrictive monetary policy, major economies face the risk of a global recession in 2024. Central banks have been increasing interest rates to contain inflation, but there is the possibility of a re-acceleration of inflation due to demand worldwide and the scarcity of raw materials. This situation could lead central banks to continue raising interest rates, which will result in a decrease in consumer demand and investment, as well as currency depreciation in emerging markets.

II.

A global trade conflict is the result of competition between Western economies to subsidise the development of green technologies. These incentives, designed to rival China's dominance in the clean energy sector, impose stringent supply requirements, which have led to tensions between the EU and the US. Further escalation could result in an increase in customs duties on Chinese imports and retaliatory measures by China, such as restricting exports of essential raw materials. This situation could hamper decarbonisation efforts, potentially leading to a resurgence of carbon-based technologies and delaying global emissions reduction targets.

III.

The Economist Intelligence predicts that climate change-induced extreme weather events will disrupt global supply chains. Increased occurrences of severe weather conditions, including droughts and heat waves, coupled with geopolitical tensions such as the collapse of trade agreements, could affect commodity-dependent industries such as agriculture and manufacturing. These disruptions can lead to shortages, exacerbating inflationary pressures and affecting household expenditure and food security. Furthermore, the potential for mass migration or conflict in affected regions could have far-reaching political consequences.

IV.

Growing discontent fuelled by high commodity prices and disruptions in supply chains could lead to widespread industrial action globally in 2024-25. Inflation that exceeds wage growth, particularly affecting families with lower incomes, could trigger social unrest, expanding existing protests and strikes in Europe, the USA, South Korea and Argentina. In an extreme scenario, workers in major economies, especially those in large manufacturing companies, could coordinate large-scale strikes, demanding wage increases that correspond to inflation. Such movements, exemplified by disruptions in the automotive industry in the US and essential services in the UK, can potentially paralyse entire industries or public services for prolonged periods, affecting global growth by having repercussions on other sectors or countries.

MANAGEMENT REPORT

Financial Performance

03 | FINANCIAL PERFORMANCE

ANALYSIS OF THE CONSOLIDATED RESULTS

M€	DEC-23	DEC-22	VAR.%
Operating income	219.9	211.5	4%
EBITDA	34.1	25.8	32%
EBITDA margin	16.1%	13.6%	2.5 pp
Depreciation & Amortization	-5.8	-5.7	-2%
Provisions & Impairment Losses	0.0	0.1	-87%
EBIT	28.2	20.1	40%
EBIT margin	13.3%	10.6%	2.8 pp
Financial Results	-7.3	-5.7	-27%
Results in associated companies	0.6	3.0	-0.8
Profit before taxes	**21.6**	**15.4**	**0.4**
Income tax	-0.5	-1.3	0.6
Net Profit	**21.1**	**14.2**	**49%**
Attributable to non-controlling interests	1.4	0.8	70%
Attributable to shareholders	19.7	13.3	48%
Earnings per share (€)	0.201	0.136	48%

(a) EBITDA = Sales and services rendered + Other operating income – Cost of goods sold and materials consumed – Subcontracts – External supplies and services - Personnel expenses - Impairment losses on financial assets - Other operating expenses

(b) EBITDA Margin = EBITDA/Turnover

OPERATING INCOME

OPERATING INCOME	DEC - 23		DEC - 22		
	€M	WEIGHT	€M	WEIGHT	VAR.%
Martifer Consolidated	**219.9**	100%	**211.5**	100%	**4%**
Metallic Constructions	140.4	64%	122.0	58%	15%
Naval	63.0	29%	69.6	33%	-9%
Renewables	18.6	8%	21.5	10%	-13%
Others	-2.1	-1%	-1.7	-1%	-23%

In 2023, total Operating income was 219.9 million Euros (211.5 million Euros in 2022), 64 % of which in the ‘Metallic Constructions’ segment, 29 % in the ‘Naval Industry’ segment and 8 % in the ‘Renewables’ segment. ‘Others’ refers to intersegment transactions.

The Metallic Constructions’ Operating income reached 140.4 million Euros, a 15 % increase versus the same period last year, due to the acceleration in activity in some geographies, essentially the United Kingdom, Saudi Arabia, Portugal and France despite decreased activity in Angola and in Spain.

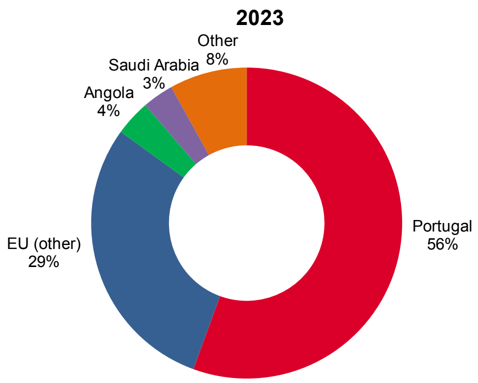
The ‘Naval Industry’ segment presents a value of 63.0 million Euros in 2023 (a 9 % decrease compared to 2022), which results from the delayed resumption of the construction activity made more difficult by the constraints of the pandemic.

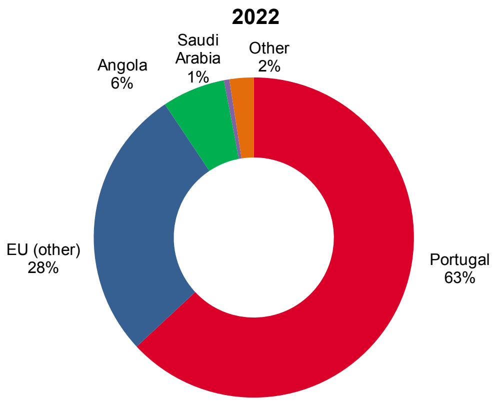
In the ‘Renewables’ segment, operating income amounts to 18.6 million Euros, in 2023, representing a decrease of 13 % from 2022, essentially due to the impact of the ‘Wind Farm Lada’ project disposal in 2022.

As regards turnover (sales and services rendered), in 2023, same amounted to 211.7 million Euros compared to 190.4 million Euros in 2022.

Analysing the turnover by geography - considering the location of the **Group companies** that generated the turnover – in 2023, Portugal accounts for 56 % of total sales and services rendered and the remaining 44 % are divided as follows: European Union (excluding Portugal) – 29 %, Angola – 4 %, Saudi Arabia – 3 % and others (mainly the United Kingdom) – 8 %.

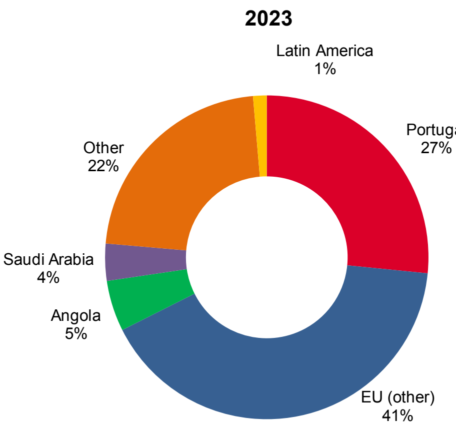
BREAKDOWN OF SALES AND SERVICES RENDERED BY ORIGIN – 2023 VERSUS 2022

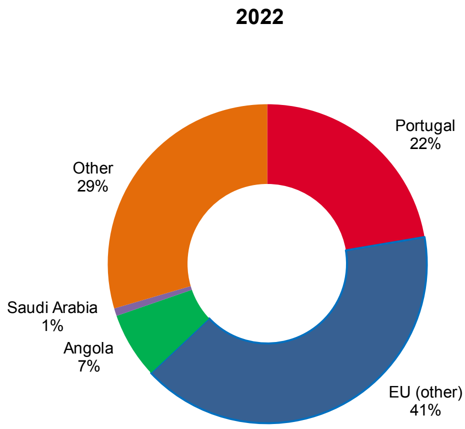




Analysing the turnover by geography - considering the location of the **clients** and the destination of the sales and services rendered - in 2023, Portugal accounts for only 27 % of the total sales and services rendered (mainly in Naval Industry and Metallic Constructions) and the international market 73 %, divided as follows: European Union (excluding Portugal) – 41 %, Angola – 5 %, Saudi Arabia – 4 % and others (essentially the turnover in the United Kingdom as well as that associated with the construction of cruise ships for polar exploration in the Arctic and Antarctica) – 22 %.

BREAKDOWN OF SALES AND SERVICES RENDERED BY DESTINATION – 2023 VERSUS 2022





MARTIFER GROUP

EBITDA AND NET PROFIT

EBITDA	DEC - 23		DEC - 22		
	€M	MARGIN	€M	MARG.	VAR.%
Martifer Consolidated	**34.1**	**16%**	**25.8**	**14%**	**32%**
Metallic Constructions	14.8	11%	7.2	6%	>100%
Naval	12.5	20%	6.6	10%	89%
Renewables	8.3	56%	12.2	115%	-32%
Others	-1.5		-0.1		<-100%

In 2023, consolidated EBITDA registered a positive value of 34.1 million Euros, with positive contributions from the three operating segments: the ‘Naval Industry’ segment contributed with 12.5 million Euros, the ‘Metallic Constructions’ segment with 14.8 million Euros and the ‘Renewables’ segment with 8.3 million Euros.

In the ‘Metallic Constructions’ segment, EBITDA, in 2023, was 14.8 million Euros, showing an increase of around 7.6 million Euros compared to 2022. This change was mainly due to the increase in the realisation of projects in Portugal (manufacturing for export) and the increase in activity in France and in the United Kingdom.

In the ‘Naval Industry’ segment, the 5.9 million Euros increase in EBITDA was due to the resumption of the shipbuilding activity and the reversal of impairment previously constituted in the amount of approximately 15 million Euros, following the receipt of the amount that was owed for a significant period and for which impairment had been recorded, net of provisions for onerous contracts with the same entity in the amount of 6.1 million Euros.

In the ‘Renewables’ segment, there was a decrease in EBITDA of 3.9 million Euros, mainly justified by the disposal of the ‘Wind Farm Lada’ project, which had a positive impact of 9.0 million Euros in 2022.

Depreciation and Amortisation recorded a slight increase in 2023, reaching 5.8 million Euros compared to 5.7 million Euros in 2022, while the net amount of Provisions and Impairment losses on non-financial assets decreased from 0.1 million Euros in 2022 to 0.0 million Euros in 2023.

EBIT was positive in 28.2 million Euros, in 2023, compared to 20.1 million Euros, in 2022, thus registering an increase of 8.1 million Euros compared with the same period of the previous year.

The consolidated Financial results were negative at 7.3 million Euros, and the gains in associated and jointly controlled companies amounted to 0.6 million Euros.

The financial period’s consolidated Net profit amounted to 21.1 million Euros in 2023 (19.7 million Euros attributable to the Group), showing a significant increase of 49 %, compared to 2022 (14.2 million Euros, of which 13.3 million Euros attributable to the Group).

NET PROFIT	DEC - 23		DEC - 22		VAR.%
	M€	WEIGHT	M€	WEIGHT	
Martifer Consolidated	**21.1**	**100%**	**14.2**	**100%**	**48%**
Metallic Constructions	6.1	29%	-1.5	-11%	n.m.
Naval	8.5	40%	2.7	19%	>100%
Renewables	5.2	25%	11.6	82%	-55%
Others, Holding and Adjust.	1.3	6%	1.4	10%	-5%

CONSOLIDATED CAPEX

Capex on tangible fixed assets, intangible assets and right-of-use assets, in 2023, was 8.2 million Euros and mainly derives from the ‘Renewables’ segment (5.0 million Euros).

CAPEX	DEC - 23		DEC - 22		
	M€	WEIGHT	M€	WEIGHT	VAR (%)
Martifer Consolidated	**8.2**	**100%**	**9.4**	**100%**	**-13%**
Metallic Constructions	2.7	32%	2.9	31%	-8%
Naval	0.5	6%	4.0	43%	-87%
Renewables	5.0	61%	2.4	26%	>100%

Excluding the right-of-use assets relating to lease contracts accounted for under IFRS 16 - Leases, Capex in tangible fixed assets and intangible assets, in 2023, was 6.3 million Euros, mostly applied in the ‘Renewables’ segment (4.1 million Euros), essentially on the wind and solar projects in Central Europe, and in the ‘Metallic Constructions’ segment, on the acquisition of equipment.

CAPEX	DEC - 23		DEC - 22		
	M€	WEIGHT	M€	WEIGHT	VAR (%)
Martifer Consolidated	**6.3**	**100%**	**2.9**	**100%**	**>100%**
Metallic Constructions	1.9	30%	1.3	45%	47%
Naval	0.3	5%	0.1	4%	>100%
Renewables	4.1	65%	1.5	51%	>100%

ANALYSIS OF THE CONSOLIDATED CAPITAL STRUCTURE

FINANCIAL POSITION

€M	DEC -23	DEC -22	VAR. %
Fixed Assets (including Goodwill and right-of-use assets)	77.5	79.1	-2%
Other non-current assets	33.0	34.4	-4%
Inventory and Receivables	81.3	75.9	7%
Cash and cash equivalents	82.9	56.3	47%
Total Assets	**274.7**	**245.7**	**12%**
Shareholders Equity	55.5	35.0	58%
Non-controlling interests	0.8	0.0	>100%
Total Equity	**56.2**	**35.1**	**60%**
Non-current debt and lease liabilities	110.5	118.4	-7%
Other non-current liabilities	13.9	9.3	50%
Current debt and lease liabilities	6.5	5.0	28%
Other current liabilities	87.6	77.9	12%
Total Liabilities	**218.4**	**210.6**	**4%**

On 31 December 2023, total Assets amounted to 274.7 million Euros (245.7 million Euros on 31 December 2022), while the value of non-current assets reached 110.5 million Euros (113.5 million Euros on 31 December 2022).

Total Equity, on 31 December 2023, amounted to 56.2 million Euros, which compares with 35.1 million Euros on 31 December 2022, with 55.5 million Euros attributable to the Group, on 31 December 2023, and 35.0 million Euros in 2022.

On 31 December 2023, general liquidity stood at 175 % (159 % in 2022) and the solvency ratio at 164 % (143 % in 2022).

NET DEBT

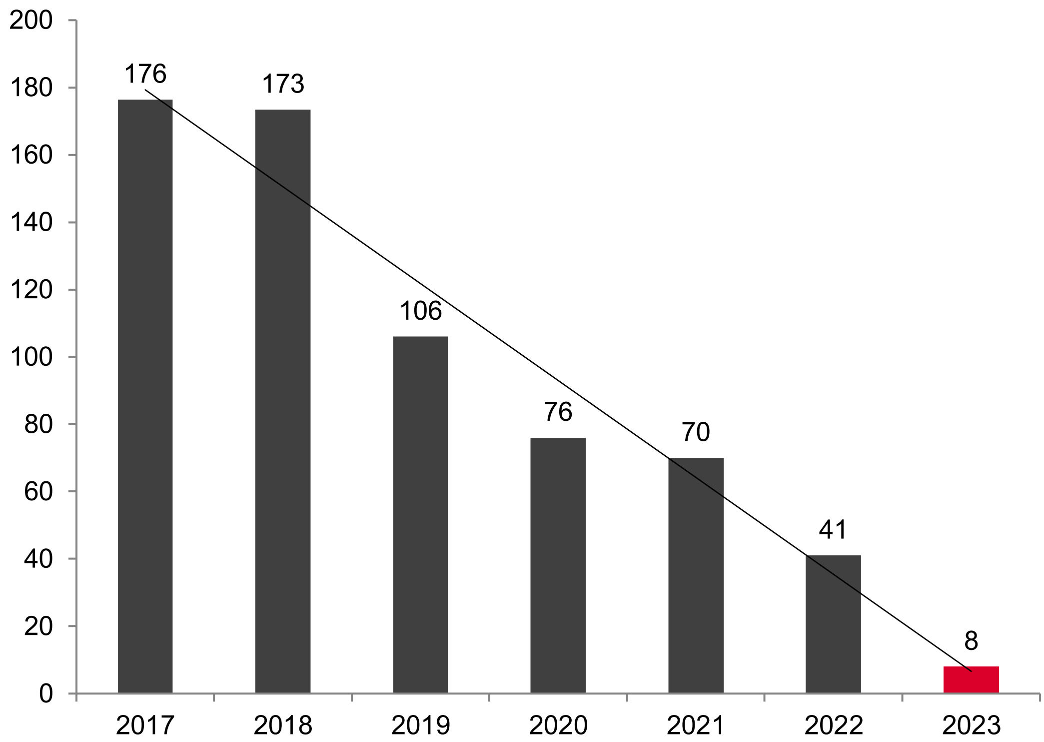
During 2023, the decreasing trend of the Group's Net debt started in 2016 was consolidated, having achieved the historical minimum.

On 31 December 2023, the consolidated Net debt (bank loans + other loans - cash and cash equivalents) reached 8.4 million Euros, reflecting a 32 million Euros decrease when compared to the previous year.

This trajectory, which is in line with the assumptions of the Group's Strategic Plan, results both from compliance with the capital repayment plan for loans in force and from the implementation of the Martifer Group's Disposal of Non-core Assets plan. Mention should also be made of the very positive contribution of the Group's cash, which benefited greatly from the amount of advances received that will be used in material purchases in the coming months.

M€	METALLIC CONSTRUCTIONS	NAVAL INDUSTRY	RENEWABLES	*HOLDING*	MARTIFER CONSOLIDATED
Net debt 2023	50.7	-26.2	-15.2	-1.0	8.4
Net debt 2022	64.6	-11.9	-11.0	-1.1	40.5

NET DEBT DECREASING TREND NOT INCLUDING LEASE LIABILITIES (€M)



Note 1: Net debt = Loans (+/-) Derivatives – Cash and Cash equivalents.

Note 2: Until 2018, the Net debt included financial leases, but as of 2019, with the adoption of IFRS 16, these were included in the lease liabilities caption. The above chart was adjusted in the years 2017 and 2018 to be comparable with 2019 and the following years, with the amounts referring to financial leases being excluded.

In 2024, the Group will continue its strategy of maintaining the value and maturity of its debt so that these remain aligned with operating cash flows in accordance with the strategic guidelines defined in the Strategic Plan. The Group also has the objective of maintaining a Net Debt/EBITDA ratio close to the standards demanded by the market.

MANAGEMENT REPORT

Analysis by Segment

MARTIFER GROUP

04 | SEGMENTAL ANALYSIS

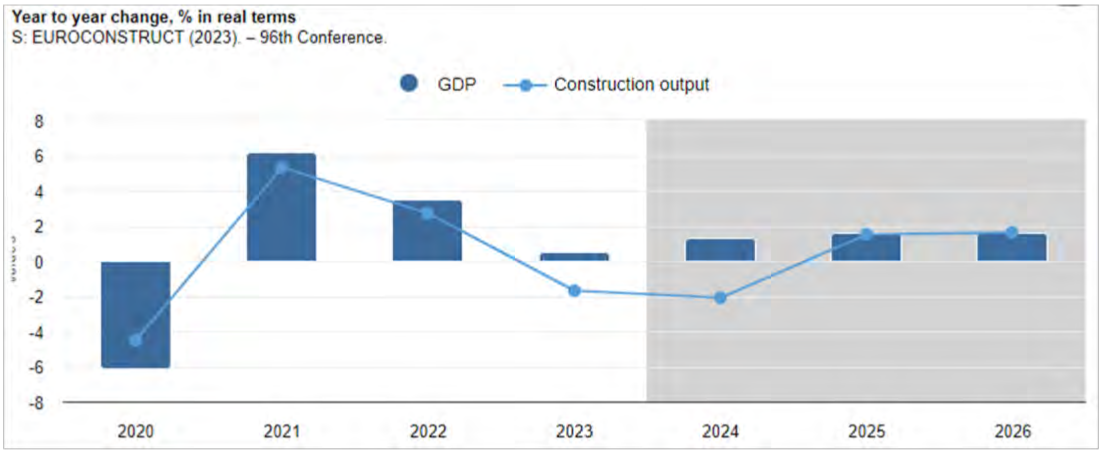
METALLIC CONSTRUCTIONS

SECTORAL ANALYSIS

INTERNATIONAL PANORAMA

- EuroConstruct forecasts a decline in construction activity in most countries in 2023 and 2024, influenced by factors such as inflation, high interest rates and reduced demand. The slowdown will be driven primarily by the residential sector, with total new housing construction across countries projected to regress to levels last seen in 2016, until 2025. However, Civil Engineering is expected to demonstrate greater resilience, driven by public sector investment in vital infrastructure projects such as transport and energy.

GDP VS Construction Output



Source: EuroConstruct

- During 2023, the sector presented global megatrends: increasing demands from society and investors, exponential acceleration of technological change and geopolitical turmoil. The intensity and speed of these megatrends are so disruptive that, if companies are not agile enough to adapt, align and lead, they risk losing control of their businesses, according to the World Economic Forum.

- In Portugal, exports in the metallurgy and metalworking sector scored an annual record in 2023, exceeding 24 thousand million Euros, after growth of around 4 %, according to Jornal de Negócios.

- The pattern of the group of countries that constitute the main destination for Portuguese exports has been quite regular, with 68.5 % of exports to the European Union, with Spain, France, Germany, the United Kingdom, Italy and the USA assuming special prominence, according to the last source indicated.

- The executive vice-president of AIMMAP (Associação dos industriais metalúrgicos metalomecânicos e afins de Portugal) (Association of metallurgical, metalworking and related industrialists in Portugal), states that "it is urgent that there be a stable government in Portugal, which does not intervene excessively in the economy, capable of creating conditions for companies to create wealth that can be distributed to everyone”.

ACTIVITY

The order book at the end of 2023 reached 247 million Euros, spread over several countries.

From the ongoing projects as well as the new ones, we highlight the following:

- In Portugal (and countries with works carried out on a visit basis):
  - Several wind tower projects for various wind farms, of note in Germany and Ireland
  - Edifício Multiusos do Oriente (Office Block) in Lisbon
  - Edifício Av. República 5-7 (Office Block) in Lisbon
  - Viva Offices, Office Block in Oporto
  - New Office Block at the Columbo Shopping Centre in Lisbon
  - BioNTech's vaccine production facilities in Rwanda
  - Maintenance of the Sines Refinery
  - Construction of an 197 300 m^3 Ethane tank in Antwerp
  - Rehabilitation and Structural Reinforcement of Docking piers 4/5 and 6/7 at the Terminal de Granéis Líquidos in Sines

- In Spain:
  - Requalification of the Fine Arts Museum of Bilbao, in Bilbao
  - Rehabilitation of Hotel Princesa Moncloa, in Madrid
  - Rehabilitation of the Office Block "Monforte Lemos 28", in Madrid
  - Execution of the façade works of the new ONCE Headquarters, in Madrid

- In the United Kingdom:
  - Railway bridges for the HS2 project, in Birmingham
  - Old Oak Railway Station for the HS2 project, in London
  - Extension of Terminal 2 (Pier 2) of the Manchester Airport, in Manchester

- In France:
  - "Gare de Lyon" Train Station, in Lyon
  - "Gare de Noisy-Champs" Train Station, in Paris
  - Marseille Airport, in Marseille
  - Office Block "Edenn", in Paris

- In Angola:
  - Supply of auxiliary structures for Terminal Oceânico da Barra do Dande (Oceanic Terminal at the Dande Bar)
  - Residential Condominiums "O nosso Zimbo", in Angola
  - Uige General Hospital
  - Various works on the Expansion of the Ministry of the Interior, in Luanda

- In Saudi Arabia
  - PARK & RIDE car parks to support the Metro Stations, in Riyadh
  - Cladding works in various Metro Stations, in Riyadh

- In Mozambique:
  - Various industrial maintenance contracts with railway companies (Corredor Logístico de Nacala - CLN, Corredor de Desenvolvimento do Norte – CDN, Central East African Railways – CEAR, VALE)

ORDER BOOK BY GEOGRAPHY

GEOGRAPHY	Total (M€)	%
Africa	**20**	**8%**
Sub-Saharan Africa	20	8%
Eastern Europe and Middle East	**4**	**2%**
Western Europe	**223**	**90%**
Metallic Constructions	183	74%
Oil & Gas	40	16%
	247	**100%**

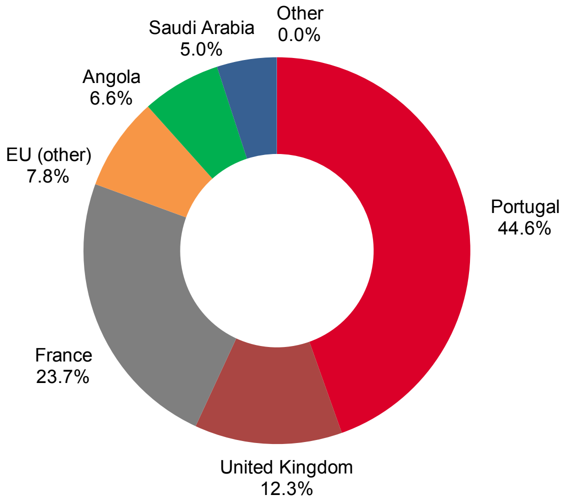
RESULTS

€M	DEC-23	DEC-22	VAR.%
Operating income	140.4	122.0	15%
EBITDA	**14.8**	**7.2**	**>100%**
EBITDA margin	10.9%	6.4%	4.5 pp
Depreciation & Amortization	-2.3	-2.3	1%
Provisions & Impairment Losses	0.0	0.1	-89%
EBIT	**12.5**	**4.9**	**>100%**
EBIT margin	9.2%	4.4%	4.8 pp
Financial Results	-5.6	-5.7	2%
Profit before taxes	7.0	-0.8	n.m.
Income tax	-0.8	-0.7	-15%
Net Profit	**6.1**	**-1.5**	**n.m.**
Attributable to non-controlling interests	0.9	0.5	91%
Attributable to shareholders	5.2	-2.0	n.m.

(a) EBITDA = Sales and services rendered + Other operating income – Cost of goods sold and materials consumed – Subcontracts – External supplies and services - Personnel expenses - Impairment losses on financial assets - Other operating expenses

(b) EBITDA margin = EBITDA/Turnover

Operating income in the 'Metallic Constructions' segment reached 140,4 million Euros in 2023, which corresponds to an increase of about 15 % compared to 2022, with Portugal representing approximately 45 %, France 24 %, Angola 7 %, the United Kingdom 12 % and the remaining 13 % distributed among various countries. This increase is the result of an increase in activity in the United Kingdom, Saudi Arabia, Portugal and France which more than offset the decrease in activity in Spain and Angola.



EBITDA, in 2023, stood at 14.8 million Euros, showing an increase of around 7.6 million Euros compared to 2022. This increase was mainly due to an increase in projects in Portugal (manufacturing for export) and an increase in activity in France and in the United Kingdom.

EBIT was positive at 12.5 million Euros, compared with the value of 4.9 million Euros registered in 2022.

Gains/(losses) in associated and jointly controlled companies, in 2023, amounted to 0.7 million Euros, compared to 1.2 million Euros in 2022.

The Net financial debt of the ‘Metallic Constructions’ area, on 31 December 2023, reached 50.7 million Euros, recording a decrease of about 13.9 million Euros compared to 31 December 2022.

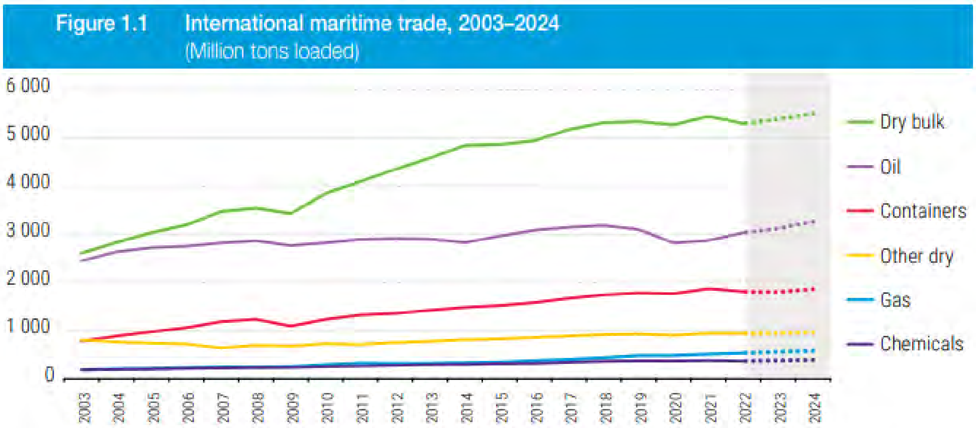
Total CAPEX, excluding Right-of-use assets, at the end of 2023 was 1.9 million Euros.

NAVAL INDUSTRY

SECTORAL ANALYSIS

- For 2023, UNCTAD predicts that container trade volumes will increase by 1.2 %. The outlook for container trade remains weak in 2023, given the global macroeconomic and operational outlook. A potential improvement in global economic conditions and China's recovery from the disruptions caused by the COVID-19 pandemic and resulting economic slowdown could support the sector's performance during the second half of 2023.

International Maritime Trade



Source: UNCTAD secretariat, based on Clarksons Research, Shipping Intelligence Network time series (July 2023).

Notes: 2023 and 2024 are forecast. "Dry bulk" includes major bulks (iron ore, coal and grain) and minor bulks (metals, minerals, agribulks and softs); "Oil" encompasses crude oil and refined oil products; "Other dry" is an estimation of all other dry trade that is not included in major/minor bulks, for instance, cars and other vehicles, roro and project cargoes, as well as reefer cargoes that don't go in containers and breakbulk cargoes that are not in the minor bulk category; "gas" includes LPG, LNG and ammonia.

- Capacity levels have changed with an influx of new container ship capacity in 2023. Capacity is expected to change further as more container ships are expected to arrive in 2024 and 2025. Line operators are adopting different strategies to deal with excess capacity, including rerouting, blank sailing, speed reduction and idling ships.

ACTIVITY

This segment is integrated in the Martifer Metallic Constructions sub-holding and includes shipbuilding, ship repair and ship conversion services. The companies which activity is focused on the naval industry are West Sea - Estaleiros Navais, Lda and Navalria-Docas, Construções e Reparações Navais SA. Resulting from the tender for the sub-concession of the old facilities of the company Estaleiros Navais de Viana do Castelo, West Sea was incorporated in Viana do Castelo in 2014 and has been engaged in shipbuilding, ship repair and ship conversion.

Navalria, with a shipyard in Aveiro, focuses its activity on the ship repair of small- and medium-sized vessels.

The order book at the end of 2023 amounted to 507 million Euros. The projects that stand out the most are, among others, the Polar Expedition vessel of the Explorer series, World Seeker, the river ship APT – Estrela, the Ryobi Ocean Cruiser and the six Ocean Patrol Vessels for the Portuguese Navy.

RESULTS

The Operating income of the Naval Industry amounted to 63.0 million Euros in 2023, a decrease of about 9 % compared to the same period last year, with shipbuilding accounting for 49 % and ship repair about 51 %. This decrease also reflects a delay in the resumption of the construction activity made more difficult by the pandemic constraints. However, in the second half of the year, we can consider that the Company has recovered fully its shipbuilding activity.

EBITDA, in 2023, amounted to a positive 12.5 million Euros, having registered an increase of 90 % compared to the previous year, due to the resumption of the shipbuilding activity and the reversal of impairment previously constituted in the amount of approximately 15 million Euros, following the receipt of the amount that had been outstanding for a significant period and for which impairment had been recorded, net of provisions for onerous contracts with the same entity in the amount of 6.1 million Euros.

€M	DEC-23	DEC-22	VAR %
Operating income	63.0	69.6	-9%
EBITDA	**12.5**	**6.6**	**90%**
EBITDA margin	19.9%	9.5%	10.4 pp
Depreciation & Amortisation	-1.2	-1.2	5%
Provisions & Impairment losses	0.0	0.0	-100%
EBIT	**11.3**	**5.4**	**>100%**
EBIT margin	18.1%	7.7%	10.3 pp
Financial results	-1.0	-0.8	-28%
Profit before tax	10.3	4.6	>100%
Income tax	-1.8	-1.9	3%
Net profit	**8.5**	**2.7**	**>100%**
Attributable to non-controlling interests	0.0	0.0	n.m.
Attributable to shareholders	8.5	2.7	>100%

(a) EBITDA = Sales and services rendered + Other operating income – Cost of goods sold and materials consumed – Subcontracts – External supplies and services - Personnel expenses - Impairment losses on financial assets - Other operating expenses

(b) EBITDA margin = EBITDA/Turnover

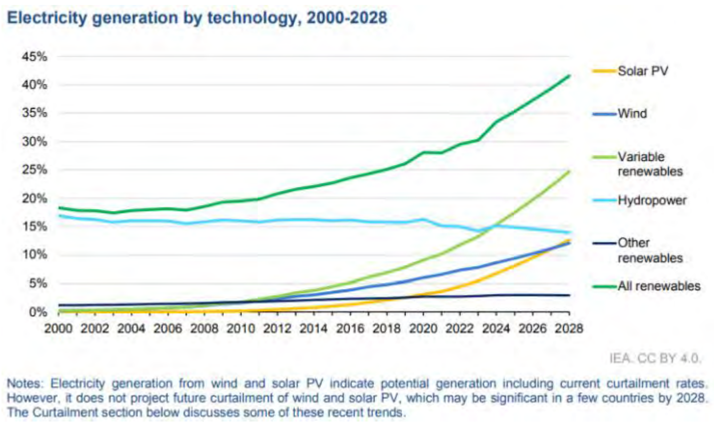
RENEWABLES

SECTORAL ANALYSIS

- This is the 22nd consecutive year that the increase in renewable energy production capacity has set a new record. While increases in renewable capacity in Europe, the United States and Brazil have reached historic highs, China's acceleration has been extraordinary. In 2023, China ordered as much solar PV as the entire world did in 2022, while its wind additions also grew by 66 % year on year. Globally, solar PV alone accounted for three-quarters of renewable capacity additions worldwide.

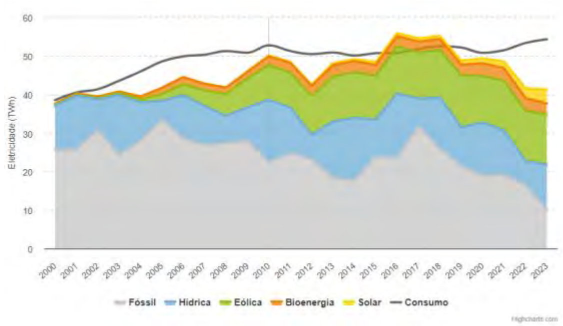
- Meanwhile, expansion is accelerating in the United States and the European Union thanks to the US Inflation Reduction Act (IRA) and national-level policy incentives that support the EU's decarbonisation and energy security goals. In India, progressive policy improvements to address challenges in auction participation, financing and distribution of solar PV, will pay off with faster growth in renewable energy by 2028.

Electricity Generation by Technology



- In 2023, renewable energy sources represented 61 % of electricity consumption in Portugal, reaching a historic maximum of 31.2 TWh in the national system. Wind energy contributed 25 %, hydroelectric 23 %, photovoltaic 7 % and biomass 6 %. Highlights include the significant increase in hydroelectric production by 70 % compared to the previous year, attributed to a drier 2022, and the 43 % growth in photovoltaic production due to the expansion of installed capacity. The productivity indices of renewable sources remained close to average, with hydroelectric and wind energy both at 0.99 and solar at 1.01. Non-renewable sources represented just 19 % of consumption, the lowest value since 1988, while imports represented 20 %, a record value and the highest share of consumption supply since 1981.

Evolution of Electrical Production in Mainland Portugal



Source: APREN

ACTIVITY

Martifer Renewables, SGPS, S.A. (and its subsidiaries) is engaged in the promotion, development and operation of renewable energy sources and is part of Martifer Group in the Renewables & Energy business segment. This business area has wind and solar projects in development and operation in the Iberian Peninsula, in Central Europe and in Latin America.

Martifer Renewables & Energy is currently developing a wind farm in the north of Portugal, with a capacity of 21 MW, and is also identifying locations for new wind farms. In 2023, it completed the wind project, a production unit for self-consumption (PUSC) in Oliveira de Frades, with a capacity of 2.1 MW. It should be pointed out that the aim of this investment is to create conditions for energy independence in Martifer Group’s various production units. Besides the expected economic advantage, it is an objective of the Group to contribute to the reduction of the carbon footprint, in line with PNEC 2030 (Plano Nacional de Energia e Clima - National Energy and Climate Plan).

In October 2021, a memorandum of understanding was signed between Martifer Renewables, 3 companies located in the Neiva Industrial Area and the Municipality of Viana do Castelo for the first Industrial Renewable Energy Community (REC) that will be built in the Neiva Industrial Area, with a planned capacity of 4.2 MW. This project continues in the development phase.

Martifer Renewables & Energy, through its investee Volume Cintilante, started the construction of the 1 MWp small production unit (SPU) in Oliveira de Frades, at the end of 2023.

The SPU comprises 1 755 solar panels and an annual production of 1 600 MWh is estimated, with capacity to supply 880 homes. It is the first photovoltaic project developed from the greenfield phase to COD by Martifer Renewables & Energy, in Portugal.

The project Green.H2.Atlantic, a project aimed at producing green hydrogen in Sines, in which Martifer participates, was recognised by the Agência para o Investimento e Comércio Externo de Portugal (“AICEP”) (Portuguese Agency for Investment and Foreign Trade), in September 2022, with the status of Potential National Interest (“PNI”), in accordance with Decree-Law No. 154/2013, of 5 November.

Portugal, and in particular Sines, offers unique conditions for the development of a green hydrogen economy, taking advantage of the infrastructure, local synergies and access to the existing electricity grid.

During 2023, two solar parks were completed in Poland, in the region of Lubelski and Podkarpacie with 1 MWp each, and with an auction- guaranteed tariff. Currently, they are already in operation, bring to a total of 6 the solar parks in operation in this geography.

Martifer Renewables & Energy has around 100 MW with guaranteed connection to the grid in Poland, which is a relevant advantage at the present stage, opening the way to the development of new wind farms and solar parks.

In Romania, to mitigate the variations of wind energy production during the year, Martifer Renewables & Energy started, in 2020, and continued during 2023, the hybridisation of the Babadag wind project, through the development of an 18.1 MWp solar project on the land of the Babadag I Wind Project, with the start of the construction foreseen for the beginning of 2024.

MARTIFER GROUP

RESULTS

€M	DEC -23	DEC -22	VAR.%
Operating income	18.6	21.5	-14%
EBITDA	**8.3**	**12.2**	**-32%**
EBITDA margin	56.3%	115.4%	-59.1 pp
Depreciation & Amortization	-2.4	-2.2	-8%
Provisions & Impairment Losses	0.0	0.0	n.m.
EBIT	**5.9**	**10.0**	**-41%**
EBIT margin	40.1%	94.3%	-54.2 pp
Financial Results	-0.4	1.7	n.m.
Profit before taxes	5.5	11.6	-53%
Income tax	-0.3	-0.1	<-100%
Net Profit	**5.2**	**11.6**	**-55%**
Attributable to non-controlling interests	0.4	0.3	37%
Attributable to shareholders	4.7	11.3	-58%

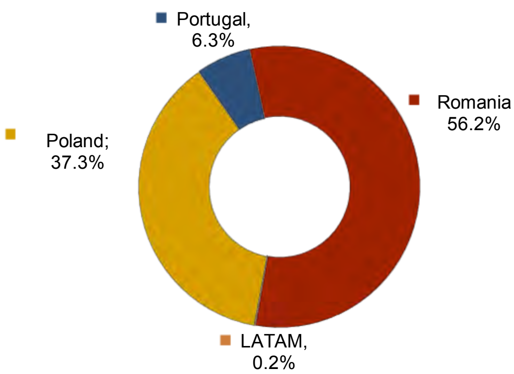
(a) EBITDA = Sales and services rendered + Other operating income – Cost of goods sold and materials consumed – Subcontracts – External supplies and services - Personnel expenses - Impairment losses on financial assets - Other operating expenses

(b) EBITDA margin = EBITDA/Turnover

The total Operating income of the 'Renewables' segment reached 18.6 million Euros and results, essentially, from the sale of electricity and Green Certificates in Romania (10.5 million Euros).

EBITDA reached a positive 8.3 million Euros in 2023, revealing a decrease compared to 2022 justified by the disposal of the project, 'Wind Farm Lada', in Poland, with a positive impact of circa 9.0 million Euros in 2022, not replicated in the current year.

The Operating income of this segment is mostly originated in Romania (10.5 million Euros), with Poland also contributing substantially (6.9 million Euros) through sales and Operation and Maintenance services.



The Financial results amounted to a negative 0.4 million Euros and result, essentially, from the bank interest incurred on the bank loans contracted during 2020, in Portugal.

Total Capex in the development of wind and solar projects totalled 5 million Euros, with the highest investment being made in Poland.

The Net debt, in December 2023, amounted to 15 million Euros.

MANAGEMENT REPORT

Separate Financial Statements

05 | SEPARATE FINANCIAL STATEMENTS

During the 2023 financial year, the level of support services that Martifer, SGPS, S.A. (Holding of the Group) provided to the other companies of the Group was similar to that of previous years.

The net profit of Martifer, SGPS, S.A. was a positive 19.7 million Euros, which compares with the net profit of 14.1 million Euros in 2022.

Gains imputed of subsidiaries amounted to 18.4 million Euros, resulting from the application of the equity method. It should be noted that the financial investments in subsidiaries and associated companies in financial year ended 2022 came to be measured applying the equity method, instead of being measured using the acquisition cost method net of impairment losses.

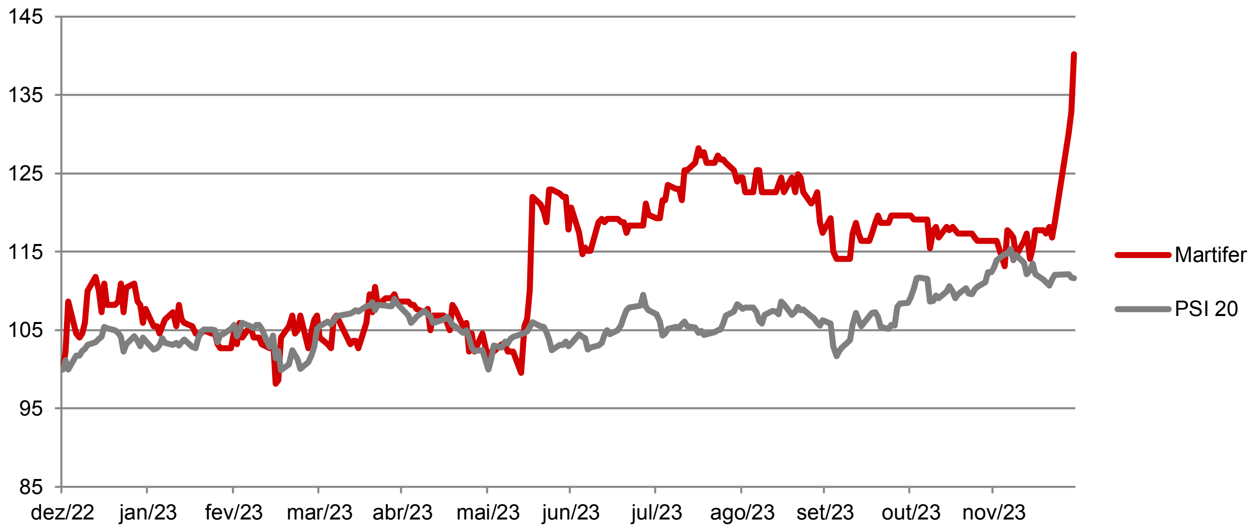
The Company's equity, on 31 December 2023, amounts to around 55.5 million Euros, with total assets of 63.8 million Euros and total liabilities of 8.4 million Euros.

MANAGEMENT REPORT

Martifer Share Performance

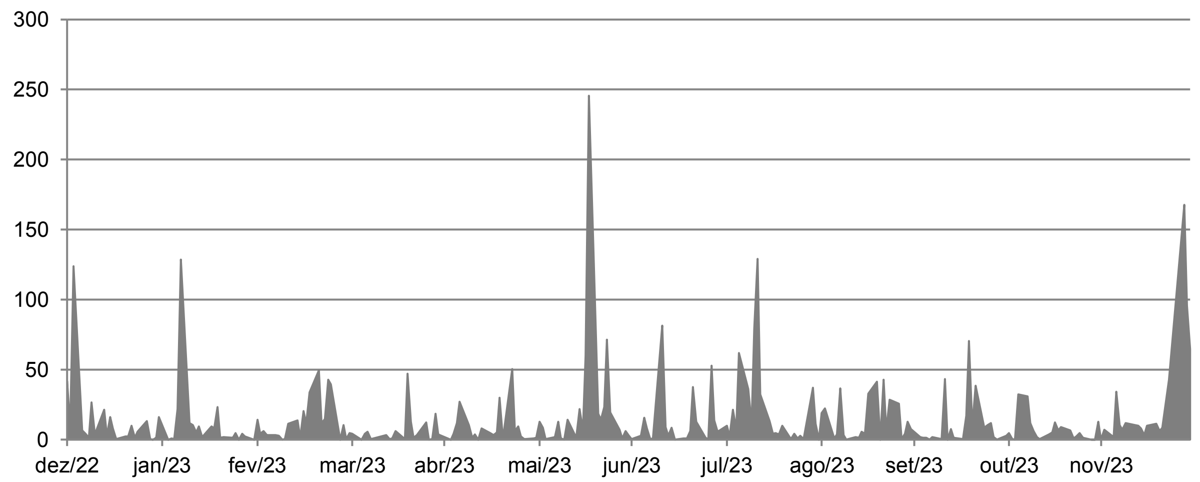
06 | MARTIFER'S SHARE PERFORMANCE

SHARE PERFORMANCE | 2023 – % change



Source: Reuters

TRADED VOLUME | 2023 – '000 shares



Source: Reuters

The world economy is gradually recovering from the significant fallout from the pandemic, along with Russia's invasion of Ukraine and the escalating cost-of-living crisis. The World Economic Forum (WEF) states that, through a reflection on the past, the resilience demonstrated in facing these challenges deserves to be commended, as a recession in 2023 was avoided. Despite the volatility in the energy and food markets caused by the war, coupled with the unparalleled measures taken to address rising inflation through global monetary tightening, the pace of global economic growth has slowed but continues to move forward. Furthermore, the World Health Organisation (WHO) announced in May that it no longer considered COVID-19 a global health emergency, and infections and hospitalisations appear to remain relatively limited.

The European Stoxx 50 index increased 19 %, after dropping 3.63 % the previous year, of note being the increase in ASML and SAP stocks. The indices of France and Italy also had an increase compared to the previous year, with variations of 16.5 % and 28 %, respectively. To be noted that the Italian index had the highest annual percentage increase. On the other hand, the UK and Portuguese indices ended up rising by 3.78 % and 12 %, respectively. The DAX, the German index, rose approximately 20 % despite the economic challenges faced by the country.

The United States of America also showed increases in its equity markets as reflected by the Dow Jones industrial index which increased by more than 13 % while the S&P500 index increased by approximately 24 %. The NASDAQ recorded an increase of 43 %. The Asian markets, with the Shanghai index, ended up falling by 3.7 %, approximately.

The Martifer, SGPS S.A. shares appreciated by approximately 28 %, reaching 1.53 Euros/share on the last day of the year, whereas on the same day of the previous year, they had a price of 1.195 Euros/share. Analysing the extremes obtained, on the one hand, the minimum 1.075 Euros/share was reached in March 2023, while the year's maximum being reached on the last day of the year.

Finally, it is important to address the daily traded volumes of Martifer SGPS S.A.’s shares. On 16 June it reached the year's high with 245 620 transactions. In terms of the lowest volume, only 20 transactions were carried out on 19 September. From an annual perspective, it should be added that the total volume of transactions registered during the year 2023 was 3 506 512, whereas in 2022 a total volume of 7 870 028 transactions were registered, reflecting a drop of 4 363 516 in the total volume of transactions carried out between the two periods.

PURCHASE AND SALE OF OWN SHARES

Under the terms and for the purposes of the provisions of Regulamento da Comissão de Mercado de Valores Mobiliários (“CMVM”) (Securities Market Commission Regulation) no. 5/2008 (amended by CMVM Regulation no. 7/2018), namely of Article no. 11 (1)(2), we confirm that Martifer, SGPS, S.A. neither acquired nor sold own shares during 2023.

Therefore, the position is unchanged, with it holding a total of 2 215 910 own shares, representing 2.22 % of its share capital.

MANAGEMENT REPORT

Future Prospects

07 | FUTURE PROSPECTS

During 2024, an update to the strategic plan will be prepared, based on the pillars that sustained the success of recent years, but with the reinforced ambition of sustained and sustainable growth:

- In Metallic Constructions, the focus remains on strengthening the Group's export profile, seeking opportunities in markets and clients that value quality and excellence, on the organisation and training of people and on productivity;
- In the Naval Industry, we intend to increase our ship repair capacity, through the construction of a new dry dock at the Viana do Castelo shipyard, positioning ourselves as one of the most important shipyards in Europe in this area and making ship repair and shipbuilding activities increasingly balanced in their relative weight to turnover;
- Strengthen the Operation & Maintenance activity, in particular Industrial Maintenance;
- In Renewables & Energy, we want to grow gradually and consistently, increasing the relative weight of this business unit in the Group, taking advantage of opportunities associated with energy transition, the decarbonisation of the economy and hydrogen (through the consortium Green.H2.Atlantic in which we participate);
- Set quantitative goals for the next strategic cycle monitored by the ESG & Sustainability Committee, and above all, allow the sustainable creation of value to be consolidated as the Group's main strategic purpose.

MANAGEMENT REPORT

Main Risks

08 | MAIN RISKS

FINANCIAL RISKS

A) PRICE RISK

The volatility of commodity prices constitutes a risk for the Group in the 'Metallic Constructions' and 'Naval Industry' segments.

In 2023, the price of steel and aluminium adjusted, again, to values similar to those seen in 2020. The recovery of the post-Covid economy and the conflict in Ukraine had caused a significant increase in the prices of these commodities in the previous two years.

At the beginning of 2024, the slowdown in world economies, especially the Chinese economy, has been driving the fall in the price of steel. Indicators of manufacturing activity in China, in the first quarter of 2024, point to a new contraction in manufacturing activity in the country and a consequent reduction in demand for this commodity. It is expected, however, that Steel production will also decrease, countering the downward pressure on the price of the raw material, as will the optimistic prospects for the resumption of Chinese activity, announced for the coming months.

Historical evolution of the price of Steel

Source: https://tradingeconomics.com/commodity/steel

The price of aluminium, however, despite having also reduced to values well below those recorded in 2022, has remained more resilient, having stabilised at levels similar to those recorded at the beginning of 2021.

At the beginning of 2024, a 5 % increase in primary aluminium production in China was recorded, although it is expected that production growth may remain conditioned. However, the growing demand for this raw material, particularly due to the growth in the production of electric vehicles and renewable energy infrastructures, is expected to continue to put pressure on the price of aluminium.

Historical evolution of the price of Aluminium

Source: https://agmetalminer.com/metal-prices/aluminum/

Martifer has sought to mitigate this risk through rigorous planning of raw material purchases, which enabled the achievement of economies of scale in the purchased quantity, and the consequent price fixing. On the other hand, it has mitigated this risk through contracts with clients that allow changes in the price of raw materials to be reflected in the amount paid by the client, namely through price review mechanisms to cover against the risk of future increases.

The Group is also subject to the risk associated with the variation of energy sales prices through the ‘Renewable’ business area.

In 2021, with the resumption of industrial activity that had been heavily affected by the pandemic, energy costs began an upward trajectory globally, an increase that was highly accentuated by the war in Ukraine, given Europe's heavy dependence on fossil fuels from Russia.

From the third quarter of 2023 onwards, energy prices in European markets began a downward trend, even reaching historic lows at the beginning of 2024, driven by weather conditions that were very favourable to hydro and wind production.

It should be noted that this decrease did not affect the Group’s income in the generation of energy from renewable sources, due to the policy adopted by Martifer of fixing the sales price of energy on at least an annual basis to mitigate the risk of falling energy sales prices on the profitability of renewable source energy production projects in operation. The upward trend in prices has benefited the price set compared to previous years.

Currently, the energy produced by the wind and solar projects in operation held by Martifer Renewables corresponds to an installed capacity of 51.1 MWh, with a production that largely exceeds the annual energy consumption of all the Group's facilities, thus allowing the risk associated with the price of energy to have a positive balance for the Group, which through its production can naturally hedge this risk.

At the same time, the Group is implementing a programme to decarbonise its Oliveira de Frades and Viana do Castelo production units, which involves not only the introduction of improvements in terms of structures/equipment, by replacing them with equipment with lower consumption, but also the installation of wind and solar energy self-consumption solutions in a total of 3.5 MW. The execution of the programme started in 2023, with the installation of a wind generation plant of 2.1 MW at the Oliveira de Frades industrial park.

The Group is attentive to the evolution of the consequences of the current macroeconomic situation on energy prices so as to be able to adapt its strategy in terms of setting sale and purchase prices in accordance with the expected market evolution, maintaining its focus on the decarbonisation strategy, whether through renewable source production solutions or through the optimisation of production processes.

B) EXCHANGE RATE RISK

Exchange rate risk has a strong interdependence with the other types of risks, specifically country risks, through the evolution of economies and their impact on inflation and interest rates, and credit risk, due to the possibility of monetary fluctuations which may jeopardise future financial flows, originating the possibility of recording losses or gains as a result of changes in exchange rates among different currencies.

Martifer Group is exposed to exchange rate risk due to its geographical diversification, currently developing its operational activities in subsidiaries that are present in four different continents.

Therefore, there is an exposure to the transaction risk, associated with operating activities (in which expenses, income, assets and liabilities are indicated in currencies other than the reporting currency), of transactions carried out between these subsidiaries and other Group companies and of the existence of transactions carried out by the operating companies in a currency other than the Group's reporting currency.

The exchange rate risk management policy followed by the Group has as its ultimate objective to decrease the maximum sensitivity of its results to exchange rate fluctuations.

Regarding the operational activity of all subsidiaries, it is sought that transactions be carried out in the respective local currencies. For the same reason, the loans contracted by foreign subsidiaries are preferably contracted in their local currencies, thus allowing the matching of the cash flows locally and the consequent annulment of exchange rate risk of an economic nature.

In relation to the coverage of exchange rate risk, hedging operations are sporadic because their cost is sometimes considered excessive compared to the risk level involved. However, whenever considered appropriate, the Group contracts exchange rate hedges to cover the risk.

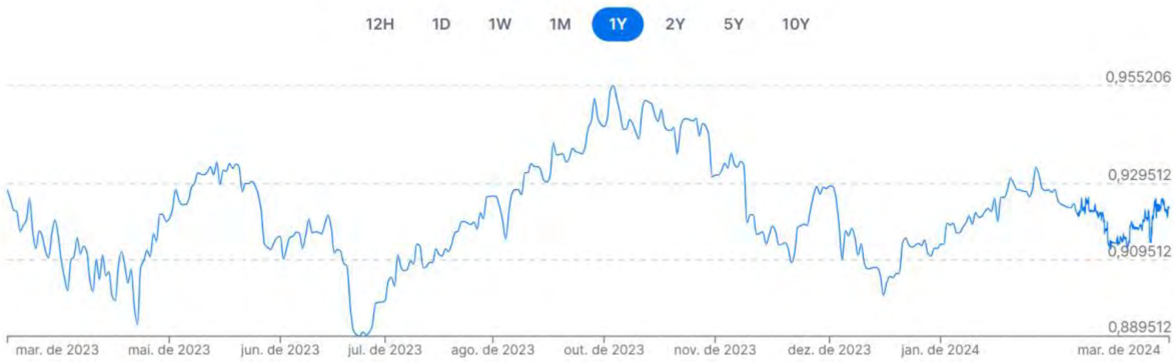
In 2023, pressured by the inflationary context, Central Banks were also pressured to adjust their monetary policy in order to rebalance inflation levels. The rise in reference interest rates, and in some cases the use of currency devaluation, were the main instruments used.

In 2024, with inflation under control and the long-awaited beginning of the downward trend in interest rates, consequences in terms of the evolution of exchange rates should occur.

Therefore, the USD is expected to have a moderately depreciating trajectory against the Euro in 2024, which could be more accentuated in 2025.

The flexibility of the American economy, which managed to act more quickly in raising interest rates, will now allow the FED to take the lead in relation to the European Central Bank (ECB), also, in their reduction that is expected to be faster and at a more pronounced level than in the Eurozone. Despite the prospects for faster economic recovery in the American economy than in the Eurozone, these will act as a counterbalance, moderating the depreciation trend caused by the fall in interest rates.

Evolution of the USD



Source: https://www.xe.com/pt/currencycharts/?from=EUR&to=USD&view=1Y

In England, inflation levels have been recorded above those of other Western economies and despite improvements, supported by high interest rates, it still presents levels higher than those recorded in the American and Eurozone economies. Therefore, the Bank of England's policy is expected to remain restrictive in 2024. This context of higher interest rates should favour the GB Pound, although the deterioration in economic activity may limit this trend of GB Pound appreciation.

Other European currencies to which the Group is exposed, namely the Polish Zloty or the new Romanian Leu, are currencies that have suffered strong depreciation pressures. In 2023, the Polish Zloty even suffered a slight devaluation. For its part, the Romanian Central Bank has resisted the devaluation of the Romanian Leu and some analysts believe that the devaluation could still occur in 2024, given the still high levels of inflation recorded in the country.

In developing economies, such as Angola and Mozambique, with currencies strongly dependent on the evolution of the price of oil, which showed a decreasing trajectory at the end of 2023, contrary to the growing trend that was registered in the previous two years, the risk of foreign currency shortage rose. With the increase in oil production in the US offsetting OPEC cuts and the prospects for a slowdown in global demand, leading analysts are pointing to a very limited potential for oil price appreciation.

In this context, the Group has mitigated this risk, seeking to make natural exchange rate hedging through contracts fixing the payments in tradable currency, with lower volatility and simultaneously used in the payment of raw materials. Currently, the evolution of the various currencies is constantly being monitored to assess the feasibility of using hedging instruments in cases that may justify it.

C) INTEREST RATE RISK

The interest rate risk reflects the possibility of fluctuations in the amount of future financial charges on loans contracted due to the evolution of the market interest rate level.

The cost of the financial debt contracted by the Group is indexed to short-term reference rates, reviewed with a periodicity of less than one year (especially the Euribor 6m) and increased by risk premiums negotiated in a timely manner. Thus, changes in interest rates can affect the results of the Group.

The Group's exposure to interest rate risk arises from financial liabilities contracted at a variable rate, so changes in the interest rate have a direct impact on the value of the interest, and consequently causing cash variations.

In 2023, interest rates maintained the increasing trajectory, which had already occurred in 2022. In the last quarter of the year, with inflation in the Eurozone showing signs of slowing down, the European Central Bank (ECB) chose to maintain the value of the rates, thus creating an expectation that interest rates may have already reached their maximum level and that in 2024 it will be possible to see some reduction in their levels. In the first half of 2024, the ECB again chose to maintain interest rates, postponing the eventual decision to lower them until the second half of the year.

The European Central Bank's macroeconomic projections of March 2024 point, however, to the maintenance of short-term interest rates in the Eurozone in 2024 at the same levels as in 2023, predicting only a slight reduction in 2025.

It should be noted, however, that the ECB's forecasts for inflation indicate a stabilisation or even reduction, but always at values close to the much-desired target of 2 % for inflation levels, corroborating the forecasts of stabilisation or even reduction in inflation rates in 2024.

The exposure of the Martifer Group to interest rate risk is currently moderate, which results not only from the maintenance of the spreads negotiated with the banks, at very competitive levels in the long term, as a result of the restructuring agreements signed by the Group in 2015, but also due to the fact that, through the non-core assets programme sales, it was possible to accelerate the debt amortisation plan, making it possible to mitigate the impact of the increase in interest rates on the Group's working capital needs.

D) LIQUIDITY RISK

Liquidity risk reflects the Group’s ability to satisfy its financial liabilities with the financial resources available.

The main objective of the liquidity risk management policy is to ensure that the Group has at its disposal, at any time, sufficient financial resources to meet its liabilities and to pursue the outlined strategies, honouring all commitments made to third parties through appropriate management of the cost vs maturity ratio of the financing.

Currently, the Group maintains levels of debt maturity adequate to the degree of permanence of its long-term assets, allowing cash surpluses to be sufficient to meet its liabilities, resulting from the implementation of the Group's Strategic Plan.

Thus, and given the medium-/long-term nature of the investments made, the debt service now matches the maturity of the associated assets, not jeopardising the commitments arising from its short-term operational activity, as the Group pursues its objective of adjusting the maturity of inflows from the operating activity and (dis)investment to the outflows from the financing activity.

The financial management department monitors the implementation of the risk management policies defined by the Board to ensure that economic and financial risks are identified, measured and managed in accordance with such policies.

The volatilities of the prices of production factors, namely raw materials and companies' energy bills, also pose a risk to companies' liquidity.

In recent years, the consequences of the pandemic and conflicts such as the wars in Ukraine and Israel have resulted in strong inflationary pressure on world economies, with European governments implementing various measures to support companies' liquidity, not only through the Resilience Plans, but also measures to support energy costs. In the Iberian market, less dependent on gas from Russia, the setting of gas prices and a high percentage of energy production from renewable energy sources has allowed companies to contain the impacts of these factors.

In 2024, it is expected that inflation levels in Europe, as a result of the monetary policy adopted, may already be stabilised.

The Martifer Group, through its ‘Renewables’ business area, produces more energy from renewable sources than is consumed by its production units, thus achieving a total hedging of its energy bill.

In terms of raw materials, the participation of multidisciplinary groups in the budgeting of projects in the various businesses allows the cash-flow of each project to reflect the real acquisition conditions and the due adjustment to the expected inflows.

Alongside the measures listed, Martifer has been reinforcing its activity in business segments with recurring cash-flows, such as the industrial maintenance area and the renewable energies area.

E) CREDIT RISK

With the reinforcement of banking capital in Portugal, there has been a boost in the level of credit granted by banks. The rising interest rates and the consequent expectation of improved profitability of banks in granting credit may make this activity even more attractive to financial entities. On the other hand, this increase also represents an increase in the banks' obligations in the interbank market and may constitute a greater incentive to save and, consequently, increase the remuneration of deposits.

The spectre of uncertainty caused by the current geopolitical situation and the pressure of the increase in interest rates to positive territory, may lead to a more careful selection by banks when granting credit. However, this situation is not expected to affect Martifer Group since it does not currently resort to short-term lines and which recourse to new credit is currently very occasional and always in a logic of Project Finance.

The Group is subject to credit risk in relation to its operational activity, and the exposure mainly stems from clients and other debtors.

Aware of this reality and of the increase in credit risk in the current context of economic contraction, the Group seeks to assess the credit risk of all its clients as a rationale for establishing the credit to be granted; the ultimate objective being to ensure the effective collection of credits within the established deadlines to minimise its exposure to each of the clients.

With this objective in mind, the Group has been developing its KYC (Know your Customer) processes in greater depth. In parallel, it uses financial information and credit rating agencies and performs regular risk analyses and credit control, as well as the collection and management of processes under litigation. These are essential procedures to manage the credit activity and to minimise the occurrence of irrecoverable amounts.

The Group has also sought to diversify its client portfolio, namely in the 'Naval Industry' segment to further diversify this risk.

OPERATIONAL RISKS

A) METALLIC CONSTRUCTIONS

Operating risks in the 'Metallic Constructions' segment are currently grouped into three types of risks - client risk, supplier risk and external or market risk.

Client risk includes problems that can occur at the contracting level, such as differences in interpretation and application of contractual provisions, dislike or dissatisfaction with the service/product and the risk of significant delays or even default in making agreed payments during projects that may affect Martifer's ability to execute projects within the defined deadlines. Regarding the volatility of demand, it should be noted that the business area depends, in part, on tenders for public infrastructure (e.g., bridges, airports, stations). In the context of public tenders, although in most situations Martifer is a subcontractor for private entities (which assume the role of contractor for public entities), it is subject to complex regulations specific to each country, namely regarding the presentation of proposals and the preparation of complete administrative files, respecting the specifications defined by the contracting entity, which may represent additional costs. It should be noted that, despite the dependence on public tenders, Martifer has had the ability to capture business deals from private entities, reducing its exposure to this risk.

In the supplier risk, it should be noted that Martifer, as an expert in engineering projects, often subcontracts other companies, which in turn may fail in the execution of their contracts and jeopardise compliance with the project delivery deadline in a domino effect. The supply chain and logistics are also a risk to which Martifer is exposed. As a result of dependence on suppliers, as mentioned above, there is a risk of possible delays in the completion of projects with possible contractual penalties.

Finally, in the context of external or market risks, and since the 'Metallic Constructions' area has a strong correlation with the growth of the economy and with the gross fixed capital formation, it is sensitive to the economic situation. In this sense, and despite the fact that the main effects of the conflict in Ukraine are dissipating, with inflation slowing, the conflict in the Middle East may, once again, negatively impact the growth of the world economy and the inflation rate, representing another challenge for Martifer. The weak public and private investment and the significant lack of liquidity in the financial system often leads to the fact that despite the existence of attractive projects, there is no corresponding capital to allow their execution, which can also constitute a risk for Martifer. Martifer's attempt to mitigate these external or market risks has been through the dispersion of its businesses in different countries, namely by entering markets with higher growth rates in the construction sector and that value quality at the expense of low prices.

B) NAVAL INDUSTRY

The companies in the 'Naval Industry' segment are exposed to:

- risks related to the innovation capacity to meet market and new and innovative project needs. In this context, the difficulty in capturing highly qualified staff due to foreign competition from Northern European countries must also be pointed out;
- client risk, especially as regards the proper execution of the projects, contractual compliance within the deadlines set, and satisfaction. Based on these issues, there is always the risk of incurring in penalties;
- risk in the fluctuation of the price of raw materials, particularly in the price of Steel, this being one of the main materials in the production of components to be incorporated in the projects to be executed;
- risk related to the level of competitiveness of ship repair vis-à-vis national and foreign competition;
- risk in relation to subcontractors and suppliers that may not fulfil their contractual obligations and can jeopardise the implementation and quality of the projects;
- risk in the labour aspect, since at the moment there is a lack of qualified staff for two major reasons: on one hand, there is an insufficient number of employees being trained to cater for the needs of West Sea, even though the company is making an internal effort in this respect; on the other hand, the competitive pressure from Spain, more specifically from Galicia, and its shipyards that, given the geographical proximity and offering inflated working conditions, are attracting a large number of professionals of the region.

C) RENEWABLES

The productivity indices linked to the renewable energy business depend not only on operational expenses, but also on income (in function of price and the amount of energy produced by the assets). The equipment used and some exogenous factors, such as the wind, which in turn depend on the location of wind farms, influence the production of energy and, consequently, the results. Whenever the wind speed is above or below the limits of the equipment, energy stops being produced. These limits vary from manufacturer to manufacturer and on the type of wind turbines. Additionally, each wind turbine has its power curve that determines the power generated at each wind speed.

The availability of the equipment and the power curve of each wind turbine are contractually guaranteed, and indemnities are payable by suppliers if availability is not met or if the power curve is not reached.

This risk is also mitigated through the geographical distribution of the wind farms, allowing the set-off of wind velocity variations in each area and ensuring the relative stability of the volume of total energy produced.

Regarding solar photovoltaic energy, the exogenous factors are more easily foreseen so income fluctuations end up being minimised.

LICENSING:

Wind farms and solar parks are subject to strict regulations in terms of development, construction, licensing and power plant operation. If the relevant authorities in the jurisdictions in which the Group operates cease to continue to support or reduce their support for the development of wind farms and solar parks, such actions may have a significant impact on the activity. The regulatory risk in markets where the Group has a greater presence in the development of renewable projects is very low, given that this activity is currently carried out essentially in European Union countries with stable regulatory regimes. In February 2024, the European Commission even proposed an increase in efforts to reduce emissions of CO_2 and other polluting gases that cause the greenhouse effect, worsening climate change. The 2040 target is the next phase to achieve the neutrality of these emissions by the middle of the century, and to make it possible to achieve these goals the European Commission has sought to increase incentives so that all member states can comply with this goal, which is only possible with the acceleration of the development process of energy production units from renewable sources.

REGULATION:

Electricity generation from renewable sources has been promoted in Europe through Feed-In Tariff mechanisms (in Portugal, Germany, Denmark and France, for example) or through Green Certificate schemes (in Italy, the United Kingdom, Romania, Poland, etc.). These mechanisms, which were essentially aimed at making investment viable in a technology that was not yet mature in a capital-intensive market, allowed the remuneration of renewable energy producers above wholesale market prices, but resulted, in some countries, in an excessive cost that led to legislative changes in incentive systems for renewable energies. In some cases, such as in Romania, these changes affected not only new projects, but also projects in operation, significantly affecting their profitability.

The technological evolution verified in recent years has allowed a significant reduction in the costs of producing electricity from renewable energy sources and there has been a significant increase in the demand for “green” energy, given the current sustainability demands of consumers, in particular companies. In parallel, many countries have implemented auction systems that cover wind and solar energy, as is the case in Poland or Portugal, thus ensuring that the price to be paid for the electricity generated by new wind or solar farms is in line with the electricity wholesaler market price, or amended legislation so that producers can enter into bilateral power purchase agreements directly with consumers and distributors (PPA – Power Purchase Agreement).

LEGAL RISKS

The Martifer Group is subject to national, community/international and local laws and regulations relating to the multiple geographies and markets where it is present and that seek to ensure, among other things, workers' rights, the protection of the environment and spatial planning, and the maintenance of an open and competitive market. Furthermore, part of the Group's activity is carried out in countries with autocratic regimes and/or in emerging or developing economies, with relatively unstable legal and regulatory frameworks, which may lead to legislative and regulatory changes that may alter the context, even if only in a segmented way, in which the Martifer Group operates.

Thus, the legislative and regulatory changes that may affect the conditions of the development of the Group's activities and, consequently, impair or impede the fulfilment of its strategic objectives imply the constant adaptation, by the companies, to the new regulatory reality. In addition, with the growth of Compliance and ESG regulatory requirements, regulations that have not yet been stabilised, any failures by the Martifer Group, its employees, corporate bodies, suppliers/service providers or counterparties, related to compliance with ESG laws and standards, or an inability to respond to ESG themes, could have an adverse effect on the Group's strategic objectives and reputation.

Legal risk management is carried out by the Legal department of the Holding and of each of the Group's business areas, in Portugal and abroad, and is monitored within the scope of legal and tax advisory services dedicated to the respective activities, which operate in the dependence of the Board and management, developing their competencies in articulation with the other tax and financial departments, so as to ensure the protection of the interests of the Group and, ultimately, of the stakeholders, in strict compliance with the fulfilment of their legal duties.

The risks arising from potential unethical conduct, non-compliance with processes or corruption, perpetrated by employees and other stakeholders are monitored by the Martifer Group's compliance officer, Compliance being the internal structure responsible for collecting, analysing and evaluating, (i) within the Ethics and Conduct Committee, all allegations of unethical behaviour, under the strict conditions required by law, (ii) together with the Group's Regulatory Compliance Officer, those that fall within the scope of the Regulatory Compliance Programme.

Those persons comprising the abovementioned legal and advisory departments have specialised training and regularly participate in training and update sessions. The Ethics and Conduct Committee is made up of a majority of independent members with specialised training. The Regulatory Compliance Officer is a member of top management. Legal and tax advice is also guaranteed, nationally and internationally, by external professionals selected from reputed firms and according to high standards of competence, ethics and experience.

MANAGEMENT REPORT

Proposal of Results Allocation

09 | PROPOSAL FOR THE APPROPRIATION OF RESULTS

The Board of Directors proposes to the General Meeting of Shareholders that the net profit determined in the separate financial statements, in the amount of 19,695,658.26 Euros, generated in financial year 2023, net of 1,000,000 Euros in profit-sharing bonuses to be attributed to the members of the Board of Directors and to employees, have the following appropriation:

- To Retained earnings, 19,695,658.26 Euros.

Oliveira de Frades, 12 April 2024

The Board of Directors,

Carlos Manuel Marques Martins
(Chairman)

Arnaldo José Nunes da Costa Figueiredo
(Vice-Chairman)

Jorge Alberto Marques Martins
(Vice-Chairman)

Pedro Miguel Rodrigues Duarte
(Member of the Board of Directors)

Pedro Nuno Cardoso Abreu Moreira
(Member of the Board of Directors)

Carlos Alberto Araújo da Costa
(Member of the Board of Directors)

Maria Sílvia da Fonseca Vasconcelos da Mota
(Member of the Board of Directors)

Carla Maria de Araújo Viana Gonçalves Borges Norte
(Member of the Board of Directors)

Clara Sofia Teixeira Gouveia Moura
(Member of the Board of Directors)

MANAGEMENT REPORT

Other Information

10 | OTHER INFORMATION

ACTIVITY DEVELOPED BY NON-EXECUTIVE MEMBERS OF THE BOARD OF DIRECTORS

Besides integrating the Board of Directors of Martifer, SGPS, S.A., all the non-executive directors, with the exception of the Chairman of the Board of Directors and the member Maria Sílvia da Fonseca Vasconcelos da Mota, sit on at least one of the Committees appointed by the Board of Directors (Corporate Governance Committee, Ethics and Conduct Committee or Risk Committee), which regulations are disclosed in the Group's website and which functions and activities developed during 2023 are described in the Corporate Governance Report.

Throughout the year, the non-executive directors have shared and expressed relevant opinions regarding specific business areas, based on the performance, the risks incurred and the future prospects for these areas, maintaining regular communication with the executive directors, and the directors and managers of the business areas.

AUTHORISATIONS GIVEN TO BUSINESS TRANSACTIONS BETWEEN THE COMPANY AND ITS DIRECTORS, PURSUANT TO ARTICLE NO. 397 OF THE PORTUGUESE COMMERCIAL COMPANIES CODE

In 2023, there were no transactions subject to the regime of Article no. 397 of the Portuguese Commercial Companies Code.

OTHER INFORMATION

Martifer, SGPS, S.A. has no overdue debts to the State or any other public entities, including Social Security.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

In accordance with the October 2015 European Sales and Marketing Association's (ESMA) guidelines on Alternative Performance Measures ('APM'), Martifer Group presents the chart with the definition of APMs that are not directly read/understood in the primary financial statements:

MANAGEMENT REPORT	CONSOLIDATED FINANCIAL INFORMATION
Financial autonomy	Equity / Total assets
CAPEX	Capital expenditure (investment, at full cost, in the acquisition or improvement of tangible, intangible and right-of-use assets)
Net debt	Current and non-current loans, net of cash and cash equivalents
EBITDA	Sales and services rendered + Other operating income - Cost of goods sold and materials consumed - Subcontracts - External supplies and services - Personnel expenses - Impairment losses on financial assets - Other operating expenses
EBITDA margin	EBITDA / Turnover
EBIT	Sales and services rendered + Other operating income - Cost of goods sold and materials consumed - Subcontracts - External supplies and services - Personnel expenses - Impairment losses on financial assets - Other operating expenses - Depreciation and amortisation - Provisions - Impairment losses on non-financial assets
EBIT margin	EBIT / Turnover
Turnover	Sales and services rendered
Operating income	Sales and services rendered + Other operating income
Gross Value Added (GVA)	Sales and services rendered + Production variation + Own work for the company + Supplementary income + Operating subsidies – Cost of goods sold and materials consumed – External supplies and services – Subcontracts – Indirect taxes
Financial results	Financial income and gains - Financial expenses and losses + Gains / (losses) on associated and jointly controlled companies + Net monetary gains / (losses)
Solvency ratio	(Equity + Non-current liabilities) / Non-current assets
General liquidity	Current assets / Current liabilities
Fixed assets (including Goodwill and right-of-use assets)	Goodwill + Intangible assets + Fixed tangible assets + Right-of-use assets

MANAGEMENT REPORT	CONSOLIDATED FINANCIAL INFORMATION
Other non-current assets	Investment properties + Investments in associated and jointly controlled companies + Financial assets at fair value through profit or loss + Clients and other debtors + Deferred tax assets
Inventory and current debtors	Inventories + Financial assets at fair value through profit or loss + Clients and other debtors + Assets associated with client contracts + Advances on purchases + Income tax + State and other public entities + Other current assets
Shareholders' equity	Share capital + Own Shares + Reserves and Retained earnings + Net profit attributable to shareholders of the parent company
Non-current debt and lease liabilities	Non-current loans + Non-current lease liabilities
Other non-current liabilities	Suppliers and other creditors + Provisions + Other non-current liabilities + Deferred tax liabilities
Current debt and lease liabilities	Current loans + Current lease liabilities
Other current liabilities	Suppliers and other creditors + Liabilities associated with client contracts + Income tax + State and other public entities + Other current liabilities

MANDATORY INFORMATION

MANDATORY INFORMATION

SHAREHOLDINGS OF THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES

Pursuant to Article no. 447 of the Portuguese Commercial Companies Code, the securities issued by Martifer, SGPS, S.A. and companies dominated by it or that are in a group relationship, held by members of the corporate bodies in the period from 1 January 2022 to 31 December 2023, are as follows:

HOLDERS	CORPORATE BODY	NO. SHARES HELD ON 31/12/2023
Carlos Manuel Marques Martins*	Board of Directors	3 461 853
Jorge Alberto Marques Martins**	Board of Directors	2 430 260
I'M – SGPS, S.A.***	Board of Directors	38 005 689
Arnaldo José Nunes da Costa Figueiredo	Board of Directors	3 000
Pedro Miguel Rodrigues Duarte	Board of Directors	-
Pedro Nuno Cardoso Abreu Moreira	Board of Directors	-
Carlos Alberto Araújo da Costa	Board of Directors	-
Maria Silvia da Fonseca Vasconcelos da Mota	Board of Directors	-
Carla Maria Araújo Gonçalves Borges Norte	Board of Directors	-
Clara Sofia Teixeira Gouveia Moura	Board of Directors	-
Mária Maria Machado Lapa de Barros Peixoto	Supervisory Board	-
Américo Agostinho Martins Pereira	Supervisory Board	-
Luís Filipe Cardoso da Silva	Supervisory Board	-
Nuno Miguel dos Santos Figueiredo	Statutory Auditor, representing Deloitte & Associados, SROC	-
José Joaquim Neiva Nunes de Oliveira	General Meeting Board	-
Ana Sofia Pinto Rijo Andrade	General Meeting Board	-
Luís Neiva de Oliveira Nunes de Oliveira	General Meeting Board	-

* Shares held directly and by the company Black and Blue Investimentos, S.A. (Carlos Manuel Marques Martins is a director of this company and, together with his family unit, are the sole shareholders).

** Shares held by Jorge Alberto Marques Martins and spouse.

*** Martifer' directors, Carlos Manuel Marques Martins (and spouse) and Jorge Alberto Marques Martins, are the sole shareholders of the company I´M - SGPS, SA, holding shares representing 50 % and 50 % of its share capital, respectively.

Share transactions by the members of the corporate bodies in 2023:

MEMBER OF THE MANAGEMENT AND SUPERVISORY BODY	DATE	ACQUISITIONS	DISPOSALS	AVERAGE PRICE
Carlos Manuel Marques Martins*	28/03/2023	10 000	-	1.15 €
Carlos Manuel Marques Martins*	31/03/2023	102	-	1.14 €

* Acquisitions made by the company Black and Blue Investimentos, S.A. (Carlos Manuel Marques Martins is a shareholder and director of this company).

HOLDERS OF QUALIFYING SHAREHOLDINGS

Pursuant to Article no. 8(1)(b) of CMVM Regulation no. 5/2008, we hereby present below a list of the holders of qualifying holdings, on 31 December 2023, representing at least 5 % of the share capital of Martifer, SGPS, S.A., with the indication of the number of shares held and the corresponding percentage of voting rights, calculated in accordance with Article no. 20 of the Portuguese Securities Code:

SHAREHOLDERS	NO. SHARES	% OF SHARE CAPITAL	% OF VOTING RIGHTS[1)]
I'M SGPS, SA	**38 005 689**	**38.01%**	**38.87%**
Carlos Manuel Marques Martins*			
Directly	2 200 000	2.20%	2.25%
Through Black and Blue Investimentos, S.A.	1 261 853	1.26%	1.29%
Total Attributable	3 461 853	3.46%	3.54%
Jorge Alberto Marques Martins*			
Directly	–	–	–
Through Elisabete Maria de Almeida Jesus Farreca	2 430 260	2.43%	2.49%
Total Attributable	2 430 260	2.43%	2.49%
Total attributable to I'M SGPS, SA	**43 897 802**	**43.90%**	**44.89%**
Mota-Engil SGPS, SA	37 500 000	37.50%	38.35%
Total attributable to Mota-Engil SGPS, SA	**37 500 000**	**37.50%**	**38.35%**

1) % of voting rights = No. of Shares Held/(Total No. of Shares - Own Shares)

* Member of a corporate body of I'M - SGPS, S.A.

DECLARATION OF COMPLIANCE PURSUANT TO ARTICLE NO. 29-G(1)(C) OF THE PORTUGUESE SECURITIES CODE

Dear Shareholders,

Pursuant to the terms set forth in Article no. 29-G(1)(c) of the Portuguese Securities Code, we hereby declare that, to the best of our knowledge:

(i) the information contained in the consolidated management report faithfully reports the evolution of the business, the performance and the position of Martifer, SGPS, S.A. and of the companies in its consolidation perimeter and contains a description of the main risks and uncertainties that it faces; and

(ii) the information contained in the separate and consolidated financial statements, as well as in their respective notes, was prepared in accordance with the applicable accounting standards, i.e. in accordance with the international financial reporting standards ("IFRS") as endorsed by the European Union, providing a true and fair view of the financial position, financial performance and cash flows of Martifer, SGPS, S.A. and of the companies included in its consolidation perimeter.

Oliveira de Frades, 12 April 2024

The Board of Directors,

Carlos Manuel Marques Martins
(Chairman)

Arnaldo José Nunes da Costa Figueiredo
(Vice-Chairman)

Jorge Alberto Marques Martins
(Vice-Chairman)

Pedro Miguel Rodrigues Duarte
(Member of the Board of Directors)

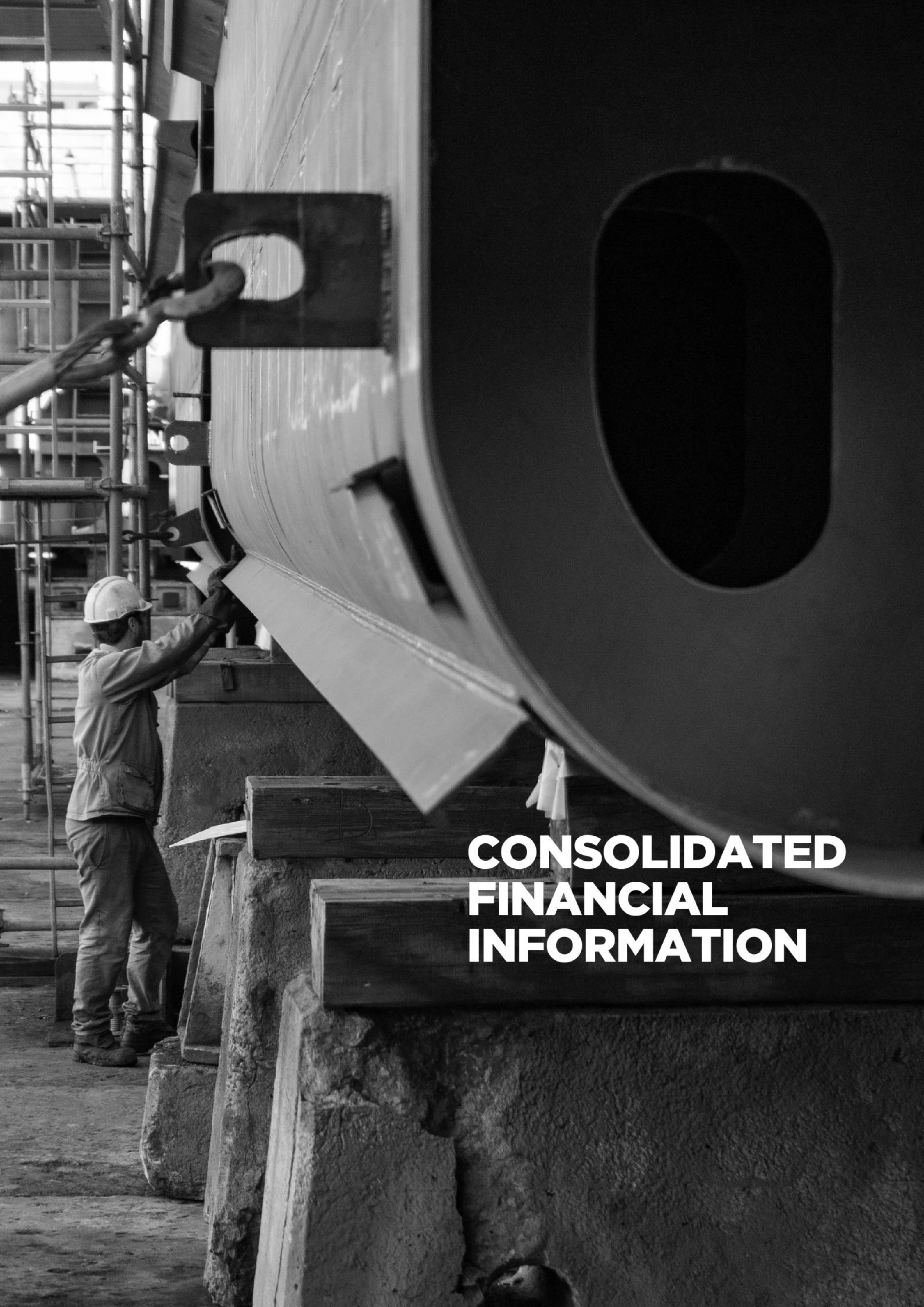
Pedro Nuno Cardoso Abreu Moreira
(Member of the Board of Directors)

Carlos Alberto Araújo da Costa
(Member of the Board of Directors)

Maria Sílvia da Fonseca Vasconcelos da Mota
(Member of the Board of Directors)

Carla Maria de Araújo Viana Gonçalves Borges Norte
(Member of the Board of Directors)

Clara Sofia Teixeira Gouveia Moura
(Member of the Board of Directors)



CONSOLIDATED FINANCIAL INFORMATION

CONSOLIDATED FINANCIAL INFORMATION

Consolidated Financial Statements

11 | CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENTS FOR FINANCIAL YEARS ENDED 31 DECEMBER 2023 AND 2022

€	NOTES	FY 2023	FY 2022
Sales and services rendered	3, 4	211,671,536	190,401,231
Other operating income	5	8,206,180	21,075,617
Cost of goods sold	6	(50,931,762)	(47,647,031)
Subcontractors	7	(63,382,745)	(44,708,323)
External services and supplies	8	(37,288,543)	(32,666,081)
Staff costs	9	(42,024,059)	(38,807,032)
Impairment losses on financial assets	25	14,492,142	(13,467,435)
Other operating expenses	10	(6,666,567)	(8,362,024)
	3	**34,076,184**	**25,818,923**
Amortizations	3, 18, 19, 20	(5,838,186)	(5,743,764)
Provisions	3, 11, 34	7,073	56,251
	3	**28,245,071**	**20,131,410**
Financial income	12	2,682,724	553,949
Financial expenses	12	(10,136,377)	(8,400,219)
Gains / (losses) on associate companies and joint arrangements	3, 13	634,054	3,043,155
Net monetary gain / (loss)	42	187,087	114,641
Profit before tax		**21,612,559**	**15,442,936**
Income tax	14	(530,634)	(1,285,177)
Profit for the year	**3**	**21,081,925**	**14,157,759**
Attributable to:			
non-controlling interests	30	1,386,266	817,555
owners of Martifer	16	19,695,658	13,340,204
Earnings per share:	16		
Basic and diluted		0.2014	0.1364

To be read with the Notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR FINANCIAL YEARS ENDED 31 DECEMBER 2023 AND 2022

€	NOTES	FY 2023	FY 2022
Profit for the year		**21,081,925**	**14,157,759**
Amounts that will be reclassified by results			
Revaluation surplus		-	-
Tax effect of the revaluation surplus		-	-
		-	**-**
Amounts that will be reclassified by results			
Exchange differences arising on (i) translating foreign operations; (ii) net investment in subsidiaries and (iii) goodwill		(536,360)	347,788
Exchange differences reclassified to income for the year	5, 10 and 12	1,143,540	2,406,019
Adjustments to equity on associate companies and joint arrangements	22	(78,506)	38,136
		528,674	**2,791,943**
Total comprehensive income for the year		**21,610,599**	**16,949,701**
Attributable to:			
non-controlling interests		841,432	864,592
owners of Martifer		20,769,167	16,085,109

To be read with the Notes to the consolidated financial statements.

MARTIFER GROUP

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ON 31 DECEMBER 2023 AND 2022

€	NOTES	FY 2023	FY 2022
ASSETS			
Non-current assets			
Goodwill	17	10,961,941	10,974,649
Intangible assets	18	393,887	555,445
Tangible fixed assets	19	45,678,982	47,051,679
Right-of-use assets	20	20,445,388	20,528,121
Investment properties	21	19,505,000	19,505,000
Investments in associate companies and joint arrangements	3, 22	4,016,450	3,491,793
Financial assets at fair value through profit or loss	23	1,015,786	1,780,634
Trade receivables and other receivables	25	3,565,543	4,230,455
Deferred tax assets	14	4,877,982	5,359,157
		110,460,959	**113,476,933**
Current assets			
Inventories	24	10,257,947	10,157,341
Financial assets at fair value through profit or loss	23	8,728,589	3,121,842
Trade receivables and other receivables	25	36,998,192	37,708,865
Contract Assets	27	9,139,951	5,460,740
Prepayments	24	6,413,797	8,532,957
Income tax	14, 26	994,563	2,444,006
Current tax assets	26	4,664,081	3,171,829
Other current assets	28	4,131,272	5,305,457
Cash and cash equivalents	29	82,901,312	56,331,066
		164,229,704	**132,234,103**
Total assets	**3**	**274,690,663**	**245,711,036**
EQUITY			
Shared capital	30	50,000,000	50,000,000
Own shares	30	(2,868,519)	(2,868,519)
Reserves and Retained Earnings	30	(11,374,473)	(25,421,724)
Profit for the year	30	19,695,658	13,340,204
Equity attributable to owners of Martifer		**55,452,666**	**35,049,961**
Non-controlling interests	30	789,805	30,664
Total equity	**30**	**56,242,471**	**35,080,624**
LIABILITIES			
Non-current liabilities			
Loans	31	86,393,605	93,169,570
Lease liabilities	32	24,062,205	25,257,514
Trade payables and Other payables	33	1,819,794	1,848,628
Provisions	34	8,835,477	3,206,282
Other non-current liabilities	38	927,169	1,692,961
Deferred tax liabilities	14	2,366,513	2,550,021
		124,404,762	**127,724,976**
Current liabilities			
Loans	31	4,915,193	3,696,607
Lease liabilities	32	1,550,692	1,340,292
Trade payables and Other payables	33	36,177,376	32,978,318
Contract Liabilities	37	25,073,583	23,634,429
Income tax	14, 36	1,060,998	1,951,722
Current tax liabilities	36	3,941,356	4,096,540
Other current liabilities	38	21,324,232	15,207,528
		94,043,430	**82,905,436**
Total liabilities	**3**	**218,448,192**	**210,630,412**
Total equity and liabilities		**274,690,663**	**245,711,036**

To be read with the Notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR FINANCIAL YEARS ENDED 31 DECEMBER 2023 AND 2022

€	NOTES	SHARED CAPITAL	OWN SHARES	FAIR VALUE RESERVES – CASH FLOW HEDGE DERIVATIVES	FOREIGN CURRENCY TRANSLATION RESERVES	OTHER RESERVES AND RETAINED EARNINGS	NET PROFITDO	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Balance on 1st January 2022		50,000,000	(2,868,519)	-	(30,473,376)	(9,273,312)	11,266,885	18,651,678	(335,337)	18,316,341
Appropriation of the profit of 2021		-	-	-	-	11,266,885	(11,266,885)	-	-	-
COMPREHENSIVE INCOME FOR THE YEAR										
Profit for the period		-	-	-	-	-	13,340,204	13,340,204	817,555	14,157,759
Exchange differences arising on (i) translating foreign operations and (ii) net investment in subsidiaries		-	-	-	2,706,770	-	-	2,706,770	47,037	2,753,807
Equity method application effect	22	-	-	-	-	38,136	-	38,136	-	38,136
Total comprehensive income for the year		**-**	**-**	**-**	**2,706,770**	**38,136**	**13,340,204**	**16,085,109**	**864,592**	**16,949,701**
Hyperinflationary restatement		-	-	-	-	63,945	-	63,945	-	63,945
Dividends distribution		-	-	-	-	-	-	-	(400,434)	(400,434)
Other changes in equity of parent company and subsidiaries		-	-	-		542	-	542	(5)	537
Changes in the consolidation perimeter		-	-	-	-	183,879	-	183,879	-	183,879
Non-controlling interests transactions	30	-	-	-	-	64,808	-	64,808	(98,152)	(33,344)
Balance on 31st December 2022		**50,000,000**	**(2,868,519)**	**-**	**(27,766,606)**	**2,344,882**	**13,340,204**	**35,049,961**	**30,664**	**35,080,624**
Balance on 1st January 2023		50,000,000	(2,868,519)	-	(27,766,606)	2,344,882	13,340,204	35,049,961	30,664	35,080,624
Appropriation of the profit of 2022		-	-		-	13,340,204	(13,340,204)	-	-	-
COMPREHENSIVE INCOME FOR THE YEAR										
Profit for the period		-	-	-	-	-	19,695,658	19,695,658	1,386,266	21,081,925
Exchange differences arising on (i) translating foreign operations and (ii) net investment in subsidiaries		-	-	-	1,152,015	-	-	1,152,015	(544,835)	607,180
Equity method application effect	22	-	-	-	-	(78,506)	-	(78,506)	-	(78,506)
Total comprehensive income for the year		**-**	**-**	**-**	**1,152,015**	**(78,506)**	**19,695,658**	**20,769,167**	**841,432**	**21,610,599**
Hyperinflationary restatement		-	-	-	-	(23,162)	-	(23,162)	-	(23,162)
Dividend distribution		-	-	-	-	-	-	-	(146,548)	(146,548)
Other changes in equity of parent company and subsidiaries		-	-		-	(140,637)	-	(140,637)	64,344	(76,293)
Changes in the consolidation perimeter		-	-	-	-	(202,662)	-	(202,662)	(86)	(202,748)
Balance on 31st December 2023		**50,000,000**	**(2,868,519)**	**-**	**(26,614,591)**	**15,240,118**	**19,695,658**	**55,452,666**	**789,805**	**56,242,471**

To be read with the Notes to the consolidated financial statements.

MARTIFER GROUP

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR FINANCIAL YEARS ENDED 31 DECEMBER 2023 AND 2022

€	NOTES	FY 2023	FY 2022
OPERATING ACTIVITIES			
Receipts from customers		246,494,893	193,356,615
Payments to suppliers		(151,817,051)	(148,959,337)
Payments to employees		(29,589,629)	(28,083,687)
Cash generated from operations		**65,088,213**	**16,313,590**
Income tax paid / received		(594,058)	(4,111,489)
Other receipts/(payments) relating to operating activities	43	(15,962,687)	(350,797)
Cash generated from other operating activities		**(16,556,745)**	**(4,462,286)**
Net cash generated by operating activities (1)		**48,531,467**	**11,851,304**
INVESTING ACTIVITIES			
Receipts arising from:			
Financial assets	43	1,217,901	19,985,937
Tangible fixed assets		770,220	1,816,953
Investment properties	21	-	1,601,795
Loans to related parties		3,249	629,873
Interest and similar income		237,226	574,645
Dividends		27	956
Others	43	5,354,430	182,894
		7,583,054	**24,793,053**
Payments arising from:			
Financial assets	43	(640,916)	(193,344)
Tangible fixed assets		(1,610,122)	(1,153,779)
Intangible assets		(37,397)	(4,263)
Investment properties		-	(100,317)
Others	43	(10,854,430)	(1,165,212)
		(13,142,865)	**(2,616,915)**
Net cash generated by investing activities (2)		**(5,559,812)**	**22,176,139**
FINANCING ACTIVITIES			
Receipts arising from:			
Loans	31	830,198	1,230
Grants and donations		456,515	185,337
Others		5,942	241,945
		1,292,655	**428,512**
Payments arising from:			
Loans	31	(6,387,578)	(13,809,451)
Lease liabilities		(3,329,618)	(1,822,137)
Interest and similar costs		(5,933,378)	(2,564,964)
Lease interest		(1,485,578)	(694,190)
Dividends		(164,210)	(395,515)
Others		-	(449,297)
		(17,300,362)	**(19,735,553)**
Net cash generated by financing activities (3)		**(16,007,706)**	**(19,307,041)**
Net increase in cash and cash equivalents (4)=(1)+(2)+(3)		26,963,949	14,720,402
Changes in the consolidation perimeter and others		1	24,547
Effect of foreign exchange currencies		(393,704)	574,650
Cash and cash equivalents at the beginning of the year	29	56,331,066	41,011,467
Cash and cash equivalents at the end of the year	29	82,901,312	56,331,066

To be read with the Notes to the consolidated financial statements.

CONSOLIDATED FINANCIAL INFORMATION

Notes to the Consolidated Financial Statements

12 | NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

0. INTRODUCTORY NOTE

Martifer SGPS, SA, with registered office at Zona Industrial, Apartado 17, Oliveira de Frades, Portugal ('Martifer SGPS' or 'Company'), and its investees ('Group') have as their main activities Metallic Constructions (metallic structures, aluminium and glass façades, infrastructure for oil & gas and industrial maintenance), the Naval Industry and Renewable Energy (promotion and development of wind and solar projects) (Note 3).

Martifer SGPS was incorporated on 29 October 2004, and its share capital was realised through the delivery of all the shares, valued at market value, that the shareholders of the Group held in Martifer - Construções, S.A., an investee incorporated in 1990, and which at the time was the parent company of the current Martifer Group. Martifer SGPS is the Martifer Group Holding company and has as reference shareholders I'M, SGPS, S.A. (38 %) and Mota-Engil, SGPS, S.A. (37.5 %).

From June 2007 onwards, following the successful Initial Public Offer (IPO), the Company started trading on the Portuguese Stock Exchange, Euronext Lisbon.

On 31 December 2023, the Group develops its activity, mainly in Western Europe (Portugal, Spain, France, Belgium and the United Kingdom), in Eastern Europe (Poland and Romania), in the Middle East (Saudi Arabia), in Latin America (Argentina), and in Sub-Saharan Africa (Angola and Mozambique).

All the amounts presented in these notes are stated in Euros (rounded to the unit) unless otherwise indicated.

1. BASES OF PREPARATION, CONSOLIDATION AND ACCOUNTING POLICIES

1.1 BASES OF PRESENTATION

These accompanying financial statements relate to the consolidated financial statements of the companies of Martifer Group and were prepared in accordance with the International Financial Reporting Standards (“IFRS”), as adopted by the European Union, in force at the beginning of the economic period started on 1 January 2023. These correspond to the International Financial Reporting Standards, issued by the International Accounting Standards Board (“IASB”), and to the interpretations issued by the IFRS Interpretations Committee or by the previous Standing Interpretations Committee (“SIC”), which have been endorsed by the European Union.

The accompanying consolidated financial statements were prepared from the accounting records of the Company and its subsidiaries (Note 2) on the going concern assumption.

The Board of Directors assessed the capacity of the Group to continue to operate based on all relevant information, facts and circumstances of a financial, commercial or other nature, including events that occurred after the reference date of the financial statements, available on the future. As a result of that assessment, the Board of Directors concluded that the Group has adequate resources to maintain its activities, having no intention of terminating them in the short term; therefore, it considered appropriate the use of the going concern assumption in the preparation of the financial statements.

The accompanying consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of certain non-current assets (investment properties) and certain financial instruments, which are recorded at fair value.

The accounting policies and mensuration criteria adopted by the Group in the 2023 financial year are consistent with those applied by the Group in the preparation of the financial statements of the previous financial year, presented for comparative purposes, except in respect of the standards and interpretations entering into force on or after 1 January 2023, the adoption of which has not had a significant impact on the Group’s comprehensive income or on the Group's financial position.

Amendments to standards effective on 1 January 2023:

	EFFECTIVE DATE
IFRS 17 – Insurance contracts	01/01/2023
Amendment to IAS 8 – Accounting policies, changes in accounting estimates and errors – Definition of accounting estimates	01/01/2023
Amendment to IAS 1 – Presentation of financial statements and IFRS Practice Statement 2 – Disclosure of accounting policies	01/01/2023
Amendment to IAS 12 Income Taxes – Deferred Taxes related to assets and liabilities resulting from a single transaction	01/01/2023
Amendment to IFRS 17 – Insurance contracts – initial application of IFRS 17 and IFRS 9 – comparative information	01/01/2023
Amendment to IAS 12 Income Taxes – International Tax Reform (Pillar Two)	01/01/2023

Amendment to IFRS 17. This standard establishes, for insurance contracts within its scope of application, the principles for their recognition, measurement, presentation and disclosure. This standard replaces IFRS 4 - Insurance Contracts.

Amendment to IAS 8 – Accounting policies, changes in accounting estimates and errors – Definition of accounting estimates. This amendment published by the IASB, defines accounting estimate as a monetary amount in the financial statements subject to measurement uncertainty.

Amendment to IAS 1 – Presentation of financial statements and IFRS Practice Statement 2 – Disclosure of accounting policies. This amendment, published by the IASB in February 2021, clarifies that material accounting policies should be disclosed, rather than significant policies, having introduced examples for the identification of material policies.

Amendment to IAS 12 - Income taxes – Deferred taxes related to assets and liabilities resulting from a single transaction. This amendment, published by the IASB in May 2021, clarifies that the exemption from initial recognition of deferred taxes does not apply to transactions that produce equal amounts of taxable and deductible timing differences.

Amendment to IFRS 17 – Insurance contracts – Initial application of IFRS 17 and IFRS 9 – Comparative information. This amendment, published by the IASB in December 2021, introduces changes to the comparative information to be presented when an entity adopts the two standards, IFRS 17 and IFRS 9, simultaneously.

Amendment to IAS 12 - Income taxes – International Tax Reform (Pillar Two). This amendment, published by the IASB in May 2023, includes a temporary exemption from the requirement to recognise deferred taxes and disclose information on taxes arising from the Pillar Two model of the international tax reform, and the use of this exemption must be disclosed.

New standards and amendments which become effective on or after 1 January 2024, already endorsed by the EU:

	EFFECTIVE DATE
IAS 1 (amendment) - Presentation of financial statements - Classification of liabilities as current and non-current; Deferral of application date; Non-current liabilities with covenants	01/01/2024
Amendment to IFRS 16 - Leases – Lease liability in a sale and leaseback transaction	01/01/2024

Amendment to IAS 1 - Presentation of financial statements – Classification of liabilities as current and non-current; Deferral of application date; Non-current liabilities with covenants (effective for annual periods beginning on or after 1 January 2024). These amendments, published by the IASB, clarify the classification of liabilities as current and non-current, analysing the existing contractual conditions at the reporting date. The amendment relating to non-current liabilities with covenants, clarifies that only the conditions that must be fulfilled before or on the reference date of the financial statements are relevant for the purposes of classification as current / non-current.

Amendment to IFRS 16 – Leases – Lease liability in a sale and leaseback transaction (effective for annual periods beginning on or after 1 January 2024). This amendment, published by the IASB in September 2022, clarifies how a seller-lessee accounts for a sale and leaseback transaction that meets the criteria of IFRS 15 to be classified as a sale.

At the present date, no significant impacts are estimated from the adoption of the aforementioned standards and amendments.

New standards and amendments that become effective on or after 1 January 2025, not yet endorsed by the EU:

	EFFECTIVE DATE
Amendments to IAS 7 – Cash Flow Statements – and IFRS 7 – Financial Instruments: Disclosures – Supplier Financing	01/01/2024
Amendment to IAS 21 – The effects of changes in exchange rates – Lack of exchangeability	01/01/2025

Amendments to IAS 7 – Cash Flow Statements – and IFRS 7 – Financial Instruments: Disclosures – Supplier Financing Arrangements (effective for annual periods beginning on or after 1 January 2024). These amendments, published by the IASB in May 2023, include requirements for additional disclosure of qualitative and quantitative information about supplier financing arrangements.

Amendment to IAS 21 – The effects of changes in exchange rates – Lack of exchangeability (effective for annual periods beginning on or after 1 January 2025). This amendment, published by the IASB in August 2023, sets out the approach for assessing whether a currency can be exchanged for another currency. If it is concluded that the currency cannot be exchanged for another, it indicates how the exchange rate to be applied is determined and the additional disclosures required.

Management is analysing the impact, if any, on the consolidated financial statements.

The consolidated financial statements are presented in Euros as this is the main currency of the Group's operations. The financial statements of investees in foreign currency were converted into Euros in accordance with the accounting policies described in Note 1.4 xiii).

In preparing the consolidated financial statements, in accordance with IFRS, the Group's Board of Directors adopted certain assumptions and estimates that may affect the reported assets and liabilities, as well as the income and expenses incurred for the reported years (Note 1.4 xxiv)). All estimates and assumptions made by the Board of Directors were made based on its best knowledge existing at the date of approval of the financial statements, and the information available on that date.

The uncertainty associated with the depth of the economic impacts resulting from the wars still exists. The Board of Directors will continue to monitor the threat and implications for the Group’s activity but does not anticipate significant impacts that will affect the financial information disclosed.

1.2 COMPARABILITY OF INFORMATION

The consolidated financial statements of Martifer Group on 31 December 2023 were prepared in accordance with accounting policies and calculation methods similar to those presented in the 2022 consolidated financial statements.

1.3 BASES OF CONSOLIDATION

The consolidation methods adopted by the Group are the following:

a) Group Companies (Subsidiaries)

The financial holdings in companies controlled by the Group were included in the attached consolidated financial statements by the full consolidation method. The Group controls an investee when it is exposed to, or it is the holder of rights concerning variable results through its relationship with the investee, and has the capacity to affect these results by the power it has over the investee.

The equity and the net result of these companies, corresponding to the holdings of third parties in them, are presented in the consolidated statement of financial position (under the equity caption ‘Non-controlling interests’) and in the consolidated income statement (in the line ‘Net profit - Attributable to non-controlling interests’), respectively. Companies included in the consolidated financial statements by the full consolidation method are detailed in Note 2.

In business combinations that occurred after 1 January 2011 (IFRS 3R), the excess of the acquisition cost, the fair value of any share held prior to the acquisition of control and the value of non-controlling interests, over the fair value of the assets, liabilities and identifiable contingent liabilities is recorded as Goodwill. If the acquisition cost, the fair value of any share held prior to the acquisition of control and the value of non-controlling interests is lower than the fair value of the net assets of the acquired subsidiary, the difference is recognised directly in the income statement of the period under 'Other operating income'. The transaction costs relating to business combinations that occurred after this date are expensed when incurred.

Sale or acquisition transactions of shareholdings with non-controlling interests that do not affect the control exercised by the Group do not result in the recognition of gains, losses or Goodwill, and any difference determined between the value of the transaction and the book value of the transacted shareholding is recognised in Equity.

The negative results generated in each period by the subsidiaries which have non-controlling interests are allocated in the percentage held to the non-controlling interests, regardless of these becoming negative.

The results of subsidiaries acquired or sold during the year are included in the financial statements since the date of their acquisition or up to the date of their sale. Gains or losses recognised as a result of loss of control of the subsidiaries are presented under the captions 'Other operating income' or 'Other operating expenses'.

Where necessary, adjustments are made to the financial statements of subsidiaries to adequate their accounting policies to those used by the Group. The transactions, balances and dividends distributed between Group companies are eliminated in the consolidation process. In situations in which the Group holds, in substance, the control of other entities created for specific purposes, even if it does not have capital holdings in these entities, these are consolidated by the full consolidation method. On 31 December 2023 and 2022, there were no entities in this situation.

b) Associated and jointly controlled companies

Investments in associated companies (companies where the Group has a significant influence but does not have control of them through the participation in financial and operational decisions in the Company - usually investments representing between 20 % to 50 % of the capital of a company) and in jointly controlled companies (companies where the Group shares control with other partners) are recorded using the equity method under the caption 'Investments in associated and jointly controlled companies'.

According to the equity method, the financial holdings are recorded at their acquisition cost, adjusted by the amount corresponding to the Group's share in the changes in Equity and in the net results of the investees, against other comprehensive income and profit or loss for the financial year, respectively, and by the dividends received, net of accumulated impairment losses.

The assets and liabilities of each investee (including contingent liabilities) are identified at their fair value at the date of acquisition. Any excess in the acquisition cost over the fair value of the net assets and liabilities acquired is recorded as a positive acquisition difference (Goodwill), being added to the balance sheet amount of the financial asset and its recovery is reviewed annually as an integral part of the financial asset, and, in case there is a negative acquisition difference (“Badwill”), after reconfirmation of the fair value valuation process and in case it is maintained, in the income statement of the period.

A valuation of the investments in associated and jointly controlled companies is carried out when there are indications that the asset may be impaired, with an impairment loss being recognised in the income statement whenever this is confirmed.

When the Group’s share in the accumulated losses of the associated or jointly controlled company exceeds the value by which the investment is recorded, the investment is reported at nil value while the equity of the associated or jointly controlled company is not positive, except when the Group has made commitments to the entity, in which case it records a provision under the Liabilities caption 'Provisions' to meet those obligations.

Unrealised gains on transactions with associated and jointly controlled companies are eliminated, in proportion to the interest of the Group in them, against the investment in these entities. Unrealised losses are similarly eliminated, but only to the extent that the loss does not provide evidence that the transferred asset is in an impairment situation.

Companies included in the consolidated financial statements under the equity method are detailed in Note 2.

1.4 MATERIAL ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATES

Material accounting policies, judgements and estimates used in the preparation of the Group’s consolidated financial statements for the financial years presented are as follows:

i) Positive acquisition differences (Goodwill)

The positive differences between the acquisition cost of investments in Group companies, jointly controlled entities and associated companies and the fair value of the identifiable assets and liabilities (including contingent liabilities) of those companies on the date of their acquisition are recorded under the caption 'Goodwill' (in the case of investments in Group companies) or in the value of the investment in associated companies and jointly controlled entities (in the case of investments in associated companies and jointly controlled entities).

The value of Goodwill is not amortised, being tested annually, at the end of each financial year, to verify whether there are any impairment losses, i.e., whether Goodwill is not recorded by a value in excess of its recoverable value. Impairment losses of Goodwill, verified in the financial year, are recorded in the income statement under the caption 'Impairment losses of non-financial assets'. The recoverable value is the highest between the net selling price and the value in use. The net selling price is the amount that would be obtained with the sale of the asset in a transaction within reach of the parties involved, less the expenses directly attributable to the sale. Value in use is the present value of the estimated future cash flows that are expected to result from the continued use of the asset and its disposal at the end of its useful life. The recoverable value is estimated for each asset individually or, if this is not possible, for the cash-generating unit to which the asset belongs.

Impairment losses relating to Goodwill may not be reversed.

Goodwill resulting from investments in Group companies, jointly controlled entities and associated companies, domiciled abroad, and the fair value of the identifiable assets and liabilities of those companies at the date of their acquisition are recorded in the functional currency of those companies and converted into the reporting currency of the Group (Euro) at the exchange rate prevailing on the statement of financial position date. Exchange rate differences arising from this conversion are recorded under ‘Other comprehensive income - Currency conversion reserves'.

ii) Intangible assets

Intangible assets are recorded at acquisition cost, net of accumulated amortisation and impairment losses, and are only recognised if they are identifiable, if their value can be reasonably measured and if the Group has control over them.

Intangible assets are basically constituted by industrial property rights and software, with these being amortised by the straight-line method over a period of three years, as well by costs incurred with obtaining licenses to operate wind farms, which are amortised according to the period of the licenses granted (currently between 20 and 25 years).

The expenses incurred with the licensing of wind farms are capitalised in intangible assets solely when the following criteria are met:

- the economic viability studies demonstrate that there will be future economic benefits;
- the Group has the technical and financial capacity to carry out the installation and operation of the wind farms; and
- the expenditure related to the licensing phase of wind farms can be reliably measured.

The expenses incurred by the Group during the research phase of wind farms are recognised in the income statement when incurred.

The remaining research expenses are recognised as an expense in the financial year in which they are incurred.

The intangible assets identified in the acquisition of a subsidiary are recorded separately from the caption 'Goodwill' if their fair value can be reliably estimated. The initial cost of such intangible assets is their fair value on the acquisition date.

After their initial recognition, intangible assets arising on the acquisition of a subsidiary are recorded at acquisition cost, net of accumulated amortisation and any impairment losses, in the same way as intangible assets acquired by the Group. These assets are amortised by the straight-line method, usually during the period in which economic benefits are expected to occur.

iii) Tangible assets

Tangible assets are recorded at their acquisition cost, net of accumulated depreciation and impairment losses.

The Group did not record provisions for the decommissioning of wind farms or solar parks since the Group does not currently have any legal or contractual obligation to dismantle those assets.

Depreciation is imputed on a systematic basis over the estimated useful lives of the assets, and land is not depreciable.

Tangible assets in progress represent assets still in the construction / development phase, and they are recorded at acquisition cost, net of accumulated impairment losses. These tangible assets are depreciated from the moment they are available for use and are in the necessary conditions in terms of technical quality and reliability to operate. Depreciation is imputed on a systematic basis by the straight-line method over their useful lives, which are determined considering the expected usage of the assets by the Group, the expected natural wear and tear and their predictable technical obsolescence.

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

Buildings:	20 to 50 years
Equipment:	
Basic equipment	3 to 7 years
Transportation equipment	4 to 5 years
Tools and utensils	3 to 5 years
Office equipment	3 to 10 years
Other tangible fixed assets:	
Wind farms and solar parks	15 to 25 years
Other tangible fixed assets	3 to 10 years

Maintenance and repair expenses that neither increase the useful lives nor create significant improvements in tangible fixed assets are expensed in the financial year they are incurred.

iv) Leases

Recognition

At the start date of each contract, the Group assesses whether the scope of the contract corresponds to a lease contract or whether it contains a lease. A lease is defined as a contract, or part of a contract, by which the right to control the use of an identifiable asset for a given period is conferred in exchange for consideration.

To determine whether a contract grants the right to control the use of an identifiable asset for a given period, the Group assesses whether, during the period of use of the asset, it cumulatively has: (i) the right to obtain substantially all the economic benefits derived from the use of the identifiable asset; and (ii) the right to control the use of the identifiable asset.

The Group recognises a right-of-use asset and a lease liability on the date of entry into force of the lease contract. The right-of-use asset is initially measured at cost, which includes the initial value of the lease liability adjusted by any lease payments that were made on or before the start date, plus any initial direct costs incurred, as well as an estimate of the costs of dismantling and removing the underlying asset (if applicable), net of any incentive granted.

Regarding land lease contracts for the development of solar parks and wind farms in the ‘Renewables’ segment, the lease term date is determined by: (i) the expected date of obtaining the COD (commercial operation date), for projects in the development and construction phase; and (ii) the useful life of solar parks and wind farms of projects already in operation.

The lease liability is initially recognised by the present value of the rents not yet paid at the date of the lease contract, discounting the interest implicit in the lease, or in cases where it is not possible to easily determine this rate, considering the incremental financing rate. The lease payments included in the measurement of the lease liability include the following:

- fixed payments (including payments in substance which are fixed), net of any incentives already received;
- variable lease payments, dependent on a certain rate or index;
- amounts due under a residual value guarantee;
- the exercise price of the purchase option if it is reasonably certain that the lessee will exercise the option;

- payment of penalties for the termination of the contract if it is reasonably certain that the lessee will cancel the contract.

After the initial application date, the lease liability is increased to reflect interest on the liability and reduced to reflect payments made.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when changes are made to future payments arising from a change in the rate or index used to determine such payments, if a change in the Group's estimate of the amount to be paid under a residual value guarantee occurs, or if the Group changes its assessment regarding the option to exercise the purchase, its extension or termination.

When the lease liability is remeasured, the value of the right-of-use asset is also adjusted accordingly, or a gain or loss is recorded in the income statement if the carrying amount of the right-of-use asset has already been reduced to zero.

Whenever the lease contract is modified, and the modification does not qualify as a separate lease, the Group remeasures liabilities for future rents on the lease contract, discounting the revised lease payments at the implicit rate of the lease or at the incremental financing rate determined on the date of the modification.

The Group presents right-of-use assets and lease liabilities under properly segregated captions in the statement of financial position.

Short-term or low-value financial leases

The Group does not recognise right-of use assets or lease liabilities for lease contracts with a duration of less than 12 months or of low-value. The Group recognises expenditure associated with these leases as an expense of the financial year during the term of the contracts.

Variable rents

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability or the right-of-use asset. Such payments are recognised as expenses in the period in which the event or condition giving rise to the payments occurs.

Depreciation

The right-of-use asset is depreciated using the straight-line method, based on the lower between the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of right-of-use assets is determined on the same basis as for other tangible assets.

Impairment

The right-of-use asset is periodically reduced by impairment losses and adjusted by certain changes in the lease liability associated with the asset.

v) Investment properties

Investment properties essentially comprise real estate and land held to earn income or for capital appreciation, or both, and not for use in the current activity of the businesses.

Investment properties are initially recorded at acquisition cost, plus acquisition charges and ownership registration fees. After initial recognition, investment properties are measured at their fair values, with the recognition of changes in fair value in the income statement of the financial year in which they occur.

The expenses incurred (maintenance, repairs, insurance and property taxes), as well as income and rents obtained from the investment properties, are recognised in the income statement of the financial year to which they relate.

Whenever, due to a change in the use of tangible fixed assets, these are transferred to the caption 'Investment properties', the assets are measured at fair value, and any excess calculated over the book value is recorded as a revaluation surplus. Subsequent (fair value) revaluation gains and losses are recorded in the income statement in accordance with IAS 40.

vi) Financial assets and liabilities

Financial assets and liabilities are recognised in the Group's consolidated statement of financial position when it is a contractual party of the instrument.

The financial assets and liabilities are initially measured at their fair value. The transaction costs directly attributable to the acquisition or issue of financial assets and liabilities (which are not financial assets or liabilities measured at fair value through profit or loss) are added to or deducted from the fair value of the financial asset or liability, as the case may be, on initial recognition.

The transaction costs directly attributable to the acquisition of assets or liabilities recognised at fair value through profit or loss are recognised immediately in the consolidated income statement.

vi.1) Financial assets

All purchases and sales of financial assets are recognised as at the date of the signing of the respective sale and purchase agreements, regardless of the date of their financial settlement.

All financial assets recognised are subsequently measured at amortised cost, or at their fair value, depending on the business model adopted by the Group and the characteristics of their contractual cash flows.

Classification of financial assets:

a) Debt instruments and accounts receivable

Fixed-income debt instruments and accounts receivable that comply with the following conditions are subsequently measured at amortised cost:

(i) the financial asset is held considering a business model the goal of which is to keep it to receive its contractual cash flows; and
(ii) the contractual terms of the financial asset give rise, on specific dates, to cash flows that are solely payments of principal and interest on the principal outstanding.

The effective interest rate method is a method used to calculate the amortised cost of a financial instrument and of allocating the respective interest during the period of its validity.

For financial assets that are not acquired or originated with impairment (i.e., impaired assets on initial recognition), the effective interest rate is the rate that exactly discounts the estimated future cash flows (including paid or received fees and commissions which are an integral part of the effective interest rate, transaction costs and other premiums or discounts) during the expected life cycle of the instrument to its gross carrying amount on the date of its initial recognition.

The amortised cost of a financial asset is the amount by which it is measured on initial recognition net of capital repayments, and the accumulated amortisation, using the effective interest rate method, of any difference between that initial amount and the amount of its repayment, adjusted for any possible impairment losses.

The income associated with interest is recognised in the consolidated income statement under the caption 'Financial income and gains', using the effective interest rate method, for financial assets subsequently recorded at amortised cost or at fair value through profit or loss. The interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset.

Debt instruments and accounts receivable that comply with the following conditions are subsequently measured at fair value through other comprehensive income:

(i) the financial asset is held considering a business model the objective of which foresees the receipt of its contractual cash flows and of its divestiture; and
(ii) the contractual terms of the financial asset give rise, on specific dates, to cash flows that are solely payments of principal and interest on the principal outstanding.

b) Equity instruments designated at fair value through other comprehensive income

On initial recognition, the Group may make an irrevocable choice (on a case-by-case basis) to designate certain investments in equity instruments (shares) at fair value through other comprehensive income. The designation at fair value through other comprehensive income is not permitted if the investment is held for trading purposes or if it is the result of a recognised contingent consideration in the context of a business combination.

An equity instrument is held for trading, if:

i) it is purchased mainly for the purpose of sale in the short term;
ii) on initial recognition, it is part of a portfolio of identified financial instruments that Martifer manages together, and for which there is evidence of a recent real pattern of obtaining profits in the short term; or
iii) if it is a derivative financial instrument (except if it is part of a hedging operation).

Investments in equity instruments recognised at fair value through other comprehensive income are initially measured at their fair value plus transaction costs. Subsequently, they are measured at their fair value, with gains and losses arising from their fair value fluctuation being recognised in other comprehensive income. At the moment of their sale, the accumulated gain or loss generated with these financial instruments is not reclassified to the consolidated income statement but is transferred to the caption 'Other reserves and Retained earnings'.

Dividends associated with investments in equity instruments recognised at fair value through other comprehensive income are recognised in the consolidated income statement at the moment they are attributed / deliberated unless they clearly represent a recovery of part of the investment cost. Dividends are recorded in the consolidated income statement under the caption 'Financial income and gains'.

c) Financial assets at fair value through profit or loss

Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

Financial assets recorded at fair value through profit or loss are measured at their fair value determined at the end of each reporting period, with the respective gains or losses being recognised in the consolidated income statement, except if they are part of a hedging relationship.

d) Green certificates

Green certificates are trading securities that prove that a given quantity of electricity produced is from renewable energy sources.

In Romania, projects that entered operation until 2016, benefit from the attribution of a green certificates for each MWh of electricity produced through renewable energy sources. Between 2013 and 2017, the attribution of certificates was suspended. The restitution of the suspended certificates was and will be made proportionally, as from 2018, starting on different dates depending on the associated renewable energy source (Wind, Solar, Hydroelectric).

Thus, since 2018, wind energy producers eligible for the attribution of green certificates have received not only the amount of certificates corresponding to their production, but also the pro-rata restitution of the suspended green certificates.

The certificates are traded on the free market in Romania and may be traded until the year 2032, in accordance with the regime currently in force.

Martifer’s wind farms in operation in Romania are covered by this regime.

At the date of publication of these consolidated financial statements, there is no accounting standard or interpretation in the International Financial Reporting Standards ('IFRS') which deal specifically with the accounting of emissions or renewable energy certificates.

When the certificates are received, the company recognises an asset in 'Financial assets at fair value through profit or loss' (current or non-current, depending on the period in which they will be sold) and the corresponding 'Deferred income'. The income is recognised in an income statement caption when the green certificates are sold. After initial recognition, the certificates are valued at the current tradable price available. At the end of each period, these are valued using the fair value at that date, which corresponds to market rates. The resulting difference is recorded under the same caption, ‘Deferred income’. The value of the certificates reversed, for not having been used within their validity period, will be recorded in 'Financial expenses and losses'.

Impairment of financial assets

The Group recognises expected impairment losses for debt instruments measured at amortised cost or at fair value through other comprehensive income, such as accounts receivable from clients, other debtors and for assets associated with client contracts.

The amount of expected impairment losses for the financial assets mentioned above is updated at each reporting date to reflect changes in credit risk that have occurred since the initial recognition of the respective financial assets. The expected impairment losses for credit granted (accounts receivable from clients, other debtors and for assets associated with client contracts) are estimated using a uncollectability matrix based on the credit history of the Group's debtors in the last four years, adjusted for specific factors attributable to the debtors, as well as for macroeconomic conditions that are estimated for the future. For this purpose, the balances of clients and other debtors were grouped, considering similar credit risk profiles (country, business unit, type of debtor - public or private, etc.) and maturity intervals (see Note 1.4 xxviii) e)).

The Group recognises expected impairment losses for credit granted for the entire lifetime of accounts receivable from clients and other debtors, as well as for the assets associated with client contracts.

In the specific case of situations of overdue balances representing material amounts, the present value of the estimated receivable flows is calculated by discounting these at the original effective interest rate or based on the interest rate on the date of analysis if the former is not available, based on the information available at the date of the consolidated financial statements.

As regards balances receivable from jointly controlled and associated companies, which are not considered part of the financial investment in those companies, the credit impairment is assessed considering the following criteria: (i) if the balance receivable is payable on demand; (ii) if the balance receivable is of low risk; (iii) if its term is less than 12 months.

In cases in which the balance receivable is payable on demand and the related party has the ability to pay, the probability of default was considered close to 0 %; therefore, the impairment was considered equal to zero. In cases in which the balance receivable is not payable on demand, the credit risk of the related company is assessed, and if it is 'low' or if it is due in less than 12 months, Martifer only assesses the probability of default for the cash flows that are due in the following 12 months.

For all other situations and types of balances receivable, the Group applies the general approach of the impairment model, assessing on each reporting date if there has been a significant increase in the credit risk since the date of initial recognition of the asset. If there has not been an increase in the credit risk, Martifer calculates an impairment corresponding to the amount equivalent to the expected losses in a period of 12 months. If there has been an increase in the credit risk, the Group calculates an impairment corresponding to the amount equivalent to the expected losses for all contractual cash flows until the asset's maturity. The assessment of the credit risk is carried out according to the criteria disclosed in the credit risk management policies included in Note 1.4 xxviii) e).

Write-off Policy

Martifer writes off a financial asset when there is information that demonstrates that the debtor is in the process of liquidation or bankruptcy and when there are no realistic prospects of credit recovery. However, the financial assets written off may still be subject to recovery procedures by the Group. Any subsequent recoveries will be recognised in the consolidated income statement.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the asset's cash flows expire or when it transfers the financial asset and substantially all the risks and benefits associated with its ownership to another entity. If the Group neither transfers nor retains substantially all the risks and benefits associated with the ownership of a financial asset but continues to control it, the Group recognises its interest in the retained asset and a liability equivalent to the amount that it will have to return. If the Group substantially retains all the risks and benefits associated with the ownership of a transferred financial asset, the Group continues to recognise it and, additionally, recognises a loan in respect of the amount received in the meantime.

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

vi.2) Financial liabilities and equity instruments

Classification as a financial liability or as an equity instrument:

Financial liabilities and equity instruments are classified as liabilities or as equity according to the contractual substance of the transaction.

Equity

The Group considers equity instruments to be those in which the contractual support of the transaction shows that a third party holds a residual interest in the set of assets after deducting the liabilities, of the Group companies.

Equity instruments issued by the Group are recognised by the amount received, net of the costs directly attributable to their issue.

The repurchase of equity instruments issued by the Group (own shares) is accounted for by its acquisition cost as a deduction from equity. The gains or losses inherent to the disposal of own shares are recorded under the caption 'Other reserves and Retained earnings'.

Financial liabilities

After initial recognition, all financial liabilities are subsequently measured at amortised cost or at fair value through profit or loss.

Financial liabilities are recorded at fair value through profit or loss when:

(i) the financial liabilities result from a contingent consideration due to a business combination;
(ii) the liability is not held for trading; or
(iii) the liability is designated to be recorded at fair value through profit and loss.

A financial liability is classified as held for trading if:

(i) it is acquired mainly for the purpose of sale in the short term; or
(ii) on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and where there is evidence of a recent real pattern of obtaining profit in the short term; or
(iii) it is a derivative financial instrument (except if it is part of a hedging operation).

The financial liabilities recorded at fair value through profit or loss are measured at fair value with gains and losses arising from their fair value fluctuation being recognised in the consolidated income statement, except if they are part of a hedging relationship.

Financial liabilities subsequently measured at amortised cost

The financial liabilities that are not designated at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method.

The effective interest rate method is a method used to calculate the amortised cost of a financial liability and of allocating the respective interest during the period of its validity.

The effective interest rate is the rate that exactly discounts the estimated future cash flows (including paid or received fees and commissions which are an integral part of the effective interest rate, transaction costs and other premiums or discounts) during the expected life cycle of the financial liability to its carrying amount on the date of its initial recognition.

Types of financial liabilities

Loans in the form of commercial paper issues are classified as non-current liabilities when they have a placement guarantee for a period exceeding one year, and the Group's Board of Directors intend to use this source of funding also for a period exceeding one year.

The other financial liabilities relate, essentially, to factoring and finance lease operations, which are initially recorded at their fair value. These financial liabilities are, subsequent to initial recognition, measured at amortised cost using the effective interest rate method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the obligations of the Group are settled, have been cancelled or have expired.

The difference between the derecognised carrying amount of the financial liability and the consideration paid or payable is recognised in the consolidated income statement.

When the Group exchanges with a certain creditor a debt instrument for another with substantially different terms, this exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Similarly, the Group accounts for substantial modifications in terms of an existing liability, or part of it, as a termination of the original financial liability and the recognition of a new financial liability. The terms are assumed to be substantially different if the present value of the discounted cash flows of the renegotiated financial liability, including any fees paid net of any commissions received, discounted using the original effective interest rate, is at least 10 % divergent from the present value of the discounted cash flows remaining of the original financial liability.

If the modification is not substantial, the difference between (i) the carrying amount of the liability before the modification and (ii) the present value of the future cash flows after the modification is recognised in the income statement as a gain or loss on the modification, in financial income / expenses.

vi.3) Derivative financial instruments

The Group uses derivative financial instruments to manage its financial risks solely as a means of hedging these risks; derivative financial instruments are not used for the purposes of speculation. The use of derivative financial instruments is duly regulated by the Group.

Financial derivatives are initially recognised at their fair value as at the date on which they are contracted, being subsequently remeasured at their fair value at each reporting date. The resulting gain or loss is immediately recognised in the income statement unless the derivative financial instrument is designated as a hedging instrument, in which case the recognition in the income statement depends on the nature of the hedging relationship.

As mentioned above, derivative financial instruments used by the Group are interest rate and exchange rate hedging instruments mainly associated with loans obtained. The loan amounts, the interest maturity dates and the repayment plans are generally similar to the conditions set for interest rate and exchange rate hedging instruments, so, normally, the hedging is highly effective.

The criteria used by the Group on initial recognition to classify derivative financial instruments as cash flow hedging instruments are the following:

(a) The hedging relationship is composed only of eligible hedging instruments and eligible hedged items;
(b) At the beginning of the hedging relationship, there is a formal description and documentation regarding the hedging relationship and the risk management goal and the strategy of the entity to contract the hedging; and
(c) The hedging relationship satisfies all the following requirements of hedging effectiveness:
   i) There is an economic relationship between the hedged item and the hedging instrument;
   ii) The credit risk effect does not dominate the value changes that result from that economic relationship; and

iii) The hedging ratio of the hedging relationship is the same as that which results from the amount of the hedged item that an entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that amount of the hedged item.

The derivative financial instruments for interest rate and exchange rate hedging are initially recorded at their fair value. Subsequent changes in the fair value of derivative financial instruments assigned to cash flow hedges, associated with the actual hedging part, are recognised in the consolidated statement of other comprehensive income under the caption ‘Fair value changes of cash flow hedging derivative financial instruments, net of tax’ and are transferred to results in the same period in which the instrument object of the hedging affects the results.

Any potential hedging inefficiencies are recorded under the captions ‘Financial income and gains’ and ‘Financial expenses and losses’ of the consolidated income statement of the period.

Cash flow hedge accounting should be discontinued if the hedging instrument matures or terminates early, if the hedging ceases to be effective or if it is decided to terminate the hedging relationship designation. In these cases, the accumulated gain or loss resulting from the hedging instrument should remain separately recognised in equity, being reflected in results in the same period of the recognition in results of gains or losses on the hedged item.

A derivative financial instrument with a positive fair value is recognised as a financial asset, whereas a derivative financial instrument with a negative fair value is recognised as a financial liability.

Derivative financial instruments are not offset in the consolidated financial statements unless the Group has a legal right and the intention to offset them.

A derivative financial instrument is presented as a non-current asset or non-current liability if its residual maturity term does not exceed 12 months from the reporting date, and it is not expected that it is materialised or settled within 12 months from the date referred to above. The remaining derivative financial instruments are presented as current assets or current liabilities.

vi.4) Fair value of financial assets and liabilities

In determining the fair value of a financial asset or liability, if there is an active market, the market price is applied.

This is level 1 of the fair value hierarchy as defined in IFRS 13 - Fair Value: measurement and disclosure.

In case there is no active market, which is the case for certain financial assets and liabilities, valuation techniques which are generally accepted by the market are used based on market assumptions. This is level 2 of the fair value hierarchy as defined in IFRS 13.

The Group applies valuation techniques for the unlisted financial instruments, such as derivatives, financial instruments at fair value through profit or loss and for financial assets available for sale. The valuation models that are most often used are discounted cash flow and option valuation models that incorporate market information such as interest rate curves.

For some types of financial instruments that are more complex, more complex valuation models are used containing assumptions and data that are not directly observable in the market, for which the entity uses internal estimates and assumptions. This is level 3 of the fair value hierarchy as defined in IFRS 13.

The assets and liabilities measured at fair value are the following:

- Investment properties (level 3);
- Other financial assets / Green certificates (level 1).

vii) Cash and cash equivalents

'Cash and cash equivalents' include cash on hand, demand and term deposits, and other treasury applications (with maturity under three months, readily convertible into a known cash amount and which are not subject to a significant risk of change in value).

viii) Inventories

Goods and raw materials (subsidiary or consumables) are valued at the lower of the average acquisition cost or respective market value (estimate of its sales price less expenses to be incurred with its disposal). The finished and semi-finished products, the sub-products and the products and work in progress are valued at production cost, which is lower than their market value. The production costs include the cost of the incorporated raw material, direct labour and production overheads.

Inventories allocated to specific projects are recorded in the caption ‘Inventories’, in the sub-caption 'Raw, subsidiary and consumable materials – ongoing projects', and their amount is 0 Euros (212,461 Euros on 31 December 2022) (Note 24).

Impairment is recognised whenever it is estimated that the net realisable value is lower than the book value and is recognised in the caption 'Other operating expenses' of the consolidated income statement (Note 10).

ix) Accruals and deferrals

Income and expenses are recorded in the financial year to which they relate, regardless of their date of payment or receipt. The differences between the amounts received and paid and the corresponding income and expenses are recorded under the captions 'Other current assets', 'Other non-current assets', 'Other current liabilities' and 'Other non-current liabilities'.

x) Revenue

The Group's main revenue sources can be detailed as follows:

(i) Metallic Constructions – In this area, the Group develops and provides global and innovative engineering solutions, in the metallic structures and aluminium and glass façades segments, with an emphasis on the construction of various infrastructures such as airports, ports, stadiums, residential and commercial buildings, among others;

(ii) Shipbuilding – In this area, the Group develops shipbuilding projects;

(iii) Ship Repair – In this area, the Group renders vessel repair and conversion services;

(iv) Operation and Maintenance - In this area, the Group renders services in operation and/or maintenance of infrastructure, in particular oil & gas infrastructure, industrial facilities, wind farms and solar parks;

(v) Sale of Energy - This area includes, essentially, the activity of electricity generation and trading.

Nature, performance obligations and moment of revenue recognition

(i) Metallic Constructions

In this type of revenue, the Group executes agreements with public and private entities to render construction services that include several components / tasks. Although, in most cases, clients can benefit from the different components / tasks independently, given that they are negotiated together, the promise of transferring each one of them is not separately identifiable from the others. Additionally, given that the components / tasks referred to above are typically highly interrelated and interdependent, the Group believes that they should be treated as a single performance obligation. Thus, each construction agreement is generally treated as being a single performance obligation.

On the other hand, given that the clients have the capacity (control) to guide the use of the asset as it is being built and the capacity to substantially obtain all the economic benefits remaining therefrom, the Group's performance obligation in these cases is met over time, and revenue is recognised in accordance with the percentage of completion using performance measurement reports (described below) to determine same.

There may be specific situations in which constructions are carried out in accordance with the specific requirements of the end client, meaning that in these situations control is transferred over the construction process even though without physical transfer to the client, in like manner to the construction of components.

Therefore, the Group recognises the results of construction contracts, on a contract-by-contract basis, in accordance with the percentage of completion, determined from the performance measurement reports (Output method), which accurately reflects the physical evolution of the work on a given date. The differences obtained between the values resulting from the application of the performance measurement report and the values invoiced until that time are accounted for under the captions ‘Assets / Liabilities associated with client contracts’. In addition, the Group's Board of Directors believes that the performance measurement reports method is the most appropriate method to be applied to measure the level of accomplishment of the performance obligations in metallic constructions contracts.

To cover the expenses to be incurred during the warranty period of the Metallic Constructions contracts, the Group recognises a provision to accommodate such legal obligation, which is calculated considering the historical production values and expenses incurred with contracts in the warranty period. Since the quality warranties provided by the Group result solely from a legal obligation (both in their scope and their period of validity), they are not treated as autonomous performance obligations. In situations where works have a specific character and no history, income of up to a maximum of 10 % of the value of the work may be deferred to cover warranty costs. This value is approved by the Board responsible for the area in question.

In situations in which the Group has the capacity (control) to guide the use of the asset as it is being built and the ability to substantially obtain all the economic benefits remaining therefrom (in particular in the real estate promotional activity), revenue is recognised when the Group transfers the control of the asset to the client (usually at the time of the signature of the deed of purchase and sale of the property).

(ii) Shipbuilding

In this type of revenue, the Group celebrates with public and private entities contracts to render shipbuilding services that include several components / tasks. Although, in most cases, clients can benefit from the different components / tasks independently, given that they are negotiated together, the promise of transferring each one of them is not separately identifiable from the others. Additionally, given that the components / tasks referred to above are typically highly interrelated and interdependent, the Group believes that they should be treated as a single performance obligation. Thus, each shipbuilding contract is generally treated as being a single performance obligation.

On the other hand, given that the clients have the capacity (control) to guide the use of the asset as it is being built and the capacity to substantially obtain all the economic benefits remaining therefrom, the Group's performance obligation in these cases is satisfied over time, with income being recognised in accordance with the percentage of completion based on the total incurred vs total estimated costs (described below).

Therefore, the Group recognises the results of shipbuilding contracts, on a contract-by-contract basis, in accordance with the percentage of completion method (Input method), which is understood as the relation between the costs incurred in each contract up to a certain date and the sum of those costs with the estimated costs to complete it. The differences obtained between the amounts resulting from the application of the percentage of completion to the estimated total income and the amounts invoiced so far are accounted for under the captions ‘Assets / Liabilities associated with client contracts’. Additionally, the Group's Board of Directors believes that the percentage of completion method is the most appropriate method to apply to measure the level of accomplishment of the performance obligations in shipbuilding contracts.

For the purposes of applying the percentage of completion method, costs with training, budgeting, travel, etc., are not considered, as they do not reflect the progress and transfer of control to the client.

To cover the costs to be incurred during the warranty period of the shipbuilding contracts and given that the warranty period normally lasts one year, this constitutes a component of the contract, and deferred income is recognised on the project until its expiry or the final acceptance by the client. The deferred income for this is 5 % of the contract value, falling to 2.5 % after 12 months of the provisional acceptance and until the final acceptance.

(iii) Ship Repair

In this type of revenue, as a rule, there is no formal contract between the Group and the client requesting the repair, so there is no sales price or pre-established delivery dates. Thus, for these services, revenue is recognised in this type of contract whenever a certain cost is incurred associated with a project. It is possible to recognise revenue in respect of that same repair for the value of that cost plus the margin that was previously established by the company (cost-plus method).
To cover the expenses to be incurred during the warranty period and given that the warranty period normally last six months for repair services and one year for conversion services, this constitutes a component of the contract, deferred income is recognised

on the project until its expiry. For repair services, the deferred income is 3 % of the contract value until 6 months after provisional acceptance. For conversion services, the deferred income is 5 % of the contract value until 6 months after the provisional acceptance, decreasing to 2.5 % until 12 months.

(iv) Operation & Maintenance

Regarding the provision of infrastructure operation and maintenance services, given that clients receive and simultaneously consume the economic benefits arising from the Group's performance as it develops its activity (maintenance of oil & gas facilities and industrial facilities and operation and maintenance of wind and solar projects), the Group's performance obligation in these cases is satisfied over time, with revenue being recognised when the Group is entitled to invoice the services rendered.

(v) Sale of Energy

In this type of revenue, under the contracts celebrated, the Group sells, namely to companies that manage energy networks, the energy that it produces. Thus, each sale of energy contract is regarded as an autonomous performance obligation. On the other hand, given that clients receive and consume at the same time the economic benefits arising from the Group's performance as it develops its activity (production of energy), the Group's performance obligation in these cases is met over time, and the revenue is recognised at the moment that the Group has the right to invoice it.

Generally, and given the type of services rendered by the Group, the allocation of the price to the different performance obligations is detailed in the contracts established with the clients.

Onerous contracts

In situations where the estimated costs to conclude construction contracts in the Metallic Constructions and Shipbuilding segments exceed the estimated value of revenue associated with the contracts, a provision is set up to cover contracts that qualify as onerous. The constitution of the respective provision is made against operating costs – subcontracts, with the provision being set up for this purpose and recorded as such.

Variable revenue components

For the purpose of determining the total price of the agreement, the Group considers all of its variable components, in particular, discounts, bonuses, price revisions, penalties, and requests for recovery of costs incurred, among others. However, the Group only recognises revenue associated with the variable components when it is highly likely that its reversal will not occur in the future. Thus, as regards price revisions, given that the formula inherent to its calculation generally comprises some indices of difficult estimation, the associated revenue is only recognised at the moment when it can be reliably calculated. Similarly, given that historically the Group has not been subject to penalties imposed by its clients, they are only recognised when it is highly likely that they will occur. Finally, requests for recovery of costs incurred (which include, among others, claims) are only considered as revenue when it is highly likely that the client accepts such a request and that the respective amount will not be reversed in the future.

Assets associated with client contracts

Assets associated with client contracts correspond to performance obligations already fulfilled by the Group under the contracts established with clients for which the respective invoicing has not yet been issued (essentially production carried out under metallic constructions contracts, recognised by the performance measurement reports method, and under shipbuilding contracts, recognised by the percentage of completion method, using the total incurred vs total estimated costs as a basis). When the respective invoice is issued, and the right to its collection is unconditional, the balance of this caption is transferred to the captions 'Clients' and 'Other debtors'.

Liabilities associated with client contracts

Liabilities associated with client contracts correspond to prepayments received from clients regarding the performance obligations to be executed by the Group in the future or deferred income resulting from the adoption of the performance measurement reports method, and the percentage of completion method based on the total incurred vs total estimated costs, namely, for the metallic constructions and shipbuilding contracts in progress, respectively.

Costs associated with the fulfilment of client contracts

The costs associated with the fulfilment of client contracts are recognised in the consolidated statement of financial position when:

(i) they are related to an existing contract or a specific future contract;
(ii) they create resources that will be used to fulfil one or more future performance obligations;
(iii) they are expected to be recoverable; and
(iv) they are not already covered by the scope of another IFRS, for example, inventories, tangible or intangible assets.

Thus, labour costs, costs of materials and other indirect costs or other specific costs incurred with the installation, mobilisation and demobilisation of work sites in construction contracts are recognised under this caption.

The costs associated with the fulfilment of client contracts are recognised throughout the duration of the construction contract in operational cost captions.

When it is likely that the total cost foreseen in the construction contract exceeds the income defined therein, the expected loss is recognised immediately in the consolidated income statement as a provision for onerous agreements.

xi) Own work for the company

The internal expenses (material, labour and general manufacturing overheads) incurred in the production of tangible fixed assets are capitalised only when the following requirements are met:

- the developed assets are identifiable;
- there is a strong likelihood that the assets will generate future economic benefits; and
- the expenditure is reliably measured.

xii) Expenditure with the preparation of proposals

Expenses incurred with the preparation of proposals in various tenders are recognised in the income statement of the year in which they are incurred since the outcome of proposals cannot be controlled.

xiii) Balances and transactions stated in foreign currency

In preparing consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Euros using the foreign exchange rates prevailing at the statement of financial position date. Expenses and income, as well as cash flows, are also translated into Euros at the average foreign exchange rate for the financial year. In addition, some medium- and long-term loans or loans without defined repayment terms, granted to subsidiaries that operate in countries that do not adopt the Euro, were regarded as an integral part of the Group's net investment. Exchange differences arising from these conversions are recorded in the statement of comprehensive income under the caption 'Currency conversion reserves'. At the time of disposal of such foreign entities, the accumulated currency translation differences are recorded in the income statement.

Goodwill and fair value adjustments to acquired assets and liabilities arising from the acquisition of foreign entities are treated as assets and liabilities held in a foreign currency and are translated into Euros using the exchange rates at the closing date of the statement of financial position.

The following exchange rates were used in the preparation of the financial statements:

1 € EQUALS:	CLOSING RATE					
	FY 2023	FY 2022	EVOLUTION IN %	FY 2023	FY 2022	EVOLUTION IN %
Polish zloty	4.339	4.681	-7.3%	4.542	4.686	-3.1%
Romanian new leu	4.975	4.947	0.5%	4.947	4.931	0.3%
US dollar	1.105	1.067	3.6%	1.081	1.053	2.7%
Brazilian real	5.362	5.639	-4.9%	5.401	5.440	-0.7%
Angolan kwanza	943.378	549.529	71.7%	757.719	500.729	51.3%

1 € EQUALS:	CLOSING RATE					
	FY 2023	FY 2022	EVOLUTION IN %	FY 2023	FY 2022	EVOLUTION IN %
Moroccan dirham	10.889	11.166	-2.5%	10.954	10.679	2.6%
Pound sterling	0.869	0.887	-2.0%	0.870	0.853	2.0%
Mozambique metical	69.780	67.680	3.1%	68.402	66.578	2.7%
Saudi riyal	4.142	4.002	3.5%	4.056	3.951	2.6%
Argentinian peso	894.710	189.915	371.1%	894.710	189.915	371.1%
Swiss franc	0.926	0.985	0.0%	0.972	1.005	0.0%
United arab emirates dirham	4.053	3.592	0.0%	3.971	4.169	0.0%

xiv) Income taxes

Income tax for the period includes current and deferred tax, in accordance with IAS 12. Current tax is calculated based on the respective taxable income, in accordance with the tax rules in force at the place where each Group company has its registered office.

Deferred taxes are calculated based on the balance sheet liability method and refer to timing differences between the amounts of assets and of liabilities for accounting purposes and their respective amounts for tax purposes, as well as to certain tax credits attributed to the Group.

Deferred tax assets and liabilities are calculated and annually assessed using the tax rates in force, or announced to be in force, at the date of reversal of the timing differences.

Deferred tax assets are only recognised to the extent that there is a reasonable probability that sufficient future taxable income will be available against which to offset them, and deferred tax assets are only recorded for tax losses available for carry-forward that are recoverable within 5 years, according to the business plan duly approved by the Group. At the date of each statement of financial position date, deferred tax assets are reviewed and derecognised whenever it is probable that they will no longer be used in future.

Deferred tax liabilities are recognised for all taxable timing differences, except those related to: (i) the initial recognition of Goodwill; or (ii) the initial recognition of assets and liabilities, which do not result from a business combination, and which, at the date of the transaction, do not affect the accounting or tax result. However, with regards to the taxable timing differences associated with investments in associated and jointly controlled companies, these should not be recognised to the extent that: i) the parent company has the ability to control the period of the reversal of the timing difference; and (ii) it is probable that the timing difference will not reverse in the near future.

The amount of deferred tax resulting from transactions or events recognised in equity accounts is recorded directly under these same captions, not affecting the income statement.

The amount of estimated assets and liabilities recognised in the consolidated financial statements on account of tax processes results from an assessment carried out by the Group with reference to the date of the consolidated statement of financial position, regarding potential differences of interpretation with the Tax Administration, in respect of the application of the tax rules and their recent developments.

The Group, regarding the measurement of uncertain tax positions, considers the provisions of IFRIC 23 — Uncertainty over income tax treatments, namely in the measurement of risks and uncertainties in defining the best estimate of the expense required to settle the obligation, by weighing all the possible outcomes controlled by it and their associated probabilities.

xv) Financial charges on loans obtained

The financial charges on loans obtained directly related to the construction of fixed assets and some inventories (real estate projects) are capitalised as part of the cost of the asset. The capitalisation of these charges starts after the beginning of the preparation of the construction activities or the development of the asset and is stopped after the beginning of use, at the end of production or construction of the asset or when the project in question is suspended.

The remaining financial charges related to loans obtained are expensed in the financial year in which they are incurred.

xvi) Provisions

Provisions are recognised when and only when the Group has a present (legal or implicit) obligation resulting from a past event; it is probable that for the resolution of this obligation there will be an outflow of resources, and the amount of the obligation can be reasonably estimated. The provisions are reviewed on the date of each statement of financial position date and are adjusted to reflect the best estimate at that date, considering all the risks and uncertainties inherent to such estimates. When a provision is determined, considering the future cash flows necessary to settle such obligation, it is recorded at its present value.

The provisions constituted by Martifer Group essentially result from:

a) Construction warranties

The Group recognises a provision for the estimated costs to be incurred in the future with the construction warranties provided on metallic structures or on solar parks and wind farms sold. This provision is made on the date of the recognition of revenue, affecting the gain obtained on same. At the end of the warranty period (5 years on average), any remaining value of the provision is reversed through the income statement.

b) Onerous contracts

The Group recognises a provision for onerous contracts on the date on which the cost to be incurred to comply with the obligation is determined to exceed the estimated economic benefits. This analysis is carried out on a case-by-case basis.

In situations where such onerous contracts are related to shipbuilding or metallic construction contracts, said provisions are constituted considering the policy defined in x) Revenue.

c) Ongoing legal proceedings

Provisions for legal proceedings are recognised when, due to actions filed by third parties, Martifer has a present obligation (legal or implicit) resulting from a past event, it is probable that for the resolution of this obligation there will be an outflow of resources and the amount of the obligation can be reasonably estimated.

d) Associated and jointly controlled companies recorded using the equity method

A provision is recognised whenever the investee has negative equity and it is considered that the Group assumed responsibility in addition to its holding in the share capital.

xvii) Subsidies granted by the State

Subsidies attributed to finance training sessions and support recruitment are recognised as income during the period in which the Group incurs the respective expenses.

Subsidies attributed to finance investments in assets are recorded as deferred income and recognised in the income statement, under the caption 'Other operating income', during the estimated useful life period of the subsidised assets.

xviii) Impairment of assets that are not Goodwill

An impairment assessment is made at the date of each statement of financial position whenever an event or change in circumstances is identified that indicates that the amount for which an asset is registered may not be recovered. Whenever the amount for which an asset is recorded is greater than its recoverable value, an impairment loss is recognised in the income statement under the caption ‘Impairment losses’. The recoverable value is the highest between the net sales value and the value in use. The net sale value is the amount that would be obtained with the sale of the asset in a transaction within reach of the parties involved, less expenses directly attributable to the sale. Value in use is the present value of the estimated future cash flows that are expected to arise from the continued use of the asset and its disposal at the end of its useful life. The recoverable value is estimated for each asset individually or, if this is not possible, for the cash-generating unit to which the asset belongs.

The reversal of impairment losses recorded in previous years is recognised when the underlying reasons that caused that entry are no longer applicable and, consequently, the asset is no longer impaired. The reversal of impairment losses is recognised in the income statement as operating income under the caption ‘Impairment losses’. However, the reversal of an impairment loss is only recognised up to the amount that would be recorded (whether using the historical cost or the revalued amount, net of amortisation or depreciation) if the impairment loss had not been recorded in previous years.

xix) Employee benefits

Current and non-current benefits granted to employees

A liability is recognised for benefits granted to employees related to salaries, holiday pay and holiday subsidy in the period in which the service of the employees is provided, and it is recognised for the amount of expected benefits to be paid.

Liabilities recognised relating to current benefits granted to employees are measured at the undiscounted amount of the benefits expected to be paid for the services provided.

Liabilities recognised relating to non-current benefits granted to employees are measured at the present value of expected future payments for services rendered by the employees up to the reporting date.

Variable remuneration

According to the articles of association of some Group companies, the shareholders of these companies approve at a General Meeting or within a Remuneration Committee elected by the shareholders, the fixed and variable remuneration to be distributed to members of the corporate bodies. Variable remuneration is recorded in the results of the financial year to which it relates.

xx) Classification in the statement of financial position

Assets to be realised and liabilities to be settled more than one year after the statement of financial position date are classified, respectively, as non-current assets and liabilities. Likewise, given their nature, ‘Deferred tax’ and ‘Provisions’ are classified as non-current assets and liabilities.

xxi) Contingent assets and liabilities

Contingent liabilities are not recorded in the financial statements. Instead, they are disclosed unless the possibility of an outflow of funds affecting future economic benefits is remote.

Contingent assets are not recorded in the financial statements but are disclosed in the Notes to the financial statements when future economic benefits are probable.

xxii) Statement of Cash Flow

The consolidated statement of cash flow is prepared using the direct method in accordance with IAS 7.

The statement of cash flow is classified into operating, investing and financing activities. Operating activities include cash receipts from clients, payments to suppliers, payments to employees and others relating to operating activities.

The cash flows included in investing activities include, inter alia, acquisitions and disposals of investments in investees and receipts and payments arising from the purchase and sale of tangible and intangible assets.

The cash flows covered in the financing activities include, in particular, payments and receipts related to loans obtained, lease contracts, and payment of dividends.

xxiii) Subsequent events

Events occurring after the date of the financial statements that provide additional information on conditions that existed at the date of the financial statements (adjustable events) are reflected in the consolidated financial statements.

Events after the date of the financial statements that provide information on conditions that occur after the date of the financial statements (non-adjustable events), if material, are disclosed in the notes to the consolidated financial statements.

xxiv) Judgements and estimates

In preparing the consolidated financial statements, the Board of Directors used its best knowledge and accumulated experience of past and/or current events in making certain assumptions as to future events.

The most significant accounting estimates reflected in the consolidated financial statements for financial years ended 31 December 2023 and 2022 include:

a) useful lives of tangible assets (see Note 1.4 iii))

The useful life of an asset is the time during which an entity expects that an asset is available for use, and this should be reviewed at least at the end of each financial year.

The determination of the useful lives of the assets, the method of depreciation to be applied and the estimated losses deriving from the replacement of equipment before the end of their useful lives due to technological obsolescence are essential to determine the amount of depreciation to be recognised in the consolidated income statement of each financial year.

These three parameters are defined in accordance with management's best estimate for the assets and businesses in question, also considering the practices adopted by companies of the same operating segments as the Group.

b) useful lives of right-of-use assets (see Note 1.4 iv))

Regarding land lease contracts for the development of solar parks and wind farms in the 'Renewables' segment, the lease term date is determined by: (i) the expected date of obtaining the COD (commercial operation date), for projects in the development and construction phase; and (ii) the useful life of solar parks and wind farms of projects already in operation.

c) fair value of investment properties (see Note 1.4 v))

The investment properties are measured at their fair value, which is determined based on valuations carried out by independent specialised entities and in accordance with generally accepted valuation criteria for the real estate market. These valuations are based on observable market data and require judgment by the appraiser regarding the transaction conditions of each property in the market, which may differ from the results determined in the future.

The information on the most relevant assumptions used in determining the fair value for the main properties held by the Group is disclosed in Note 21.

d) impairment of Goodwill (see Note 1.4 i))

Goodwill is subject to an annual impairment test or whenever there are indications of a possible loss of value. The recoverable value of the cash-generating units to which Goodwill is allocated is determined based on the expected cash flows. These calculations require the use of estimates by the Board of Directors regarding the future evolution of the activity and of the discount rates considered.

The information on the most relevant assumptions used in the analysis of impairment, as well as the sensitivity of the results regarding some changes in assumptions, is disclosed in Note 17.

e) provisions and contingent liabilities (see Note 1.4 xvi) and Note 1.4 xxi))

The Group analyses on a regular basis any obligations arising from past events that should be recognised or disclosed. The subjectivity inherent in determining the probability of the existence of a present liability and the amount of internal resources required to pay the obligations may lead to significant adjustments, either due to changes in the assumptions used or due to the future recognition of provisions previously disclosed as contingent liabilities.

f) impairment of assets that are not Goodwill (see Note 1.4 xviii))

The determination of a possible impairment loss can be triggered by the occurrence of various events, many of which are outside the Group's sphere of influence, such as the future availability of financing, the cost of capital or any other changes.

The identification of indicators of impairment, the estimate of future cash flows and the determination of the recoverable value of assets imply a high degree of judgement by the Board in relation to the identification and assessment of different indicators of impairment, expected cash flows, applicable discount rates, useful lives and residual values.

The information on the most relevant assumptions used in the analysis of impairment, as well as the sensitivity of the results regarding some changes in the assumptions, is disclosed in Note 19.

g) impairment losses of accounts receivable (see Note 1.4 vi 1))

Impairment losses of accounts receivable are calculated as indicated in Note 1.4 vi.1). Thus, the determination of impairment through individual analysis corresponds to the judgement of the Group on the economic and financial situation of their clients and its estimate of the value assigned to any existing guarantees, with the consequent impact on the expected future cash flows. On the other hand, expected impairment losses in credit granted are calculated considering a set of historical information and assumptions, which may not be representative of the future uncollectability of debtors of the Group.

The information on the most relevant assumptions used in the determination of impairment losses of accounts receivable is disclosed in Note 1.4 xxviii) e) and in Note 25.

h) recognition of revenue on ongoing projects and warranties (see Note 1.4 ix))

The Group recognises the results of construction / shipbuilding contracts in accordance with the percentage of completion method, which is obtained through performance measurement reports, which accurately reflect the physical evolution of the project at a given date, or through the costs incurred vs total estimated costs depending on the operating segment to which the contract refers. The assessment of the percentage of completion of each contract is reviewed periodically, considering the latest production indicators.

i) recognition of deferred tax assets arising from tax losses (see Note 1.4 xiv))

Deferred tax assets are recognised only when there is a reasonable expectation that there will be future taxable income available for the use of timing differences or when there are deferred tax liabilities the reversal of which is expected in the same period in which the deferred tax assets are reversed. The assessment of deferred tax assets is made by management at the end of each financial year, considering the expected future tax performance established in the 5-year Business Plans approved annually by the Group's Board of Directors and used for the purpose of the Goodwill impairment analysis (Note 14).

The above estimates are based on the best information available at the date of the preparation of the consolidated financial statements. However, events may occur in subsequent periods that, not being predictable at the time, were not considered in those estimates. Changes to these estimates that occur after the date of the consolidated financial statements will be adjusted in the income statement prospectively, in accordance with IAS 8.

xxv) Subsidiaries whose functional currency is the currency of a hyperinflationary economy

As a result of high levels of inflation registered in the 3-year period, from 2015 to 2017, having reached in cumulative terms 100 %, and analysing some qualitative aspects of the Angolan economy (the use of USD as a reference currency), Angola was qualified as a hyperinflationary economy in 2017. This qualification requires that entities that report in the Angolan currency (Kwanza) apply standard IAS 29 — 'Financial Reporting in Hyperinflationary Economies' in the financial statements since the beginning of the reporting period in which the existence of hyperinflation is identified, which in this case means 1 January 2017.

When a country's economy ceases to be classified as hyperinflationary, IAS 29 considers that the amounts reported in the financial statements at the end of the previous reporting period are considered the carrying amounts in the subsequent financial statements, i.e., the updated amounts are the bases of any non-monetary items in subsequent financial statements.

The date considered as that of the last reporting for Angola within hyperinflation was on 30 June 2019, and the values of this country are maintained until the restated balance sheet items are exhausted.

In 2018, a similar situation was observed with Argentina, which had inflation levels in the 3-year-period, 2016 to 2018, approaching, in cumulative terms 100 %, so it was qualified as a hyperinflationary economy in 2018. This qualification requires that entities that report in the Argentinian currency (Argentinian Peso) apply standard IAS 29 - 'Financial reporting in hyperinflationary economies' in the financial statements since the beginning of the reporting period in which the existence of hyperinflation is identified, which in this case means 1 January 2018.

Regarding Argentina, in 2023, the IMF considers that it is still hyperinflationary since in the 3-year cumulative period ended 31 December 2023, it is still, in cumulative terms, above 100 %.

The financial statements of an entity whose functional currency is the currency of a hyperinflationary economy, whether they are based on historical costs or current costs, should be expressed in terms of the current measuring unit at the end of the reporting period. The gain or loss on the net monetary position should be included in profits or losses and disclosed separately.

The restatement of financial statements in accordance with IAS 29 requires the application of certain procedures, such as:

a) Selection of the general price index to be used

All entities that report in the currency of the same economy must use the same index.

For the purposes of determining the abovementioned general price index, the Group used the information disclosed by the Central Bank of the Republic of Argentina on the levels of inflation verified in Argentina in recent years. That index was briefly as follows:

PRICE INDEX 2023	
DATE	ARGENTINA
31/12/2019	1,030.710
31/03/2020	952.447
30/06/2020	894.247
30/09/2020	835.470
31/12/2020	759.003
31/03/2021	677.167
30/06/2021	600.792
30/09/2021	551.743
31/12/2021	502.045
31/03/2022	444.571
30/06/2022	373.906
30/09/2022	309.073
31/12/2022	260.921
31/03/2023	219.540
30/06/2023	174.522
30/09/2023	137.753
31/12/2023	**100.000**

b) Statement of financial position

i) Segregation of monetary and non-monetary items:
- monetary items do not have to be restated;
- non-monetary items have to be restated, except those that are calculated at net realisable value or fair value on the reporting date.

ii) Restatement of non-monetary items: use of the accumulated inflation increase from the date of the original recording until the reporting date. When information is not available, an estimate is made based on the exchange rate fluctuations between the reporting currency and the reference currency.

iii) Restatement of equity items: at the beginning of the first period of application of IAS 29, the equity items, except retained earnings, are restated by applying a general index from the dates on which the components were constituted or emerged. The restated retained earnings are derived from all the other amounts in the restated statement of financial position. At the end of the first period and in subsequent periods, all components of equity are restated by applying a general price index from the beginning of the period or the date of its constitution if later.

c) Income statement and Statement of other comprehensive income

i) Statement of other comprehensive income: restatement of items of other comprehensive income by applying the change in the general price index from the dates on which the income and expenses items were initially recorded in the financial statements.

ii) Income statement: restatement of items of the results of the period, by applying the change in the general price index from the dates on which the income and expenses items were initially recorded in the financial statements.

iii) Other income or expense items, such as interest income and expense and foreign exchange differences related to funds invested or received from loans, are also restated, although partially "offsetting" the inflation effect.

iv) The determination of the rate of inflation to be applied, considering the recording date of each transaction, may require a very significant level of disaggregation of information, so monthly averages are allowed as an approximation to the inflation rate to be applied to each transaction.

d) Reconciliation of gains / losses of restatement due to hyperinflation

In a period of inflation, a company that holds an excess of monetary assets over monetary liabilities (net debtor monetary position) loses purchasing power and consequently generates a loss; on the other hand, a company that holds an excess of monetary liabilities over monetary assets (net creditor monetary position) gains purchasing power and consequently generates a gain, to the extent that assets and liabilities are not indexed to a price level.

The gain or loss in the net monetary position was included in the net result for the financial year.

e) Statement of Cash Flow

All items in the statement of cash flow are restated by applying a general index from the dates on which the transactions occurred and the end of the reporting period.

f) Reporting to the Group

The financial statements of a subsidiary that reports in the currency of a hyperinflationary economy need to be restated by applying a general price index of the country in which currency it reports before they are included in the consolidated financial statements. The restated financial statements are translated at closing rates.

In accordance with IAS 21, when the amounts are translated into the currency of a non-hyperinflationary economy, the comparative amounts should be those that have been presented as amounts of the current year in the relevant financial statements of the previous year.

xxvi) Segmental Reporting

An operating segment is a group of assets and operations involved in the supply of products or services that are subject to risks and benefits that are different from other operating segments.

A geographical segment is a group of assets and operations involved in the supply of products or services within a particular economic environment, which is subject to risks and benefits different from those operating in other economic environments.

The Group presents business segments as operating segments that coincide with those in which the Board of Directors conducts business.

xxvii) Earnings per share

The basic earnings per share is calculated by dividing the result attributable to holders of ordinary shares of Martifer SGPS, S.A., by the weighted average number of ordinary shares in circulation during the period.

The diluted earnings per share is calculated by dividing the adjusted result attributable to holders of ordinary shares of Martifer SGPS, S.A., by the weighted average number of ordinary shares in circulation during the period, adjusted by the potential dilutive ordinary shares.

The potential dilutive ordinary shares may result from stock options and other financial instruments issued by the Group convertible into shares of the Company.

xxviii) Financial risk management

Uncertainty, the dominant characteristic of the markets, involves a variety of risks to which the activities of the Martifer Group are exposed, namely, price risk, exchange rate risk, interest rate risk, liquidity risk and credit risk.

a) Price risk

The volatility of commodity prices constitutes a risk for the Group in the ‘Metallic Constructions’ and ‘Naval Industry’ segments.

In 2023, the price of steel and aluminium adjusted, again, to values similar to those seen in 2020. The recovery of the economy post-Covid and the conflict in Ukraine had caused a significant increase in the prices of these commodities in the two previous years.

At the beginning of 2024, the slowdown in world economies, especially the Chinese economy, has been driving the fall in the price of steel. Indicators of manufacturing activity in China, in the first quarter of 2024, point to a new contraction in manufacturing activity in the country and a consequent reduction in demand for this commodity. It is expected, however, that steel production will also decrease, countering the downward pressure on the price of the raw material, as will the optimistic prospects for the resumption of Chinese activity, announced for the coming months.

The price of aluminium, however, despite having also reduced to values well below those recorded in 2022, has remained more resilient, having stabilised at levels similar to those recorded at the beginning of 2021.

At the beginning of 2024, a 5 % increase in primary aluminium production in China was recorded, although it is expected that production growth may remain conditioned. However, the growing demand for this raw material, particularly due to the growth in production of electric vehicles and renewable energy infrastructures, is expected to continue to put pressure on the price of aluminium.

Martifer has sought to mitigate this risk through rigorous planning of raw material purchases, which enabled the achievement of economies of scale in the purchased quantity, and the consequent price fixing. On the other hand, it has also mitigated this risk through contracts with clients that allow changes in the price of raw materials to be reflected in the amount paid by the client, namely through price revision mechanisms so as to mitigate the risk of future increases.

The Group is also subject to the risk associated with the variation of energy sales prices through the ‘Renewables’ business area.

In 2021, with the resumption of industrial activity that had been heavily affected by the Pandemic, energy costs began an upward trajectory globally, an increase that was highly accentuated by the War in Ukraine, given Europe's heavy dependence on fossil fuels from Russia.

From the third quarter of 2023 onwards, energy prices in European markets began a downward trend, even reaching historic lows at the beginning of 2024, driven by weather conditions that were very favourable to hydro- and wind-related production.

It should be referred that this decrease did not affect the Group’s revenue in the energy generation from renewable sources area, due to the policy of fixing the sales price of energy on at least an annual basis, that has been followed by Martifer to mitigate the risk of falling energy sales prices on the profitability of renewable source energy production projects in operation. The upward trend in prices has benefited the price set compared to previous years.

Currently, the energy produced by the wind and solar projects in operation held by Martifer Renewables corresponds to an installed capacity of 51.1 MWh, with a production that largely exceeds the annual energy consumption of all the Group's facilities, thus allowing the risk associated with the price of energy to have a positive balance in the Group, which through its production can hedge this risk naturally.

At the same time, the Group is implementing a programme to decarbonise its Oliveira de Frades and Viana do Castelo production units, which involves not only the introduction of improvements in terms of structures / equipment, by replacing them with equipment with lower consumption, but also the installation of wind and solar energy self-consumption solutions in a total of 3.5 MW. The programme execution began in 2023, with the installation of a 2.1 MW wind power plant in the Oliveira de Frades industrial park.

The Group is attentive to the evolution of the consequences of the current macroeconomic situation on energy prices so as to be able to adapt its strategy in terms of setting sale and purchase prices in accordance with the expected market evolution, maintaining its focus on the decarbonisation strategy of the Group, whether through renewable source production solutions or through the optimisation of production processes.

b) Exchange rate risk

Exchange rate risk has a strong interdependence with the other types of risks, specifically country risks, through the evolution of economies and their impact on inflation and interest rates and credit risk, due to the possibility of monetary fluctuations which may jeopardise future financial flows, originating the possibility of recording losses or gains as a result of changes in exchange rates among different currencies.

Martifer Group is exposed to exchange rate risk due to its geographical diversification, currently developing its operational activities in subsidiaries that are present in four different continents.

Therefore, there is an exposure to the transaction risk, associated with operating activities (in which expenses, income, assets and liabilities are indicated in currencies other than the reporting currency), of transactions carried out between these subsidiaries and other Group companies and of the existence of transactions carried out by the operating companies in a currency other than the Group's reporting currency.

The exchange rate risk management policy followed by the Group has as its ultimate objective to decrease the maximum sensitivity of its results to exchange rate fluctuations.

Regarding the operational activity of all subsidiaries, it is sought that transactions be carried out in the respective local currencies. For the same reason, the loans contracted by foreign subsidiaries are preferably contracted in their local currencies, thus allowing the matching of the cash flows locally and the consequent annulment of exchange rate risk of an economic nature.

In relation to the coverage of exchange rate risk, hedging operations are sporadic because their cost is sometimes considered excessive compared to the risk level involved. However, whenever considered appropriate, the Group contracts exchange rate hedges to cover the risk.

In 2023, pressured by the inflationary context, Central Banks were also pressured to adjust their monetary policy to rebalance inflation levels. The rise in reference interest rates, and in some cases the use of currency devaluation, were the main instruments used.

In 2024, with inflation under control and the long-awaited beginning of the downward trend in interest rates, the related consequences will be felt on the evolution of exchange rates.

Therefore, the USD is expected to have a moderately depreciating trajectory against the Euro in 2024, which could be more accentuated in 2025.

The flexibility of the American economy, which managed to act more quickly in raising interest rates, will now allow the FED to take the lead in relation to the European Central Bank (ECB), also, in the reduction that is expected to be faster and at a level more pronounced than in the Eurozone. Despite the prospects of faster economic recovery in the American economy than in the Eurozone, these will act as a counterbalance, moderating the depreciation trend caused by the decline in interest rates.

In England, inflation levels have exceeded those of other Western economies and despite improvements, supported by high interest rates, it still presents levels higher than those recorded in the American and Eurozone economies. Therefore, the Bank of England's policy is expected to remain restrictive in 2024. This context of higher interest rates should favour the Pound Sterling, although the deterioration in economic activity may limit this trend of Pound Sterling appreciation.

Other European currencies to which the Group is exposed, namely the Polish Zloty or the New Romanian Leu, are currencies that have suffered strong depreciation pressures. In 2023, the Polish Zloty even had a slight devaluation. For its part, the Romanian Central Bank has resisted devaluing the Romanian Leu and some analysts believe that the devaluation could still occur in 2024, given the still high levels of inflation registered in the country.

In developing economies, such as Angola and Mozambique, with currencies strongly dependent on the evolution of the price of oil, which showed a decreasing trajectory at the end of 2023, in contrast to the growing trend that was registered in the previous two years, once again increasing the risk of a foreign currency shortage. With the increase in oil production in the US offsetting OPEC cuts and the prospects for a slowdown in global demand, leading analysts are pointing to a very limited potential for oil price appreciation.

In this context, the Group has mitigated this risk, seeking to make natural exchange rate hedging through contracts fixing the payments in tradable currency, with lower volatility and simultaneously used in the payment of raw materials. Currently, the evolution of the various currencies is constantly being monitored to assess the feasibility of using hedging instruments in cases that may justify it.

The amount of assets and liabilities (in Euros) of the Group, recorded in materially relevant subsidiaries with a functional currency other than the Euro can be summarised as follows:

	ASSETS		LIABILITIES	
	FY 2023	FY 2022	FY 2023	FY 2022
Romanian new leu	88,465,768	84,884,765	38,497,684	42,858,438
Polish zloty	46,636,457	43,811,536	55,603,737	56,016,517
Angolan kwanza	10,671,822	11,904,357	6,920,106	9,398,074
Brazilian real	2,874,603	2,733,488	1,971,209	1,884,155
Moroccan dirham	22,404	-	1,348,191	1,299,785
Pound sterling	12,726,503	1,196,580	11,878,175	1,157,073
Saudi riyal	3,847,982	3,916,512	4,235,931	4,858,858

The amounts presented include asset and liability balances with Group companies, which are eliminated in the consolidation process.

We carried out an analysis of the fluctuation in exchange rates that occurred between 2022 and 2023 and, in view of this, we envisaged the possible depreciations that will occur in 2024. The possible impacts generated in the consolidated financial statements of the Group by translating the financial statements of its subsidiaries, which report in a currency other than the Euro, considering average depreciation values of the aforementioned exchange rates, can be summarised as follows (amounts in Euros):

	FY 2023			FY 2022		
	LOCAL CURRENCY CHANGE AGAINST EURO	IMPACT ON PROFITS	IMPACT ON EQUITY	LOCAL CURRENCY CHANGE AGAINST EURO	IMPACT ON PROFITS	IMPACT ON EQUITY
Romanian new leu	1%	(40,265)	(499,681)	1%	(23,041)	(420,263)
Polish zloty	1%	44,490	89,673	3%	1,133	366,149
Pound sterling	2%	(16,132)	(16,967)	1%	26,137	(395)
Moroccan dirham	3%	-	39,774	1%	-	12,998
Angolan kwanza	52%	(2,061,961)	(1,950,891)	34%	(860,429)	(852,138)
Brazilian real	1%	34	(9,034)	15%	576	(127,400)
Saudi riyal	3%	(16,050)	11,638	11%	(3,325)	103,658

c) Interest rate risk

The interest rate risk reflects the possibility of fluctuations in the amount of future financial charges on loans contracted due to the evolution of the market interest rate level.

The cost of the financial debt contracted by the Group is indexed to short-term reference rates, reviewed with a periodicity of less than one year (especially the Euribor 6m) and increased by risk premiums negotiated in a timely manner. Thus, changes in interest rates can affect the results of the Group.

The Group’s exposure to interest rate risk arises from financial liabilities contracted at a variable rate, so changes in the interest rate have a direct impact on the value of the interest, and consequently causing cash variations.

In 2023, interest rates maintained the increasing trajectory, already verified in 2022. In the last quarter of the year, with inflation in the Eurozone showing signs of slowing down, the European Central Bank (ECB) chose to maintain the rates unchanged, thus creating an expectation that interest rates may have already reached their maximum level and that in 2024 it will be possible to see some reduction in their levels. In the first half of 2024, the ECB again chose to maintain interest rates unchanged, postponing the eventual decision to lower them until the second half of the year.

The European Central Bank's macroeconomic projections of March 2024 point, however, to the maintenance of short-term interest rates in the Eurozone in 2024 at the same levels as those of 2023, predicting only a slight reduction in the year 2025.

It should be noted, however, that the ECB's forecasts for inflation indicate a stabilisation or even reduction, but always at values close to the much-desired target of 2 % for inflation levels, corroborating the forecasts of stabilisation or even reduction in interest rates in 2024.

The exposure of the Martifer Group to interest rate risk is currently moderate, which results not only from the maintenance of the spreads negotiated with the banks, at very competitive levels in the long term, as a result of the restructuring agreements signed by the Group in 2015, but also due to the fact that, through the non-core assets programme sales, it was possible to accelerate the debt amortisation plan, making it possible to mitigate the impact of the increase in interest rates on the Group's working capital needs.

d) Liquidity risk

Liquidity risk reflects the Group’s ability to satisfy its financial liabilities with the financial resources available.

The main objective of the liquidity risk management policy is to ensure that the Group has at its disposal, at any time, sufficient financial resources to meet its liabilities and to pursue the outlined strategies, honouring all commitments made to third parties through appropriate management of the cost vs maturity ratio of the financing.

Currently, the Group maintains levels of debt maturity adequate to the degree of permanence of its long-term assets, allowing cash surpluses to be sufficient to meet its liabilities, resulting from the implementation of the Group's Strategic Plan.

Thus, and given the medium- / long-term nature of the investments made, the debt service now matches the maturity of the associated assets, not jeopardising the commitments arising from its short-term operational activity, as the Group pursues its objective of adjusting the maturity of inflows from the operating activity and (dis)investment to the outflows from the financing activity.

The financial management department monitors the implementation of the risk management policies defined by the Board to ensure that economic and financial risks are identified, measured and managed in accordance with such policies.

The volatility of production factor prices, namely, namely in raw materials and companies' energy bills, also constitute risks for companies' liquidity.

In the last few years, the consequences of the pandemic and the conflicts, such as the war in Ukraine and in Israel, resulted in strong inflationary pressure on the world economies, with European governments implementing various measures to support companies' liquidity, not only through the Resilience Plans, but also through measures to support energy costs. In the Iberian market, less dependent on gas from Russia, the setting of gas prices and a high percentage of energy production from renewable energy sources has allowed companies to contain the impacts of these factors.

In 2024, it is expected that inflation levels in Europe, as a result of the monetary policy adopted, may already be stabilised.

The Martifer Group, through its ‘Renewables’ business area, produces more energy from renewable sources than the total energy consumed by its production units, thus achieving a total hedging of its energy bill.

In terms of raw materials, the participation of multidisciplinary groups in the budgeting of projects in the various businesses allows the cash-flow of each project to reflect the real acquisition conditions and the due adjustments to the expected inflows.

Alongside the measures listed, Martifer has been reinforcing its activity in business segments with recurring cash-flows, such as the industrial maintenance area and the renewable energies area.

As a result of the aforementioned measures, one verifies that, on 31 December 2023, Current assets largely exceed Current liabilities. Thus, the liquidity risk is very low, given the capacity Martifer has to transform its current assets into liquidity.

The following table analyses the Group's financial liabilities, by relevant maturity groups, based on the remaining period to contractual maturity on the financial reporting date. The amounts shown in the table are contracted future cash flows:

FY 2023	UNTIL 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS
Financial institutions loans:			
- Bank loans	4,867,097	85,461,724	717,884
- Interest estimated to maturity, not discounted	7,272,708	19,238,306	83,634
Other loans	48,096	213,997	-
Trade Creditors and Other Creditors, non Group	36,177,376	1,819,794	-
	48,365,277	**106,733,821**	**801,518**

FY 2022	UNTIL 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS
Financial institutions loans:			
- Bank loans	3,648,511	20,360,895	72,546,583
- Interest estimated to maturity, not discounted	5,925,815	18,561,289	2,154,447
Other loans	48,096	262,092	-
Trade Creditors and Other Creditors, non Group	32,978,318	1,848,628	-
	42,600,740	**41,032,904**	**74,701,030**

In terms of payments via confirming, priority is given to labour suppliers, allowing times gains and, at the same time, providing liquidity to the respective suppliers. The ceiling is managed in such a way as to use 500,000 Euros/month of the contracted confirming line with a ceiling of 3 million Euros, with the amount used on 31 December 2023 amounting to 2,477,933 Euros (2,038,123 Euros on 31 December 2022). The cash flow is only recognised when the amount is paid to the financial entity.

On 31 December 2023, the Martifer Group's Liquidity reserve amounted to 83,568,357 Euros, which corresponds to the sum of the cash and cash equivalents balance and the unused amount of the confirming line (57,292,943 Euros on 31 December 2022).

e) Credit risk

With the reinforcement of banking capital in Portugal, there has been a boost in the level of credit granted by banks. The rising interest rates and the consequent expectation of improved profitability of banks in granting credit may make this activity even more attractive for financial entities. On the other hand, this increase also represents an increase in the banks' obligations in the interbank market and may constitute a greater incentive to save and, consequently, increase the remuneration of deposits.

The spectrum of uncertainty caused by the current geopolitical situation and the pressure of the increase in interest rates to positive territory, may lead to a more careful selection by banks when granting credit. However, this situation is not expected to affect the Martifer Group since, currently, it does not resort to short-term lines and its recourse to new credit is currently very occasional and always Project Finance oriented.

The Group is subject to credit risk in relation to its operational activity, and the exposure mainly stems from clients and other debtors.

Aware of this reality and of the increase in credit risk in the current context of economic contraction, the Group seeks to assess the credit risk of all its clients as a rationale for establishing the credit to be granted; the ultimate objective being to ensure the effective collection of credits within the established deadlines to minimise its exposure to each of the clients.

With this objective in mind, the Group has been developing its KYC (Know your Customer) processes in greater detail. In parallel, it uses financial information and credit rating agencies and performs regular risk analyses and credit control, as well as the collection and management of processes under litigation. These are essential procedures to manage the credit activity and to minimise the occurrence of irrecoverable amounts.

The Group has also sought to diversify its client portfolio, namely in the 'Naval Industry' segment to further diversify this risk.

To assess whether there has been a significant increase in credit risk, the Group considers, among others, the following indicators:

- Internal credit risk;
- External credit risk (if available);
- Current or expected adverse changes in terms of the debtor's operating results;
- Significant increases in the credit risk of the debtor's other financial instruments;
- Significant changes in the value of collateral provided, or in the quality of third-party guarantees;
- Significant changes in the performance and expected behaviour of the debtor, including changes in payment conditions at the level of the Group to which the debtor belongs.

Regardless of the above analysis, a significant increase in credit risk is assumed if a debtor is more than 90 days overdue from the contractual payment date. Default is considered when the debtor fails to make contractual payments within 360 days of the due date of the invoices.

The Group applies the simplified approach to calculate and record the expected credit losses required by IFRS 9, which allows the use of impairment for expected losses for all balances of 'Clients' and 'Other debtors'. When measuring expected credit losses, the balances of 'Clients', 'Other debtors' and 'Assets associated with client contracts' are aggregated based on credit risk characteristics and ageing. A risk matrix is applied to the balances in question, calculated as explained in Note 1.4 vi.1) and impairment is determined for expected losses.

In 2023 and 2022, the risk matrix with average expected loss rates (excluding companies that calculated immaterial rates) by geography, was as follows:

FY 2023– GEOGRAPHY		PAST DUE			
	NOT DUE	UNTIL 90 DAYS	90 TO 180 DAYS	180 TO 360 DAYS	MORE THAN 360 DAYS
Portugal - Metallic Constructions	0.14%	0.18%	1.78%	1.03%	25.54%
Portugal - Naval Industry	2.40%	2.60%	7.26%	22.45%	39.60%
Angola	1.14%	2.57%	8.80%	13.01%	45.40%
Saudi Arabia	2.83%	3.36%	8.53%	16.34%	16.34%
United Kingdom	0.01%	0.13%	0.31%	5.32%	23.15%
Estimated average rate of impairment	**1.31%**	**1.77%**	**5.33%**	**11.63%**	**30.01%**

FY 2022 – GEOGRAPHY		PAST DUE			
	NOT DUE	UNTIL 90 DAYS	90 TO 180 DAYS	180 TO 360 DAYS	MORE THAN 360 DAYS
Portugal - Metallic Constructions	0.24%	0.30%	1.09%	1.51%	17.71%
Portugal - Naval Industry	2.10%	2.24%	6.33%	10.58%	22.62%
Angola	9.85%	11.47%	18.45%	23.58%	51.59%
Saudi Arabia	3.36%	3.99%	10.14%	19.42%	19.42%
Estimated average rate of impairment	**3.89%**	**4.50%**	**9.00%**	**13.77%**	**27.83%**

The Group's maximum exposure to credit risk is as follows:

	FY 2023	FY 2022
Trade debtors (Note 25)	58,904,134	76,493,890
Other debtors (Note 25)	2,623,549	3,332,583
Contract Assets (Note 27)	9,139,951	5,460,740
Other current assets (Note 28)	2,457,196	2,693,503
Cash equivalents (Note 29)	82,878,120	56,288,737
	156,002,950	**144,269,452**

The rating of the financial institutions holding the Group's cash equivalents is as follows:

RATING MOODY'S	CASH EQUIVALENTS VALUES	
	FY 2023	FY 2022
Not assigned*	3,518,735	2,548,081
A1	10,662,945	3,720,064
A2	1,221,137	435,209
A3	13,578,721	150,082
AA3	3,320,276	831
B3	3,347,638	2,853,058
BA1	143	136
BA2	-	24,846,692
BAA1	20,303,672	3,149,762
BAA2	26,768,441	15,855,833
BAA3	156,411	2,728,988
	82,878,120	**56,288,737**

*In 'Unrated' is considered, in 2023, 1.7 million Euros with Portuguese financial institutions and 1.1 million Euros with Angolan financial institutions. See Note 29.

xxix) Operational risk management

a) Metallic Constructions

Operating risks in the ‘Metallic Constructions’ segment are currently grouped into three types of risks - client risk, supplier risk and external or market risk.

Client risk includes problems that can occur at the contracting level, such as differences in interpretation and application of contractual provisions, dislike or dissatisfaction with the service / product and the risk of significant delays or even default in making agreed payments during projects that may affect Martifer's ability to execute projects within the defined deadlines. Regarding the volatility of demand, it should be noted that the business area depends, in part, on tenders for public infrastructure (e.g., bridges, airports, stations). In the context of public tenders, although in most situations Martifer is a subcontractor for private entities (which assume the role of contractor for public entities), it is subject to complex regulations specific to each country, namely regarding the presentation of proposals and the preparation of complete administrative files, respecting the specifications defined by the contracting entity, which may represent additional costs. It should be noted that, despite the dependence on public tenders, Martifer has had the ability to capture business deals from private entities, reducing its exposure to this risk.

In the supplier risk, it should be noted that Martifer, as an expert in engineering projects, often subcontracts other companies, which in turn may fail in the execution of their contracts and jeopardise compliance with the project delivery deadline in a domino effect. The supply chain and logistics are also a risk to which Martifer is exposed. As a result of dependence on suppliers, as mentioned above, there is a risk of possible delays in the completion of projects with possible contractual penalties.

Finally, in the context of external or market risks, and since the ‘Metallic Constructions’ area has a strong correlation with the growth of the economy and with the gross fixed capital formation, it is sensitive to the economic situation. In this sense, and despite the fact that the main effects of the conflict in Ukraine are dissipating, with inflation slowing down, the conflict in the Middle East may, once again, negatively impact the growth of the world economy and the inflation rate, representing another challenge for Martifer. The weak public and private investment and the significant lack of liquidity in the financial system often leads to the fact that despite the existence of attractive projects, there is no corresponding capital to allow their execution, which can also constitute a risk for Martifer. Martifer's attempt to mitigate these external or market risks has been through the dispersion of its businesses in different countries, namely by entering markets with higher growth rates in the construction sector and that value quality at the expense of low prices.

b) Naval Industry

The companies in the 'Naval Industry' segment are exposed to:

- risks related to the innovation capacity to meet market and new and innovative project needs. In this context, the difficulty in capturing highly qualified staff due to foreign competition from Northern European countries must also be pointed out;
- client risk, especially as regards the proper execution of the projects, contractual compliance within the deadlines set, and satisfaction. Based on these issues, there is always the risk of incurring in penalties;
- risk in the fluctuation of commodity prices, particularly in the price of steel, this being one of the main materials in the production of components to be incorporated in the projects to be executed;
- risk related to the level of competitiveness of ship repair vis-à-vis national and foreign competition;
- risk in relation to subcontractors and suppliers that may not fulfil their contractual obligations and can jeopardise the implementation and quality of the projects;
- risk in the labour aspect, since at the moment there is a lack of qualified staff for two major reasons: on one hand, there is an insufficient number of employees being trained to cater for the needs of West Sea, even though the company is making an internal effort in this respect; on the other hand, the competitive pressure from Spain, more specifically from Galicia, and its shipyards that, given the geographical proximity and offering inflated working conditions, are attracting a large number of professionals of the region.

c) Renewables

The productivity indices linked to the renewable energy business depend not only on operational expenses, but also on income (in function of price and the amount of energy produced by the assets). The equipment used and some exogenous factors, such as the wind, which in turn depend on the location of wind farms, influence the production of energy and, consequently, the results. Whenever the wind speed is above or below the limits of the equipment, energy stops being produced. These limits vary from manufacturer to manufacturer and on the type of wind turbines. Additionally, each wind turbine has its power curve that determines the power generated at each wind speed.

The availability of the equipment and the power curve of each wind turbine are contractually guaranteed, and indemnities are payable by suppliers if availability is not met or if the power curve is not reached.

This risk is also mitigated through the geographical distribution of the wind farms, allowing the set-off of wind velocity variations in each area and ensuring the relative stability of the volume of total energy produced.

Regarding solar photovoltaic energy, the exogenous factors are more easily foreseen so income fluctuations end up being minimised.

LICENSING:

Wind farms and solar parks are subject to strict regulations in terms of development, construction, licensing and power plant operation. If the relevant authorities in the jurisdictions in which the Group operates cease to continue to support or reduce their support for the development of wind farms and solar parks, such actions may have a significant impact on the activity. The regulatory risk in markets where the Group has a greater presence in the development of renewable projects is very low, given that this activity is currently carried out essentially in European Union countries with stable regulatory regimes. In February 2024, the European Commission even proposed an increase in efforts to reduce emissions of CO_2 and other polluting gases that cause the greenhouse effect, worsening climate change. The 2040 target is the next phase in the effort to achieve emission neutrality by the middle of the century, and, so as to make it possible to achieve these goals, the European Commission has sought to increase incentives so that all member states can comply with this goal, which will only be possible with the acceleration of the development process of energy production units from renewable sources.

REGULATION:

Electricity generation from renewable sources has been promoted in Europe through Feed-In Tariff mechanisms (in Portugal, Germany, Denmark and France, for example) or through Green Certificate schemes (in Italy, the United Kingdom, Romania, Poland, etc.). These mechanisms, which were essentially aimed at making investment viable in a technology that was not yet mature in a capital-intensive market, allowed the remuneration of renewable energy producers above wholesale market prices, but resulted, in some countries, in an excessive cost that led to legislative changes in incentive systems for renewable energies. In some cases, such as in Romania, these changes affected not only new projects, but also projects in operation, significantly affecting their profitability.

The technological evolution verified in recent years has allowed a significant reduction in the costs of producing electricity from renewable energy sources and there has been a significant increase in the demand for “green” energy, given the current sustainability demands of consumers, in particular companies. In parallel, many countries have implemented auction systems that cover wind and solar energy, as is the case in Poland or Portugal, thus ensuring that the price to be paid for the electricity generated by new wind or solar farms is in line with the electricity wholesaler market price, or amended legislation so that producers can enter into bilateral power purchase agreements directly with consumers and distributors (PPA – Power Purchase Agreement).

xxx) Legal risk management

The Martifer Group is subject to national, community / international and local laws and regulations relating to the multiple geographies and markets where it is present and that seek to ensure, among other things, workers' rights, the protection of the environment and spatial planning, and the maintenance of an open and competitive market. Furthermore, part of the Group's activity is carried out in countries with autocratic regimes and/or in emerging or developing economies, with relatively unstable legal and regulatory frameworks, which may lead to legislative and regulatory changes that could alter the context, even if only segmentally, in which the Martifer Group operates.

Thus, the legislative and regulatory changes that may affect the conditions of the development of the Group's activities and, consequently, impair or impede the fulfilment of its strategic objectives imply the constant adaptation, by the companies, to the new regulatory reality. In addition, with the growth of Compliance and ESG regulatory requirements, regulations that have not yet been stabilised, any failures by the Martifer Group, its employees, corporate bodies, suppliers / service providers or counterparties, related to compliance with ESG laws and standards, or an inability to respond to ESG themes, could have an adverse effect on the Group's strategic objectives and reputation.

Legal risk management is carried out by the Legal department of the Holding and of each of the Group's business areas, in Portugal and abroad, and is monitored within the scope of legal and tax advisory services dedicated to the respective activities, which operate in the dependence of the Board and management, developing their competencies in articulation with the other tax and financial departments, so as to ensure the protection of the interests of the Group and, ultimately, of the stakeholders, in strict compliance with the fulfilment of their legal duties.

The risks arising from potential unethical conduct, non-compliance with processes or corruption, perpetrated by employees and other stakeholders are monitored by the Martifer Group's compliance officer, with compliance being an internal structure responsible for collecting, analysing and evaluating, (i) in the Ethics and Conduct Committee, all allegations of unethical behaviour, within the strict conditions required by law, (ii) together with the Group's Regulatory Compliance Officer, those that fall within the scope of the Regulatory Compliance Programme.

Those persons comprising the abovementioned legal and advisory departments have specialised training and regularly participate in training and update sessions. The Ethics and Conduct Committee is made up of a majority of independent members with specialised training. The Regulatory Compliance Officer is a member of top management. Legal and tax advice is also guaranteed, nationally and internationally, by external professionals selected from reputed firms and according to high standards of competence, ethics and experience.

xxxi) Capital management

The Group's objective, in relation to capital management, is to maintain an optimal capital structure, through the prudent use of debt and, in this way, seeking the necessary reduction in its cost.

Debt contracting is periodically analysed by weighing factors such as the cost of financing and the investment needs of the Group's operating companies.

On 31 December 2023, the Group's consolidated Equity is positive by 56.2 million Euros, registering a very significant increase compared to 2022 when it was 35.1 million Euros.

The financial autonomy of the Martifer Group is presented as follows:

	FY 2023	FY 2022
Equity	56,242,471	35,080,624
Asset	274,690,663	245,711,036
Financial autonomy	20.5%	14.3%

Regarding gross debt (bank loans + other loans), it decreased significantly compared to the previous year, registering a decrease of around 5.6 million Euros.

On 31 December 2023, gross debt represents 42 % of liabilities (46 % on 31 December 2022).

2. COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

On 31 December 2023 and 2022, the companies included in the consolidation, their methods of consolidation, as well as their registered office and share of capital held, are as follows:

COMPANIES CONSOLIDATED BY THE FULL CONSOLIDATION METHOD

				PROPORTION OF CAPITAL HELD BY MARTIFER SGPS			FY 2022
COMPANY	HEAD OFFICE	COUNTRY	DESIGNATION	DIRECTLY	INDIRECTLY	TOTAL	TOTAL
Martifer SGPS, S.A.	**Oliveira de Frades**	**Portugal**	**Martifer SGPS**	**Holding**			
Martifer Metallic Constructions SGPS, S.A.	**Oliveira de Frades**		**Martifer Metallic Constructions**	**100.00%**	**-**	**100.00%**	**100.00%**
Martifer - Construções Metalomecânicas, S.A.	Oliveira de Frades	Portugal	Martifer Construções	-	100.00%	100.00%	100.00%
Martifer Mota-Engil Coffey Construction Joint Venture Limited	Dublin	Ireland	MMECC	-	-	-	60.00%
Martifer Construções Sucursal Bélgica	Saint-Josse-ten-Noode	Belgium	MTC Sucursal Bélgica	-	100.00%	100.00%	100.00%
Martifer – Construcciones Metálicas España, S.A.	Madrid	Spain	Martifer Espanha	-	100.00%	100.00%	100.00%
Martifer – Construções Metálicas Angola, S.A.	Luanda	Angola	Martifer Angola	-	78.75%	78.75%	78.75%
Martifer Constructions, SAS	Rungis	France	Martifer França	-	100.00%	100.00%	100.00%
Martifer Romania SRL	Bucharest	Romania	Martifer Romenia	-	100.00%	100.00%	100.00%
Liszki Green Park, Sp. Z o.o	Gliwice	Poland	Liszki Green Park	-	90.00%	90.00%	90.00%
M City Gliwice Sp. Z o.o	Gliwice	Poland	M City Gliwice	-	100.00%	100.00%	100.00%
Savimex Sp. z o.o.	Gliwice	Poland	Savimex	-	-	-	100.00%
Martifer Retail & Warehousing Angola, S.A.	Luanda	Angola	Martifer Retail Angola	-	100.00%	100.00%	100.00%
Martifer UK Limited	London	United Kingdom	Martifer UK	-	100.00%	100.00%	100.00%
MT Construction Maroc, S.A.R.L.	Tangier	Morocco	Martifer Marrocos	-	100.00%	100.00%	100.00%
Saudi Martifer Constructions LLC	Riyadh	Saudi Arabia	Martifer Arábia Saudita	-	100.00%	100.00%	100.00%
Martifer Consulting DWC LLC	Dubai	United Arab Emirates	Martifer Consulting	-	100.00%	100.00%	100.00%
Navalria – Docas, Construções e Reparações Navais, S.A.	Aveiro	Portugal	Navalria	-	100.00%	100.00%	100.00%
West Sea - Estaleiros Navais, Lda.	Oliveira de Frades	Portugal	West Sea	-	100.00%	100.00%	100.00%
Global Holding Limited	Zebbug	Malta	Global Holding Limited	-	100.00%	100.00%	100.00%
Global Engineering & Construction Limited	Zebbug	Malta	Global Engineering	-	100.00%	100.00%	100.00%
Martifer Renewables SGPS, S.A.	**Oliveira de Frades**	**Portugal**	**Martifer Renewables SGPS**	**100.00%**	**-**	**100.00%**	**100.00%**
Martifer Renewables, S.A.	Oliveira de Frades	Portugal	Martifer Renewables	-	100.00%	100.00%	100.00%
Eviva Energy S.R.L.	Bucharest	Romania	Eviva Roménia	-	100.00%	100.00%	100.00%
Eviva Nalbant S.R.L.	Bucharest	Romania	Eviva Nalbant	-	100.00%	100.00%	100.00%

COMPANY	HEAD OFFICE	COUNTRY	DESIGNATION	PROPORTION OF CAPITAL HELD BY MARTIFER SGPS			FY 2022
				DIRECTLY	INDIRECTLY	TOTAL	TOTAL
Martifer Renewables, S.A.	Gliwice	Poland	Eviva Polónia	-	100.00%	100.00%	100.00%
PV Sol 1 Sp. Z o.o	Krakow	Poland	PV Sol 1	-	100.00%	100.00%	100.00%
PV Sol 2 Sp. Z o.o	Krakow	Poland	PV Sol 2	-	100.00%	100.00%	100.00%
PV Sol 3 Sp. Z o.o	Krakow	Poland	PV Sol 3	-	100.00%	100.00%	100.00%
PV Sol 4 Sp. Zo.o	Krakow	Poland	PV Sol 4	-	100.00%	100.00%	100.00%
PV Sol 5 Sp. Z o.o	Krakow	Poland	PV Sol 5	-	100.00%	100.00%	100.00%
PV Sol 6 Sp. Z o.o	Krakow	Poland	PV Sol 6	-	100.00%	100.00%	100.00%
Wind Farm Piastowo Sp. Z o.o.	Krakow	Poland	Wind Farm Piastowo	-	100.00%	100.00%	100.00%
Wind Farm Goraj Sp. Z o.o.	Krakow	Poland	Wind Farm Goraj	-	100.00%	100.00%	100.00%
PV Sol 8 Sp. Z o.o.	Krakow	Poland	PV Sol 8	-	100.00%	100.00%	100.00%
Eviva Beteiligungsverwaltungs GmbH	Vienna	Austria	Eviva GmbH	-	-	-	100.00%
Wind Farm Bukowsko Sp. Z o.o	Gliwice	Poland	Wind Farm Bukowsko	-	100.00%	100.00%	100.00%
Wind Farm Markowa Sp. Z o.o	Gliwice	Poland	Wind Farm Markowa	-	100.00%	100.00%	100.00%
Wind Farm Jawornik Sp. Z o.o	Gliwice	Poland	Wind Farm Jawornik	-	100.00%	100.00%	100.00%
Wind Farm Piersno Sp. Z o.o	Gliwice	Poland	Wind Farm Piersno	-	100.00%	100.00%	100.00%
Wind Farm Oborniki Sp. Z o.o	Gliwice	Poland	Wind Farm Oborniki	-	100.00%	100.00%	100.00%
Cedilhas ao Vento, S.A.	Oliveira de Frades	Portugal	Cedilhas ao Vento	-	100.00%	100.00%	100.00%
Martifer Renewables Italy BV	Amsterdam	Netherlands	Renewables Italy Holanda	-	100.00%	100.00%	100.00%
Martifer Renewables Brasil LTDA	Fortaleza	Brazil	Martifer Renewables Brasil	-	100.00%	100.00%	100.00%
MSPAR Energia e Participações, SA	Barueri	Brazil	MSPAR	-	100.00%	100.00%	100.00%
Floresta I, Geração de Energia, S.A.	Areia Branca	Brazil	Floresta I	-	99.00%	99.00%	99.00%
Floresta II, Geração de Energia, S.A.	Areia Branca	Brazil	Floresta II	-	99.00%	99.00%	99.00%
Floresta III, Geração de Energia, S.A.	Areia Branca	Brazil	Floresta III	-	99.00%	99.00%	99.00%
Floresta IV, Geração de Energia, S.A.	Areia Branca	Brazil	Floresta IV	-	99.00%	99.00%	99.00%
Volume Cintilante Unipessoal, Lda	Oliveira de Frades	Portugal	Volume Cintilante	-	100.00%	100.00%	100.00%
Volumevistoso, Lda	Oliveira de Frades	Portugal	Volumevistoso	-	100.00%	100.00%	100.00%
Gôndolaovento, Lda	Oliveira de Frades	Portugal	Gôndolaovento	-	100.00%	100.00%	-
Clareiraovento, Lda	Oliveira de Frades	Portugal	Caldeiraovento	-	100.00%	100.00%	-
Martifer Renewables O&M Sp. Z o.o.	Gliwice	Poland	Martifer Renewables O&M	-	68.00%	68.00%	68.00%
Eviva Energy AR, S.A	Buenos Aires	Argentina	Eviva Energy AR	-	100.00%	100.00%	100.00%
Palermo Generacion de Energia, S.A	Buenos Aires	Argentina	Palermo	-	100.00%	100.00%	100.00%
Recoleta Generación Energía, S.A	Buenos Aires	Argentina	Recoleta	-	100.00%	100.00%	100.00%

COMPANIES CONSOLIDATED BY THE EQUITY METHOD

The companies consolidated by the equity method, their registered offices and share of held capital are as follows:

COMPANY	HEAD OFFICE	COUNTRY	DESIGNATION	PROPORTION OF CAPITAL HOLDING BY MARTIFER SGPS			FY 2022
				DIRECTLY	INDIRECTLY	TOTAL	TOTAL
Metallic Constructions							
Associate Companies:							
Martifer-Visabeira, S.A.	Nacala	Mozambique	Martifer-Visabeira	-	50.00%	50.00%	50.00%
Martimetal, Spa	Alger	Algeria	Martimetal	-	49.00%	49.00%	49.00%
Naval Industry							
Jointly controlled companies:							

COMPANY	HEAD OFFICE	COUNTRY	DESIGNATION	PROPORTION OF CAPITAL HOLDING BY MARTIFER SGPS			FY 2022
				DIRECTLY	INDIRECTLY	TOTAL	TOTAL
CNA Chantier Naval d'Arzew , SPA	Arzew	Algeria	CNA Chantier Naval d'Arzew	-	49.00%	49.00%	49.00%
Renewables							
Jointly controlled companies:							
Hytlantic, S.A.	Sines	Portugal	Hytlantic	-	10.00%	10.00%	10.00%

During 2023 and 2022, the changes in the consolidation perimeter were as follows:

CONSTITUTION OF COMPANIES

In 2023:

FY 2023	HEAD OFFICE	COUNTRY
Renewables		
Subsidiary Companies:		
Gôndolaovento, Lda.	Oliveira de Frades	Portugal
Clareiraovento, Lda.	Oliveira de Frades	Portugal

In 2022:

FY 2022	HEAD OFFICE	COUNTRY
Renewables		
Subsidiary Companies:		
Wind Farm Goraj Sp. Z o.o.	Krakow	Poland
PV Sol 8 Sp. Z o.o.	Krakow	Poland
Associate Companies:		
Hytlantic, S.A.	Sines	Portugal

ACQUISITION OF COMPANIES

In 2023:

There was no acquisition of companies.

In 2022:

There was no acquisition of companies.

SALE OF COMPANIES

In 2023:

There was no disposal of companies.

In 2022:

FY 2022	HEAD OFFICE	COUNTRY
Renewables		
Subsidiary Companies:		
Wind Farm Lada Sp. Z o.o.	Gliwice	Poland
Jointly controlled companies:		
Ventinveste, S.A.	Lisboa	Portugal
Parque Eólico de Vale Grande, S.A.	Lisboa	Portugal

DISSOLUTION OF COMPANIES

In 2023:

FY 2023	HEAD OFFICE	COUNTRY
Metallic Constructions		
Subsidiary Companies:		
Martifer Mota-Engil Coffey Construction Joint Venture Limited	Dublin	Ireland
Savimex Sp. Z o.o.	Gliwice	Poland
Renewables		
Subsidiary Companies:		
Eviva Beteiligungsverwaltungs GmbH	VienNa	Austria

In 2022:

FY 2022	HEAD OFFICE	COUNTRY
Metallic Constructions		
Subsidiary Companies:		
Martifer Construções Sucursal Genebra	Geneva	Switzerland
Martifer Construction Limited	Dublin	Ireland
Martifer Aluminium Limited	Dublin	Ireland
Jubimax Sp. Z o.o.	Gliwice	Poland

CHANGE IN CONSOLIDATION METHOD

In 2023:

There were no changes in the consolidation method.

In 2022:

There were no changes in the consolidation method.

OTHER CHANGES IN THE CONSOLIDATION PERIMETER

In 2023:

There were no other changes in the consolidation perimeter.

In 2022:

Martifer Renewables O&M Sp. Z o.o. was held by the Group in 52 %, and in the first half of 2022 it acquired a further 16 %, coming to hold 68 %. This was a transaction with Non-controlling interests.

3. OPERATING SEGMENTS

For management purposes, the Group uses its internal organisation as a basis for its reporting of information by operating segment.

The Group is organised into three operating segments: 'Metallic Constructions', 'Naval Industry' and 'Renewables', all of which are coordinated and supported by Martifer SGPS.

The operating segment 'Metallic Constructions' includes the activities of metallic constructions, aluminium and glass façades, industrial maintenance and infrastructure for Oil & Gas. The 'Naval Industry' includes shipbuilding as well as the rendering of ship repair and ship conversion services. The segment 'Renewables' includes the promotion and development of renewable energy projects, with a special focus on the wind energy sector.

The values included in the line 'Other' relate to services rendered by the Holding company (Martifer SGPS).

The accounting policies and valuation criteria used in the preparation of the information by segments were the same as those used for the attached consolidated financial statements (Note 1.4 xxvi)).

In financial years ended 31 December 2023 and 2022, sales and services rendered, by operating segment, can be analysed as follows:

	SALES TO EXTERNAL CUSTOMERS (NOTE 4)		INTERSEGMENT SALES		TOTAL	
	FY 2023	FY 2022	FY 2023	FY 2023	FY 2022	FY 2023
Metallic Construction	134,652,773	110,997,811	1,668,226	1,396,855	136,321,000	112,394,666
Naval Industry	62,596,437	69,351,047	51,793	25,276	62,648,229	69,376,323
Renewables	14,422,326	10,052,374	284,063	519,790	14,706,389	10,572,164
Others	-	-	2,034,893	2,281,051	2,034,893	2,281,051
	211,671,536	**190,401,231**	**4,038,974**	**4,222,972**	**215,710,510**	**194,624,203**
Intersegment eliminations					(3,950,487)	(3,908,670)
Own work capitalized (Note 5)					(88,487)	(314,302)
					211,671,536	**190,401,231**

Sales and services rendered to external clients, by geography of origin and by segment, present the following breakdown:

	FY 2023	FY 2022
Portugal		
Metallic Construction	55,030,090	50,726,505
Naval Industry	62,596,437	69,351,047
Renewables	-	5,124
Rest of Europe		
Metallic Construction	64,885,692	47,096,239
Renewables	14,422,326	10,047,250
Other markets		
Metallic Construction	14,736,992	13,175,067
	211,671,536	**190,401,231**

In 2023, the sales and services rendered registered an increase of approximately 21.3 million Euros, compared to the same period of the previous year. This increase essentially results from the 'Metallic Constructions' segment, which had an increase in this income of around 23.7 million Euros compared to 2022. This acceleration of activity in the ‘Metallic Constructions’ segment occurred in some geographies, namely in the United Kingdom, Saudi Arabia, Portugal and France, despite activity decreasing in Angola and Spain. The positive change of 4.4 million Euros in the ‘Renewables’ segment compared to 2022 stems essentially from the increased sales of energy and green certificates in Romania and in Poland.

In the 'Naval Industry' segment, sales and services rendered amounted to 62.6 million Euros on 31 December 2023, which corresponds to a negative change of circa 10 % compared to the homologous period, with shipbuilding representing 49 % and ship repairs representing circa 50 %. The shipbuilding activity picked up gradually in 2023.

In the 'Naval Industry' segment, around 13.1 million Euros of turnover (22.1 %) was generated with clients that are part of the same economic group (20.5 million Euros in 2022, 29.5 %), which operates mostly in the tourism sector. At the end of 2023, the outstanding balances with these clients amount to approximately 1.3 million Euros (21.0 million Euros in 2022) and the outstanding order book to approximately 52.8 million Euros, 20 % (130.7 million Euros in 2022, 61 %).

As regards sales and services rendered by country of origin, the main contributions are from Portugal with approximately 117.6 million Euros (120.4 million Euros in 2022), France with approximately 33.1 million Euros (28.9 million Euros in 2022), the United Kingdom with approximately 17.0 million Euros (4.7 million Euros in 2022) and Romania with nearly 12.5 million Euros (8.3 million Euros in 2022). 'Other markets' include Angola and Saudi Arabia, with sales and services of 7.9 million Euros (12.1 million Euros in 2022) and 6.9 million Euros (1.0 million Euros in 2022), respectively.

On 31 December 2023 and 2022, Operating income, as well as EBITDA, EBIT and Net profit for the financial year, by operating segment, can be analysed as follows:

	OPERATING INCOME		EBITDA		EBIT		NET PROFIT FOR THE YEAR	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Metallic Construction	140,357,058	121,966,579	14,792,254	7,173,767	12,523,300	4,942,898	6,109,032	(1,484,427)
Naval Industry	63,008,542	69,615,872	12,494,075	6,592,193	11,314,197	5,366,120	8,454,618	2,677,571
Renewables	18,606,812	21,549,008	8,275,105	12,195,109	5,893,202	9,965,162	5,188,631	11,575,214
Others	(2,094,697)	(1,654,610)	(1,485,251)	(142,146)	(1,485,628)	(142,770)	1,329,644	1,389,401
	219,877,716	**211,476,848**	**34,076,184**	**25,818,923**	**28,245,071**	**20,131,410**	**21,081,925**	**14,157,759**

Note: The definition of EBITDA and EBIT according to APM is available in the Management Report.

In 2023, consolidated EBITDA recorded a positive value of 34.1 million Euros. For that, all operating segments contributed positively: the ‘Naval Industry’ segment with 12.5 million Euros, the ‘Metallic Constructions’ segment with 14.8 million Euros and the ‘Renewables’ segment with 8.3 million Euros.

In the 'Naval Industry' segment, despite the decrease in Operating income, there was an increase in EBITDA due to the uptake of the shipbuilding activity and the reversal of impairment previously constituted of approximately 15 million Euros, following the receipt of an amount long overdue and for which impairment had been set up, net of provisions for onerous contracts with the same entity in the amount of 6.1 million Euros. In the 'Metallic Constructions' segment, EBITDA in 2023 was 14.8 million Euros, showing an increase of around 7.6 million Euros compared to 2022. This variation was mainly due to an increase in projects in Portugal (manufacturing for export) and an increase in the activity in France and in the United Kingdom. In the 'Renewables' segment, there was a decrease of 3.9 million Euros in EBITDA, essentially justified by the gain arising on the sale of the “Wind Farm Lada project”, which had a positive impact of 9.03 million Euros in 2022 (Note 5).

The losses and gains in associated companies, the balance sheet value of financial assets in associated companies, as well as the constitution and reversal of provisions and impairment losses, by operating segment, are as follows:

	LOSSES IN ASSOCIATE COMPANIES (NOTE 13)		GAINS IN ASSOCIATE COMPANIES		CARRYING AMOUNT OF THE FINANCIAL ASSETS RECORDED UNDER EQUITY METHOD		VALUE OF PROVISIONS OF INVESTMENTS REGISTERED UNDER EQUITY METHOD	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Metallic Constructions	-	-	721,273	1,169,487	3,947,676	3,335,801	-	-
Naval Industry	-	-	-	-	-	-	-	-
Renewables	87,219	8	-	1,873,676	68,774	155,992	-	-
Others	-	-	-	-	-	-	-	-
	87,219	**8**	**721,273**	**3,043,163**	**4,016,450**	**3,491,793**	**-**	**-**

	PROVISIONS AND IMPAIRMENT LOSSES RECORDED IN THE YEAR		REVERSALS OF PROVISIONS AND IMPAIRMENT LOSSES RECORDED IN THE YEAR	
	FY 2023	FY 2022	FY 2023	FY 2022
Metallic Construction	287,755	64,144	294,726	126,044
Naval Industry	-	-	53	20,116
Renewables	82,669	79,051	82,718	53,287
	370,424	**143,195**	**377,497**	**199,446**

In addition, in 2023, a provision for onerous contracts was made, recorded under subcontracts, related to the ‘Naval Industry’ segment, in the amount of 6.1 million Euros (Note 34).

The investment (acquisition of right-of-use assets, tangible fixed assets and intangible assets) and the depreciation / amortisation of the Group, by operating segment, until 31 December 2023 and 2022 are as follows:

	CAPITAL EXPENDITURES		AMORTIZATIONS	
	FY 2023	FY 2022	FY 2023	FY 2022
Metallic Construction	2,656,227	2,943,124	2,275,926	2,292,769
Naval Industry	503,795	4,012,436	1,179,932	1,246,189
Renewables	5,031,298	2,439,492	2,381,952	2,204,182
Others	-	-	377	623
	8,191,320	**9,395,051**	**5,838,186**	**5,743,764**

It should be noted that the values of the ‘Capital Expenditures’ column in 2023 and 2022 include the impact of applying IFRS 16 by recording right-of-use assets, which, in 2023, essentially correspond to the recording of land leases, in the ‘Renewables’ segment and, in 2022, essentially correspond to a non-financial effect, in the ‘Naval Industry’ segment. Excluding this impact, the total investment in 2023 amounts to around 6.3 million Euros (2.9 million Euros in 2022).

The Group's assets and liabilities, by operating segment, on 31 December 2023 and 2022 are as follows:

	ASSETS		LIABILITIES	
	FY 2023	FY 2022	FY 2023	FY 2022
Metallic Construction	157,232,471	142,375,643	161,478,169	154,565,752
Naval Industry	69,519,621	55,106,476	51,662,256	43,703,729
Renewables	57,473,383	56,553,179	15,483,299	19,996,268
Others	(9,534,813)	(8,324,261)	(10,175,533)	(7,635,336)
	274,690,663	**245,711,036**	**218,448,192**	**210,630,412**

The Net financial debt[1] of the ‘Metallic Constructions’ area on 31 December 2023 amounted to 50.7 million Euros, circa 13.8 million Euros less than on 31 December 2022.

The ‘Renewables’ area's Net financial debt on 31 December 2023 amounted to -15.2 million Euros (-11.0 million Euros on 31 December 2022).

The assets held and the capex made by geography can be analysed as follows:

	ASSETS		CAPITAL EXPENDITURES	
	FY 2023	FY 2022	FY 2023	FY 2022
Portugal	154,556,322	144,482,557	3,034,724	6,958,277
European Union	93,318,838	82,797,419	4,829,873	2,001,440
Other markets	26,815,503	18,431,061	326,724	435,334
	274,690,663	**245,711,036**	**8,191,320**	**9,395,051**

4. SALES AND SERVICES RENDERED

The breakdown of sales and services rendered, for financial years ended 31 December 2023 and 2022, is as follows:

	FY 2023	FY 2022
Revenue from the sale of goods	48,405,144	51,470,368
Services rendered	163,266,392	138,930,864
	211,671,536	**190,401,231**

[1] Net financial debt = Current and non-current loans, net of cash and cash equivalents. Excludes finance leases (after the adoption of IFRS 16, they became part of lease liabilities that are not included in gross or net debt).

In 2023, sales and services rendered increased 11 % compared to 2022, to 211.7 million Euros. This variation results from the increases in the 'Metallic Constructions' and 'Renewables' segments, which more than offset the decrease in the 'Naval Industry' segment, as can be seen below.

The breakdown of sales and services rendered, by operating segment, on 31 December 2023 and 2022 is as follows:

	FY 2023	FY 2022
Metallic Construction	134,652,773	110,997,811
Naval Industry	62,596,437	69,351,047
Renewables	14,422,326	10,052,374
	211,671,536	**190,401,231**

The breakdown of sales and services rendered by type of revenue on 31 December 2023 and 2022 is as follows:

	FY 2023	FY 2022
Metallic Construction - Metal structures and aluminum building	106,849,123	93,148,441
Metallic Construction - Operation and maintenance	25,886,904	16,972,224
Metallic Construction - Others	1,916,746	877,146
Metallic Construction - Total	**134,652,773**	**110,997,811**
Naval Industry - Building	30,721,418	34,765,460
Naval Industry - Repair	31,452,458	33,885,780
Naval Industry - Others	422,560	699,806
Naval Industry - Total	**62,596,437**	**69,351,047**
Renewables - Sale of energy	8,112,346	4,989,282
Renewables - Sale of Green Certificates	2,758,123	3,364,834
Renewables - Operation and maintenance	3,071,356	1,433,974
Renewables - Others	480,501	264,285
Renewables - Total	**14,422,326**	**10,052,374**
	211,671,536	**190,401,231**

On 31 December 2023 and 2022, according to the order book, the future component of revenue allocated to performance obligations not yet fulfilled or partially fulfilled can be analysed as follows:

M €	FY 2024	FY 2025 AND FOLLOWING	TOTAL
Metallic Construction	151,858,673	94,766,598	246,625,271
Naval Industry	90,037,950	416,509,541	506,547,491
	241,896,623	**511,276,139**	**753,172,762**

M €	FY 2023	FY 2024 AND FOLLOWING	TOTAL
Metallic Construction	115,563,521	129,912,939	245,476,460
Naval Industry	64,269,418	150,028,279	214,297,697
	179,832,939	**279,941,218**	**459,774,157**

Currently, the ‘Naval Industry’ segment, in relation to shipbuilding, in financial year 2023, includes the effect of recognising income related to works carried out in previous periods associated with the end of the guarantee period, in the amount of 1,725,550 Euros (12,168,233 Euros in 2022) (Note 27).

5. OTHER OPERATING INCOME

Other operating income, for financial years ended 31 December 2023 and 2022, can be analysed as follows:

	FY 2023	FY 2022
Change in production	(466)	(22)
Own work capitalised (Note 3)	88,487	314,302
Taxes	29,323	365,981
Supplementary income	519,144	1,344,374
Gains in inventories	7,359	2,541
Capital gains on non-financial assets	785,801	9,390,074
Operating subsidies (Note 40)	13,075	126,929
Investments subsidies (Note 40)	120,897	62,973
Exchange rate gains	2,044,509	6,499,956
Investment properties rents (Note 21)	712,212	631,906
Other operating income	3,885,838	2,336,602
Total	**8,206,180**	**21,075,617**

On 31 December 2023, the ‘Capital gains on non-financial assets’ refer to the contingent/repermitting price of the Dzwola project arising from the Wind Farm Lada sale (558,692 Euros - this amount was calculated considering past events and the future prospects Martifer has of receiving the contingent sale price relating to the wind farm repermitting), the additional amount of the sale of PV SOL 7 (185,541 Euros) and the liquidation of Eviva GmbH (6,970 Euros). In 2022, these result mainly from the sale of the company Wind Farm Lada Sp. Z o.o., of the 'Renewables' segment (9 million Euros, which is net of the component of exchange rate differences that were generated in the past and recycled to the consolidated income statement in the amount of 221,765 Euros).

'Supplementary Income', in 2023, essentially includes income of the ‘Metallic Constructions’ area, in Portugal, resulting mainly from the rental of part of the facilities and the sale of surplus works’ materials that are no longer used. In 2022, this also has as main contributor income from the 'Metallic Constructions' area (1.2 million Euros), with the main contributions being from Portugal, from the sale of surplus works’ materials that are no longer used.

The ‘Exchange rate gains’ are related to the occurrence of exchange rate fluctuations in accounts receivable from clients and accounts payable to suppliers, essentially in the Group's subsidiaries outside the Eurozone (Note 1.4 xiii).

The caption ‘Other operating income’, in 2023, mainly refers to the contribution of Poland, in ‘Renewables’, resulting from the development of projects eligible for capitalisation (3.0 million Euros) and to income from Romania, in ‘Metallic Constructions’. In 2022, it also mainly refers to the contribution of Poland, in ‘Renewables’, resulting from the development of projects eligible for capitalisation (1.1 million Euros) and also, to contractual penalties received by Eviva Nalbant S.R.L., in Romania (0.5 million Euros).

6. COST OF GOODS SOLD

The cost of goods sold and materials consumed, for financial years ended 31 December 2023 and 2022, can be analysed as follows:

FY 2023	TOTAL
Opening balance (Note 24)	17,138,765
Purchases	51,698,134
Changes in the consolidation perimeter, currency exchange differences, transfers and others	(897,995)
Closing balance (Note 24)	17,007,143
	50,931,762

FY 2022	TOTAL
Opening balance (Note 24)	19,330,387
Purchases	44,594,616
Changes in the consolidation perimeter, currency exchange differences, transfers and others	860,793
Closing balance (Note 24)	17,138,765
	47,647,031

Note: Cost of goods sold and materials consumed = Initial stock + Purchases + Changes in perimeter, exchange rate differences, transfers and other - Final stock.

7. SUBCONTRACTS

The value of subcontracts, in financial years ended 31 December 2023 and 2022, is as follows:

	FY 2023	FY 2022
Metallic Construction	33,012,703	22,167,889
Naval Industry	28,863,898	22,006,074
Renewables	1,506,144	534,360
	63,382,745	**44,708,323**

The subcontracts relate to subcontracts for the works carried out, mainly in the 'Naval Industry' and 'Metallic Constructions' segments. The increase verified in 2023 is explained by the increase in activity in the 'Metallic Constructions' and 'Naval Industry' segments, as regards subcontracts.

In addition, the 'Naval Industry' segment includes circa 6 million Euros, which are not costs of the year 2023, but rather provisions for onerous contracts (Note 34).

8. EXTERNAL SUPPLIES AND SERVICES

The breakdown of external services and supplies, for financial years ended 31 December 2023 and 2022, is as follows:

	FY 2023	FY 2022
Specialized works	13,009,724	9,667,159
Leases and rents	5,003,266	3,826,704
Service Fees	2,883,421	2,441,846
Maintenance and repairs	3,308,910	2,936,314
Insurance	2,448,589	2,582,342
Electricity and Fuel	2,312,688	2,251,583
Transport of goods	2,093,734	3,205,993
Cleaning services	561,697	887,145
Travelling expenses	1,796,134	1,519,982
Security	621,936	605,559
Communications	170,332	190,177
Legal and notarial fees	206,018	263,157
Commissions	1,316,306	871,052
Tools and devices	217,411	115,219
Advertising	379,862	462,795
Other	958,516	839,052
	37,288,543	**32,666,081**

The specialised works include expenses related to information systems services, studies and opinions and subcontracting of industrial maintenance services, with these having increased compared to 2022, especially in the 'Metallic Constructions' segment, due to the increase in activity in Portugal.

The increase in the caption ‘Leases and rents', compared to 2022, is due to the increase in activity in France, in the 'Metallic Constructions’ segment.

The caption 'Service Fees', in 2023, increased compared to 2022, mainly due to the change in the unitary price of the mandatory fees incurred with the sale of green certificates in Romania in the ‘Renewables’ segment.

The caption 'Transport of goods' decreased, compared to 2022, as a result of the decrease in the maritime transport costs in Martifer Construções, in the segment of 'Metallic Constructions’.

On 31 December 2023, due to the application of IFRS 16, 987,949 Euros (193,073 Euros, in 2022) were recorded in ‘Leases and rents' relating to rents of low-value lease contracts, as well as 4,015,317 Euros (3,633,631 Euros, in 2022) of lease contracts with a duration of less than 12 months.

The caption ‘Commissions’ increased compared to 2022, with part of this increase arising from the activity growth in France, in the ‘Metallic Constructions’ segment, partly offset by commissions paid on the sale of turbines, in the ‘Renewables’ segment.

9. STAFF COSTS

Staff costs, for financial years ended 31 December 2023 and 2022, can be analysed as follows:

	FY 2023	FY 2022
Salaries	32,649,673	29,778,352
Social contributions and others	9,374,386	9,028,680
	42,024,059	**38,807,032**

The value of social charges and other contributions is essentially related to Social Security payments, meal allowances and sickness benefits, occupational accident insurance and indemnities / compensations related to the termination of employment contracts.

AVERAGE NUMBER OF EMPLOYEES

For financial years ended 31 December 2023 and 2022, the average number of staff employed by the Group can be analysed as follows:

	FY 2023	FY 2022
Directors	9	9
Other employees	1,329	1,322
	1,338	**1,331**
Portuguese	1,007	1,037
Portuguese in foreign countries and foreigners	331	294
	1,338	**1,331**

10. OTHER OPERATING EXPENSES

Other operating expenses, for financial years ended 31 December 2023 and 2022, are as follows:

	FY 2023	FY 2022
Taxes	819,758	731,728
Other impairment losses	-	809
Losses in inventories	618	426
Capital losses on non-financial assets	218,896	900,233
Exchange rate losses	2,554,869	5,428,618
Trade debtors write-off	357	144,812
Fines and penalties	1,998,378	15,096
Other operating expenses	1,073,691	1,140,302
	6,666,567	**8,362,024**

The caption 'Capital losses on non-financial assets', in 2023, refers essentially to losses resulting from the liquidation of the company Savimex Sp. Z o. o. It should be referred that due to these operations exchange rate differences, previously recorded as other comprehensive income, in the amount of 1.1 million Euros were reclassified to the caption 'Capital losses on non-financial assets'. In 2022, refers essentially to losses resulting from the liquidation of the companies Martifer Aluminium Limited, Martifer Construction Limited and Jubimax Sp. Z o.o.. It should be referred that due to these operations exchange rate differences, previously recorded as other comprehensive income, in the amount of 1.0 million Euros were reclassified to the caption 'Capital losses on non-financial assets'.

The caption 'Exchange rate losses' is related to the occurrence of exchange rate fluctuations in non-financial transactions, mainly in the Group's subsidiaries outside the Eurozone (Note 1.4 xiii)). Both in 2023 and in 2022, the countries that contributed the most to the increase in this caption were Angola and Saudi Arabia.

The caption 'Fines and penalties', in 2023, has as its main contribution the 'Naval Industry' segment in Portugal, resulting from orders placed but not fulfilled, as well as some delays in the shipyards.

The caption 'Other operating expenses', in 2023, mainly includes expenses associated with the 'Metallic Constructions' segment in Saudi Arabia, resulting from an agreement to shut down a project, in the amount of 0.92 million Euros. In 2022, it also includes expenses associated with agreements to shut down projects in Portugal and in the United Kingdom, in the amount of 0.8 million Euros.

11. PROVISIONS AND IMPAIRMENT LOSSES OF FIXED ASSETS

Provisions and impairment losses, for financial years ended 31 December 2023 and 2022, are as follows:

	FY 2023	FY 2022
Impairment losses		
In tangible fixed assets (Note 19)	-	-
	-	**-**
Provisions (Note 34)		
Arising from the use of the equity method	90,055	29,388
Quality guarantees	(52,358)	(146,159)
Onerous contracts	(62,000)	-
Ongoing legal claims	17,230	60,520
	(7,073)	**(56,251)**

The 'Provisions for onerous contracts' regard the ongoing construction contracts where the cost to be incurred to comply with the obligations undertaken is expected to exceed the foreseen economic benefits. These provisions relate essentially to the 'Metallic Constructions' segment. In 2023 and in 2022, the value of the provisions related to onerous contracts was negative due to the fact that part of the provisions previously constituted were reversed.

12. FINANCIAL RESULTS

Financial results, for financial years ended 31 December 2023 and 2022, may be analysed as follows:

FINANCIAL INCOME	FY 2023	FY 2022
Loans and accounts receivable (including bank deposits)		
- Interest income	303,370	26,745
Financial assets available for sale		
- Income from share capital	27	1,318
Other financial income related to other financial assets		
- Exchange rate gains	2,362,450	356,566
- Other financial income	16,878	169,320
	2,682,724	**553,949**

FINANCIAL EXPENSES	FY 2023	FY 2022
Loans and accounts payable		
- Interest expenses on bank loans	6,312,634	3,380,122
- Interest expenses on leases	1,387,629	1,017,293
Other financial income related to other financial liabilities		
- Exchange rate losses	996,851	2,874,174
- Impairment losses on other financial investments	-	-
- Other financial expenses	1,439,262	1,128,631
	10,136,377	**8,400,219**

The captions ‘Exchange rate gains/(losses)’ are related to the occurrence of exchange rate fluctuations, mainly in the Group's subsidiaries outside the Eurozone (Note 1.4.xiii)). In 2023, Angola stands out, in the ‘Metallic Constructions’ area. In 2022, circa 1.2 million Euros of unfavourable exchange rate differences result from the reclassification of exchange differences that were generated in the past following the repayment of non-current loans, by M-City Gliwice Sp. Z o.o. to Martifer Metallic Constructions SGPS, S.A..

The 'Interest expenses on bank loans' caption showed an increase compared to the same period in 2022, as a result of the increase in the Euribor reference interest rates.

‘Interest on leases’ derives from the application of IFRS 16 – Leases.

13. GAINS / (LOSSES) ON ASSOCIATE COMPANIES AND JOINT ARRANGEMENTS

The gains and losses in associated and jointly controlled companies, in financial years ended 31 December 2023 and 2022, can be analysed as follows:

	FY 2023	FY 2022
Equity method		
Ventinveste, S.A.	-	185,488
Martifer-Visabeira, S.A.	721,273	1,169,487
Hytlantic, S.A.	(87,219)	(8)
	634,054	**1,354,968**
Others		
Sale of Ventiveste, S.A.	-	1,688,188
	-	**1,688,188**
	634,054	**3,043,155**

The positive amount of 634,054 Euros, which results from the application of the equity method in 2023, impacts, in its entirety, the variations in 'Investments in associated and jointly controlled companies' (Note 22). The same occurred in 2022, with the amount of 1,354,968 Euros.

In 2022, Ventinveste, S.A. (and Parque Eólico Vale Grande, S.A., held by same in 100 %) was disposed of.

The information on associated and jointly controlled companies is disclosed in Notes 22 and 34.

14. INCOME TAX

The breakdown of assets and liabilities giving rise to deferred tax, in financial years ended 31 December 2023 and 2022, may be analysed as follows:

	FY 2023		FY 2022	
DEDUCTIBLE TEMPORARY DIFFERENCES	BASIS	DEFERRED TAX	BASIS	DEFERRED TAX
With impact in Net Profit				
Provisions not accepted for tax purposes	1,107,608	242,776	3,994,930	892,365
Tax losses	20,670,956	4,335,576	20,660,221	4,333,429
Others	1,376,653	279,850	522,458	117,553
	23,155,216	**4,858,202**	**25,177,610**	**5,343,348**
With impact in Equity				
Others	65,935	19,781	52,697	15,809
	65,935	**19,781**	**52,697**	**15,809**
	23,221,152	**4,877,982**	**25,230,306**	**5,359,157**

TAXABLE TEMPORARY DIFFERENCES	FY 2023 BASIS	FY 2023 DEFERRED TAX	FY 2022 BASIS	FY 2022 DEFERRED TAX
With impact in Net Profit				
Differences between cost and fair value	9,765,575	2,179,440	9,765,575	2,179,440
Others	628,462	151,427	1,125,704	339,872
	10,394,037	**2,330,867**	**10,891,279**	**2,519,313**
With impact in Equity				
Others	118,818	35,646	123,625	30,709
	118,818	**35,646**	**123,625**	**30,709**
	10,512,856	**2,366,513**	**11,014,905**	**2,550,021**

The impacts arising from the application of IAS 29 were recorded under the caption 'Other' of deferred tax liabilities and impacted both net profit as well as equity.

The distribution of deferred taxes by country can be presented as follows:

	DEFERRED TAX ASSETS		DEFERRED TAX LIABILITIES	
	FY 2023	FY 2022	FY 2023	FY 2022
Portugal	4,540,748	5,187,047	2,179,440	2,179,440
Angola	-	-	185,558	359,491
Poland	162,297	-	-	-
United Kingdom	112,471	104,350	-	-
Other	62,466	67,760	1,514	11,090
	4,877,982	**5,359,157**	**2,366,513**	**2,550,021**

The amount of 185,588 Euros, for Angola, derives from the application of IAS 29, and the amount of 1,514 Euros, in the line 'Other', refers to the application of IAS 29 in Argentina.

According to the tax returns and income tax estimates of the companies that record deferred tax assets related to tax losses, on 31 December 2023 and 2022, using for the purpose the tax rates applicable at that time, these tax losses were available for carry forward as follows:

TIME LIMIT	FY 2023 BASIS	FY 2023 DEFERRED TAX	FY 2022 BASIS	FY 2022 DEFERRED TAX
2028	-	-	20,138,472	4,229,079
	-	**-**	**20,138,472**	**4,229,079**
Without limited time use	20,670,956	4,335,576	521,749	104,350
	20,670,956	**4,335,576**	**20,660,221**	**4,333,429**

On 31 December 2023, the deferred tax assets and liabilities amounted to 4,877,982 Euros and 2,366,513 Euros, respectively (in 2022: 5,359,157 Euros and 2,550,021 Euros, respectively), and the effect on the consolidated income statement was negative in 433,274 Euros (in 2022, a negative effect of 330,828 Euros).

On 31 December 2023 and 2022, considering the tax legislation in force in Portugal concerning the taxation of dividends, the timing differences related to the appropriated earnings of subsidiaries, associated companies and investees for which deferred tax liabilities were not recorded are not materially relevant to the attached financial statements.

On 31 December 2023, there were tax losses available for carry forward, calculated in the companies taxed under the Special Regime for the Taxation of Groups of Companies ("RETGS"), of which Martifer SGPS is the dominant company, before and during the application of RETGS, amounting to 82,977,675 Euros (69,864,736 Euros on 31 December 2022), for which the potential deferred tax assets amount to 17,425,312 Euros (14,671,594 Euros on 31 December 2022). Based on the estimated recoverability within the period of 5 years, which corresponds to the period projected by the Martifer Group in accordance with the business plans used for Goodwill impairment testing purposes, deferred tax assets, related to tax losses in Portugal, to be used in the future, were only recognised in the amount of 4,229,079 Euros.

The breakdown of total tax losses available for carry forward and potential tax credits in Portugal, can be analysed as follows:

	FY 2023			FY 2022		
	TAX LOSS	TAX CREDIT	TAX LOSS	TAX CREDIT	TAX LOSS	TAX CREDIT
Generated in 2014	25,146,592	5,280,784	-	26,068,784	5,474,445	2028
Generated in 2015	5,081,758	1,067,169	-	5,081,758	1,067,169	2029
Generated in 2016	32,310,271	6,785,157	-	32,310,271	6,785,157	2030
Generated in 2017	344,449	72,334	-	344,449	72,334	2024
Generated in 2019	7,481,137	1,571,039	-	6,058,809	1,272,350	2026
Generated in 2020	666	140	-	666	140	2032
Generated in 2022	12,612,803	2,648,689	-	-	-	-
	82,977,675	**17,425,312**		**69,864,736**	**14,671,594**	

In relation to the above tax losses, the following should be noted:

i. Tax losses of 2014: present a change compared to the previous year due to the use of tax losses, in the amount of 922,191 Euros, in the tax assessment for tax year 2023;

ii. Tax losses of 2017: the group of companies taxed under the RETGS presents, in relation to tax year 2017, tax losses in the amount of 344,449 Euros, assessed by Cedilhas ao Vento (individually), before joining the RETGS, which can only be deducted from the Group's taxable income up to the limit of Cedilhas ao Vento's own taxable income;

iii. Tax losses of 2019: there is a change in the tax losses available from 2019 (7,481,137 Euros), compared to the amount available in the previous year (6,058,809 Euros). This change results from the difference between the estimated and the effective income tax of 2022, as well as the correction made to the tax loss of 2019;

iv. Tax losses of 2020: the amount presented corresponds to tax losses assessed, in financial year 2020, at the individual level by the companies Volume Cintilante and Volume Vistoso, in the global amount of 666 Euros, which came to integrate the RETGS on 1 January 2021. These tax losses can only be deducted from the RETGS taxable income, up to the limit of the taxable income assessed individually by those companies;

v. Tax losses of 2022: in the previous year no amount of tax losses was indicated because, in 2022, the tax result of the RETGS, determined for purposes of calculating the tax estimate for 2022, was considered;

vi. Tax losses of 2023: no tax losses were considered, as in terms of the tax estimate, the Group recorded a positive tax result in the amount of 1,418,756 Euros and is using tax losses in the amount of 922,191 Euros;

vii. Use by date: in accordance with the State Budget Law for 2023, tax losses available for carry forward no longer have any time limitation in terms of their respective validity for deduction, regardless of the size of the company.

The reconciliation of income tax for the period and current tax can be analysed as follows:

	FY 2023	FY 2022
Current tax	**97,361**	**954,350**
Deferred tax - generated by temporary differences	328,031	(252,603)
Deferred tax - reversal of temporary differences	105,242	3,269
Deferred tax assets- tax losses recognition	-	744,771
Other	-	(164,610)
Deferred tax	**433,274**	**330,828**
Income tax	**530,634**	**1,285,177**

On 31 December 2023 and 2022, the reconciliation between the nominal and effective tax rate is as follows:

	FY 2023	FY 2022
Profit before tax	**21,612,559**	**15,442,936**
Income tax rate (nominal rate of 21%)	4,538,637	3,243,017
Non-taxable gains and losses:		
Gains / Losses of financial assets	(1,475,620)	(1,894,088)
Reversions/Amortizations and Provisions not accepted for tax purposes	46,426	131,832
Impairment losses	673,137	(698,266)
Results of associates using equity method	(133,151)	(284,543)
Tax benefits	(232,797)	(3,395)
Tax losses of the year for which deferred tax assets were not recognize	1,043,247	700,929
Use of tax losses generated in previous years for which no deferred tax assets were recognized	(2,677,540)	(1,733,684)
Recognition of the effect of hyperinflationary economies (IAS29)	(27,312)	(129,433)
Use / Cancellation of deferred tax assets related to reportable tax losses	-	744,771
Different tax rates	(53,538)	(29,696)
Municipaly surchage and autonomous taxes	466,438	548,361
Excess/ Insufficiency of income tax estimate	(974,678)	(686,563)
Non-deductible net financing expenses	706,804	54,954
Others	(1,369,419)	1,320,984
Effective income tax (current + deferred)	**530,634**	**1,285,177**
Effective tax rate	**2.46%**	**8.32%**

In tax year 2023, Martifer SGPS, SA and its Portuguese investees were subject to Corporate Income Tax (Imposto sobre o Rendimento das Pessoas Coletivas (“IRC”)) at the normal rate of 21 %, plus a municipal surcharge of up to 1.5 % of the taxable income.

Additionally, in respect of the taxable income above 1,500,000 Euros, subject and not exempted from IRC, the following local State surcharges apply: 3 % on the part over 1,500,000 Euros and up to 7,500,000 Euros; 5 % on the part over 7,500,000 Euros and up to 35,000,000 Euros; and 9 % on the part of taxable income that exceeds 35,000,000 Euros.

Pursuant to Article no. 88 of the IRC Code, Portuguese companies are additionally subject to autonomous taxation on a set of expenses at the rates provided for in said article.

In tax year 2011, Martifer SGPS, SA chose to apply the Special Regime for the Taxation of Groups of Companies (“RETGS”) which includes Portuguese companies in which it, directly or indirectly, holds at least 75 % of their capital and that simultaneously comply with the other conditions defined by that regime.

The Group companies covered by this regime calculate and record income tax as if they were taxed individually. The responsibilities that are determined are, however, recorded as due in the dominant company of the tax group – Martifer SGPS – which will be responsible for the global calculation and tax self-assessment.

The remaining investees not included in the Martifer Group special taxation regime are taxed individually based on their respective taxable income and at the applicable tax rates.

The results generated in foreign subsidiaries are taxed at the local income tax rates, namely the results generated in Angola, in Saudi Arabia, in Brazil, in France, in Poland, in Romania, in Spain, in the United Kingdom and in Argentina are taxed, respectively, at 25 %, 20 %, 34 %, 25 %, 19 %, 16 %, 25 %, 25 % and 25 %.

For the calculation of deferred taxes in the United Kingdom and in Argentina, the rates used were, in both, 25 %.

Under the Portuguese law in force, the tax returns of Portuguese companies are subject to revision and correction by the tax authorities during a period of four years (five years for social security), except when tax losses have occurred, tax benefits have been granted, or inspections, claims or appeals are ongoing, in which cases, depending on the circumstances, the time limits may be extended or suspended.

In respect of transactions carried out with entities domiciled in countries with a clearly more favourable tax regime, the review and correction period is extended to 12 years.

Thus, tax returns for the years 2020 to 2023 (2019 to 2023 for Social Security) may still be subject to review and corrections.

In 2018, tax inspections of the 2014 period were realised, which resulted in the additional payment of IRC plus compensatory interest and procedural costs that resulted in a total amount of 282,786.71 Euros. In this respect, the Group's Board of Directors considers that there are arguments to contest such additional assessment; therefore, Martifer SGPS, as the dominant company of the group of companies taxed within the framework of RETGS, appealed, in 2019, against such tax assessment, in accordance with the legal terms, having submitted a guarantee regarding the amount assessed by the Tax Authority. Martifer SGPS is awaiting a decision by the Court on this case.

In 2020, a tax inspection in the sphere of Martifer Construções Metalomecânicas S.A. in respect of Value Added Tax ("VAT") of the period June 2020 was realised, in the scope of which the Tax Authority proceeded to cancel the VAT regularisation in the amount of 158,492.12 Euros, related to VAT contained in credits considered to be uncollectible. The correction in question arises from the fact that the Tax Authority believes that the Company did not communicate the adjustment to the purchaser referred to in paragraph 11 of Article no. 78 of the VAT Code. Martifer Construções Metalomecânicas S.A. appealed against the referred tax regularisation, through a judicial impugnation, and the Tax Authority presented an objection in July 2021. Martifer Construções Metalomecânicas S.A. is awaiting a decision by the Court on this case.

On 31 December 2023 and 2022, the balance of income tax receivable and payable is presented as follows:

	FY 2023	FY 2022
Income tax - Assets	994,563	2,444,006
Income Tax - Liabilities	(1,060,998)	(1,951,722)
Net income tax	**(66,435)**	**492,283**

15. DIVIDENDS

In 2023 and 2022 no dividends were distributed.

16. EARNINGS PER SHARE

Martifer SGPS has issued solely ordinary shares, so there are no special dividends or voting rights.

Martifer SGPS, SA's share capital is represented by 100 000 000 ordinary shares, totally subscribed and paid-up, representing a share capital of 50,000,000 Euros.

The weighted average number of shares in circulation is net of 2 215 910 shares, corresponding to own shares acquired by Martifer SGPS (Note 30).

On 31 December 2023 and 2022, there is no difference between the calculation of basic earnings per share and the calculation of diluted earnings per share, which can be demonstrated as follows:

	FY 2023	FY 2022
Profit for the year (I)	**19,695,658**	**13,340,204**
Weighted average number of shares outstanding (II)	97,784,090	97,784,090
Basic and diluted earnings per share (I) / (II)	**0.2014**	**0.1364**

17. GOODWILL

The movement in 'Goodwill', in financial years ended 31 December 2023 and 2022, is as follows:

	FY 2023	FY 2022
Gross amount		
Opening balance	**10,974,649**	**10,974,649**
Sale of subsidiaries	(12,708)	-
Closing balance	**10,961,941**	**10,974,649**
Carrying amount at the beginning of the period	**10,974,649**	**10,974,649**
Carrying amount at the end of the period	**10,961,941**	**10,974,649**

The detail of 'Goodwill', for financial years ended 31 December 2023 and 2022, can be analysed as follows:

	FY 2023	FY 2022
	CARRYING AMOUNT	CARRYING AMOUNT
Metallic Construction	9,343,266	9,355,974
Naval industry	1,618,675	1,618,675
	10,961,941	**10,974,649**

The Group adopts the procedure of carrying out annual impairment tests on Goodwill at the end of each financial year, as defined in Notes 1.4 i) and 1.4 xxiv) d).

For the purposes of the Goodwill impairment analysis, the procedures in 2023 were as follows:

- Naval Industry - the recoverable value of the cash-generating units of the business segment was estimated based on the value in use, according to the discounted cash flow method, based on the business plans developed by those responsible for the companies and duly approved by the Board of Directors of the Group and using an appropriate discount rate considering the risks inherent to the business. On 31 December 2023 and 2022, the assumptions used to calculate the existence or not of impairment of Goodwill were as follows:

FY 2023	NAVAL INDUSTRY
Weighted Average Cost of Capital (WACC)	8.25%
Average growth rate/CAGR turnover [2024; 2028]	14.36%
Average EBITDA average margin [2024; 2028]	10.94%

The average turnover growth rate calculated is based on the following estimates and expectations: (i) for 2024, a significant growth compared to 2023, with the uptake of the construction activity; (ii) for 2025 and beyond, growth in the order of 11 % in ship repairs as a result of the investments expected to be made in 2024 and 2025, namely with the completion of the new dock in the shipyard.

FY 2022	NAVAL INDUSTRY
Weighted Average Cost of Capital (WACC)	8.14%
Average growth rate/CAGR turnover [2023; 2027]	9.65%
Average EBITDA average margin [2023; 2027]	10.23%

The average turnover growth rate calculated is based on the following estimates and expectations: (i) for 2023, a significant growth compared to 2022, since the tourism sector is expected to rebound and, consequently, a recovery in the shipbuilding activity is expected, which should remain unchanged over the following years, during which the execution of construction contracts signed with the main client of this segment is expected; (ii) for 2024 and beyond, growth in the order of 14 % in ship repairs as a result of the investments expected to be made in 2023 and 2024, namely with the completion of the new dock at the shipyard.

- Metallic Constructions – the recoverable value of the cash-generating units related to the operations in Portugal, Angola and Romania was estimated (Note 19), considering that the remaining countries are mainly commercial and have a smaller margin since they are dedicated to the assembly and completion of projects, and therefore generate a marginal valorisation;

The average turnover growth rate calculated for each geography: Portugal (1.3 %), Angola (9.9 %) and Romania (4.5 %), and the EBITDA margin: Portugal (7.7 %), Angola (11.9 %) and Romania (6.1 %), reflect the estimates and expectations of growth and profitability in each of the markets.

Considering the valuations carried out, the Board of Directors considers that reasonable variations in the main indicators would not imply the impairment of the net assets associated with the cash-generating units to which the Goodwill was allocated.

18. INTANGIBLE ASSETS

This caption is analysed as follows:

	FY 2023	FY 2022
Gross amount, reduced by impairment losses:		
Software and other rights	15,001,478	15,218,288
Intangible assets in progress	3,225	-
	15,004,703	**15,218,288**
Accumulated depreciation:		
Software and other rights	14,610,816	14,662,842
	14,610,816	**14,662,842**
Carrying amount	**393,887**	**555,445**

The value recorded in Software and other rights relates mainly to computer programmes purchased by companies of the Group.

The information relating to the gross values of the intangible assets, net of accumulated impairment losses, for financial years ended 31 December 2023 and 2022, can be analysed as follows:

FY 2023	SOFTWARE AND OTHER RIGHTS	INTANGIBLE ASSETS IN PROGRESS	TOTAL
Opening balance 1 January 2023	**15,218,288**	**-**	**15,218,288**
Additions	46,717	3,225	49,942
Effect of foreign currency exchange differences	(280,313)	-	(280,313)
Impact of Hyperinflationary Economies (Note 1.4)	15,759	-	15,759
Transfers and other movements	1,026	-	1,026
Closing balance 31 December 2023	**15,001,478**	**3,225**	**15,004,703**

FY 2022	SOFTWARE AND OTHER RIGHTS	INTANGIBLE ASSETS IN PROGRESS	TOTAL
Opening balance 1 January 2022	**15,228,315**	**-**	**15,228,315**
Additions	14,323	-	14,323
Sales, disposals and write-offs	(125,895)	-	(125,895)
Effect of foreign currency exchange differences	86,590	-	86,590
Impact of Hyperinflationary Economies (Note 1.4)	15,344	-	15,344
Transfers and other movements	(389)	-	(389)
Closing balance 31 December 2022	**15,218,288**	**-**	**15,218,288**

The information related to the accumulated amortisation values of the intangible assets, with reference to financial years ended 31 December 2023 and 2022, can be analysed as follows:

FY 2023	SOFTWARE AND OTHER RIGHTS	INTANGIBLE ASSETS IN PROGRESS	TOTAL
Opening balance 1 January 2023	**14,662,843**	**-**	**14,662,843**
Additions	30,502	-	30,502
Effect of foreign currency exchange differences	(91,980)	-	(91,980)
Transfers and other movements	763	-	763
Impact of Hyperinflationary Economies (Note 1.4)	8,689	-	8,689
Closing balance 31 December 2023	**14,610,816**	**-**	**14,610,816**

FY 2022	SOFTWARE AND OTHER RIGHTS	INTANGIBLE ASSETS IN PROGRESS	TOTAL
Opening balance 1 January 2022	**14,732,365**	**-**	**14,732,365**
Additions	29,665	-	29,665
Sales, disposals and write-offs	(125,895)	-	(125,895)
Effect of foreign currency exchange differences	19,762	-	19,762
Transfers and other movements	(389)	-	(389)
Impact of Hyperinflationary Economies (Note 1.4)	7,335	-	7,335
Closing balance 31 December 2022	**14,662,843**	**-**	**14,662,843**
Carrying Amount:			
31 December 2022	**555,445**	**-**	**555,445**
31 December 2023	**390,662**	**3,225**	**393,887**

The net impact of the application of IAS 29 to the Angolan and Argentinian companies in this caption is around 0.9 million Euros (Note 42).

19. TANGIBLE FIXED ASSETS

This caption is analysed as follows:

	FY 2023	FY 2022
Gross amount, reduced by impairment losses:		
Land and buildings	45,933,694	48,413,879
Equipments	71,629,724	71,713,407
Tangible assets in progress	7,916,079	7,216,031
Other tangible assets	2,666,194	2,247,360
	128,145,691	**129,590,676**
Accumulated depreciation:		
Land and buildings	20,625,141	21,175,940
Equipments	59,922,559	59,450,216
Other tangible assets	1,919,009	1,912,841
	82,466,709	**82,538,997**
Carrying amount	**45,678,982**	**47,051,679**

The accumulated impairment on 31 December 2023 amounts to 25.0 million Euros (28.1 million Euros on 31 December 2022).

The information regarding the gross values of land and buildings, equipment, fixed assets in progress and other fixed assets, net of accumulated impairment losses, on 31 December 2023 and 2022, can be analysed as follows:

FY 2023	LAND AND BUILDINGS	EQUIPMENTS	TANGIBLE ASSETS IN PROGRESS	OTHER TANGIBLE ASSETS	TOTAL
Opening balance 1 January 2023	**48,413,879**	**71,713,407**	**7,216,031**	**2,247,360**	**129,590,676**
Additions	292,612	1,137,366	4,391,501	433,810	6,255,290
Sales, disposals and write-offs	(80,469)	(49,947)	(2,823,723)	(4,300)	(2,958,440)
Effect of foreign currency exchange differences	(2,425,163)	(2,422,832)	128,411	(70,227)	(4,789,810)
Impairment losses (Note 11)	-	-	-	-	-
Transfers and other movements	(267,164)	1,247,948	(1,116,284)	43,230	(92,270)
Impact of Hyperinflationary Economies (Note 1.4)	-	3,781	120,144	16,320	140,246
Changes in the consolidation perimeter	-	-	-	-	-
Closing balance 31 December 2023	**45,933,695**	**71,629,724**	**7,916,079**	**2,666,195**	**128,145,691**

FY 2022	LAND AND BUILDINGS	EQUIPMENTS	TANGIBLE ASSETS IN PROGRESS	OTHER TANGIBLE ASSETS	TOTAL
Opening balance 1 January 2022	**46,487,717**	**70,788,368**	**11,488,268**	**2,444,116**	**131,208,469**
Additions	184,165	768,398	1,873,474	44,566	2,870,603
Sales, disposals and write-offs	(171,917)	(459,188)	(1,026,049)	(288,188)	(1,945,342)
Effect of foreign currency exchange differences	887,331	852,132	(159,346)	4,417	1,584,535
Impairment losses (Note 11)	-	-	-	-	-
Transfers and other movements	1,026,583	-	(1,019,216)	24,750	32,117
Impact of Hyperinflationary Economies (Note 1.4)	-	3,821	125,324	17,698	146,843
Changes in the consolidation perimeter	-	(240,124)	(4,066,425)	-	(4,306,549)
Closing balance 31 December 2022	**48,413,879**	**71,713,407**	**7,216,031**	**2,247,360**	**129,590,676**

The investment in tangible fixed assets, in 2023, occurred in the 'Metallic Constructions' segment (1.9 million Euros), in the ‘Naval industry’ segment (0.3 million Euros) and in the 'Renewables' segment (4.1 million Euros), essentially, on the acquisition of equipment and the capitalisation of expenses in the projects under development.

The disposal and write-off of 'Tangible fixed assets in progress', in 2023, is related solely to the sale of five turbines, by Cedilhas ao Vento, S.A., in the 'Renewables' segment. The disposal and write-off of 'Equipment' is mainly related to the write-off of transportation equipment, in the 'Metallic Constructions' segment.

The change in perimeter of 'Tangible fixed assets in progress', in 2022, arises from the sale of the company Wind Farm Lada Sp. Z o.o. (Note 5).

The information relating to the amounts of the accumulated depreciation of land and buildings, equipment, tangible fixed assets in progress and other tangible fixed assets on 31 December 2023 and 2022 can be analysed as follows:

FY 2023	LAND AND BUILDINGS	EQUIPMENTS	TANGIBLE ASSETS IN PROGRESS	OTHER TANGIBLE ASSETS	TOTAL
Opening balance 1 January 2023	**21,175,940**	**59,450,216**	**-**	**1,912,841**	**82,538,997**
Additions	1,294,634	2,801,321	-	60,066	4,156,021
Sales, disposals and write-offs	-	(49,947)	-	(4,300)	(54,247)
Effect of foreign currency exchange differences	(1,845,433)	(2,238,934)	-	(59,799)	(4,144,167)
Transfers and other movements	-	(43,422)	-	-	(43,422)
Impact of Hyperinflationary Economies (Note 1.4)	-	3,326	-	10,200	13,526
Changes in the consolidation perimeter	-	-	-	-	-
Closing balance 31 December 2023	**20,625,141**	**59,922,559**	**-**	**1,919,009**	**82,466,709**

FY 2022	LAND AND BUILDINGS	EQUIPMENTS	TANGIBLE ASSETS IN PROGRESS	OTHER TANGIBLE ASSETS	TOTAL
Opening balance 1 January 2022	**19,216,363**	**56,337,359**	**-**	**1,910,027**	**77,463,749**
Additions	1,383,059	2,971,490	-	60,085	4,414,634
Sales, disposals and write-offs	-	(433,927)	-	(75,323)	(509,249)
Effect of foreign currency exchange differences	576,518	812,037	-	9,203	1,397,758
Changes in the consolidation perimeter	-	-	-	-	-
Impacto de Economias Hiperinflacionárias (Nota 1.4)	-	3,381	-	8,849	12,230
Changes in the consolidation perimeter	-	(240,124)	-	-	(240,124)
Closing balance 31 December 2022	**21,175,940**	**59,450,216**	**-**	**1,912,841**	**82,538,997**
Carrying Amount:					
31 December 2022	**27,237,939**	**12,263,192**	**7,216,031**	**334,518**	**47,051,679**
31 December 2023	**25,308,553**	**11,707,165**	**7,916,079**	**747,185**	**45,678,982**

The valuation criteria adopted, and the depreciation rates used are referred to in Note 1.4 iii) 'Material accounting policies, judgements and estimates'.

The net impact of the application of IAS 29 to the Angolan and Argentinian companies in this caption is around 5.8 million Euros (Note 42).

During the year, the Group estimated the recoverable value of some tangible fixed assets, considering internal and external factors that indicated that they could be accounted for at an amount in excess of their recoverable value.

The assessment of the existence of impairment of tangible fixed assets of the Group was carried out based on the business plans of various companies, the assumptions of which are detailed below.

RENEWABLES

Romania	2023	2022
Tangible Fixed Assets (1)	17,123	19,134
Period used	13 years	14 years
Growth rate (g) (2)	n.a.	n.a.
CAGR Turnover [2024; 2036]; [2023; 2036](3)	-0.03%	-0.02%
Weighted Average Cost of Capital (WACC) (4)	9.66%	10.59%

(1) Values in thousands of Euros;
(2) Growth rate used to extrapolate cash flows beyond the business plan period;
(3) Estimated average growth rate based on the Company's business plan considering the estimates and assumptions made by the Board of Directors based on their best knowledge at the date of approval of the financial statements;
(4) Discount rate applied to the projected cash flows.

Cash flow projections were based on historical performance, of the Babadag I and II wind farms (Romania), and on expectations of greater efficiency of the project. Those responsible for this segment believe that a possible change (within a scenario of normality) in the main assumptions used in the calculation of the recoverable value would have the impacts listed below:

ROMANIA:

A sensitivity analysis was performed with variations of: (i) increase / decrease in WACC by 1.0 p.p.; (ii) positive / negative variation in turnover by 1.0 p.p.; and (iii) increase / decrease in EBITDA margin / turnover by 0.5 p.p., for the Babadag I and II wind farms; the conclusion was of impairment in the scenarios of an increase in WACC by 1.0 p.p. or a negative variation in turnover by 1.0 p.p., according to the detail below:

	WACC increase in 1.0 p.p.	Var. turnover - 1.0 p.p. (1)
Weighted Average Cost of Capital (WACC)	10.66%	9.66%
CAGR turnover [2024; 2036] (3)	-0.03%	-0.03%
EBITDA / Turnover average margin [2024; 2036]	34.13%	34.13%
Net book value (4)	17,123,243	17,123,243
Total recoverable amount (4)	16,599,509	15,440,243
Estimated impact (4)	-523,733	-1,683,000
Conclusions of sensitivity analysis	Impairment	Impairment

(1) Annual variation of turnover by 1 p.p. (2024 = 100 %), keeping the EBITDA / turnover margin constant;
(2) Variation in the EBITDA / turnover margin, maintaining a constant turnover;
(3) Estimated average growth rate based on the Company's business plan considering the estimates and assumptions of the Board of Directors based on their best knowledge at the date of approval of the financial statements;
(4) Amounts in thousands of Euros.

The Group believes that in the different sensitivity analyses in which the conclusion is 'Impairment", these reflect possible, but unlikely scenarios, so additional impairment was not recorded.

METALLIC CONSTRUCTIONS

	MARTIFER ANGOLA	MARTIFER CONSTRUCTIONS	MARTIFER ROMANIA
Fixed assets (1)	1,403	18,139	4,646
Period	5 years	5 years	5 years
Growth rate (g) (2)	9.12%	1.85%	1.88%
Average growth rate of Turnover for 5 years (3)	9.92%	1.29%	4.52%
Discount rate (4)	17.01%	8.57%	10.69%

(1) Values in thousand of Euros

(2) Growth rate used to extrapolate cash flows beyond the business plan period

(3) Average growth rate estimated based on the company's 5-year business plan, carreid out according to the Board of Directors' estimates and assumptions, based on their best knowledge at the date of the approval of financial statements

(4) Discount rate applied to the projected cash flows

In Martifer Angola, the average turnover growth rate calculated has underlying it a growth in 2024, when compared to 2023 considering the order book, and a gradual increase from 2025 onwards, considering the expected average GDP growth in Angola.

In Martifer Construções, the average turnover growth rate calculated is based on the average GDP growth rate of the main countries for which Martifer Construções produces.

In Martifer Romania, the continuation of the gradual increase in turnover verified in 2023 is expected, as a result of the adjudication of some large-scale works. In the following years, with the industrial unit still having the capacity to embrace new projects, an annual growth of 5 % is expected for 2025, reducing to 4 % in 2028, allied with an increase in negotiating power and the achievement of economies of scale, resulting in an expected reduction in direct costs of 5 % in 2025 and 3.5 % in 2028.

The cash flow projections were based on historical performance and on the expectation of improved efficiency. Those responsible for this segment believe that a possible change (within a scenario of normality) in the main assumptions used in the calculation of the recoverable value will not originate impairment:

A sensitivity analysis was performed with variations of: (i) increase / decrease in WACC by 1.0 p.p.; (ii) positive / negative variation in turnover by 5.0 p.p.; and (iii) increase / decrease in the EBITDA margin / turnover by 0.5 p.p.; with the conclusion being that there was no evidence of impairment.

20. RIGHT-OF-USE ASSETS

Right-of-use assets on 31 December 2023 and 2022 are as follows:

	FY 2023	FY 2022
Gross amount, reduced by impairment losses:		
Land and buildings	14,064,000	12,994,194
Equipments	5,681,874	5,089,983
Other right-of-use assets	13,815,260	13,815,260
	33,561,134	**31,899,436**
Accumulated depreciation:		
Land and buildings	7,443,110	6,762,657
Equipments	3,737,595	3,128,650
Other right-of-use assets	1,935,042	1,480,008
	13,115,746	**11,371,315**
Carrying amount	**20,445,388**	**20,528,121**

The ‘Other right-of-use assets’ relate to sub-concessions of shipyards and correspond to all associated land, buildings and equipment.

The information related to the gross values of ‘Land and buildings’, ‘Equipment’ and ‘Other right-of-use assets’, net of accumulated impairment losses, on 31 December 2023 and 2022, can be analysed as follows:

FY 2023	LAND AND BUILDINGS	EQUIPMENTS	OTHER RIGHT-OF-USE ASSETS	TOTAL
Opening balance 1 January 2023	**12,994,193**	**5,089,983**	**13,815,260**	**31,899,436**
Additions	1,576,258	732,953	-	2,309,211
Sales, disposals and write-offs	(506,451)	(141,062)	-	(647,514)
Closing balance 31 December 2023	**14,064,000**	**5,681,873**	**13,815,260**	**33,561,134**

FY 2022	LAND AND BUILDINGS	EQUIPMENTS	OTHER TANGIBLE ASSETS	TOTAL
Opening balance 1 January 2022	**11,934,173**	**3,904,514**	**9,945,402**	**25,784,089**
Additions	1,212,490	1,427,778	3,869,858	6,510,126
Sales, disposals and write-offs	(152,469)	(242,309)	-	(394,779)
Closing balance 31 December 2022	**12,994,193**	**5,089,983**	**13,815,260**	**31,899,436**

In 2023, there was an increase in the caption ‘Land and buildings’ that essentially relates to land lease contracts of the wind farms and solar parks, in the ‘Renewables’ segment, with the main contribution coming from the geography Poland. The increase verified in the caption ‘Equipment’ is primarily related to transportation equipment leasing, in Martifer Construções, in the ‘Metallic Constructions’ segment.

The increase verified in 2022, under the caption ‘Other right-of-use assets’, is wholly related to the sub-concession of the shipyard by West Sea, Lda., following a contractual amendment relating to the value of rents, as well as the update of the discount rate. The increase in the caption 'Equipment' is essentially related to the leasing of office equipment, as well as a laser machine, both at Martifer Construções, in the ‘Metallic Constructions’ segment. Still in 2022, the increase in 'Land and buildings' is essentially due to wind farms and solar parks, in Poland, in the 'Renewables' segment.

The information regarding the values of accumulated depreciation of ‘Land and buildings’, ‘Equipment’ and ‘Other right-of-use assets’ on 31 December 2023 and 2022 can be analysed as follows:

FY 2023	LAND AND BUILDINGS	EQUIPMENTS	OTHER RIGHT-OF-USE ASSETS	TOTAL
Opening balance 1 January 2023	**6,762,658**	**3,128,650**	**1,480,009**	**11,371,316**
Additions	918,075	701,678	455,033	2,074,785
Sales, disposals and write-offs	(237,622)	(136,155)	-	(373,777)
Transfers and other movements	-	43,421	-	43,421
Closing balance 31 December 2023	**7,443,110**	**3,737,594**	**1,935,042**	**13,115,746**

FY 2022	LAND AND BUILDINGS	EQUIPMENTS	OTHER TANGIBLE ASSETS	TOTAL
Opening balance 1 January 2022	**6,449,618**	**2,866,041**	**1,024,975**	**10,340,633**
Additions	350,122	494,309	455,034	1,299,465
Sales, disposals and write-offs	(37,082)	(241,483)	-	(278,565)
Transfers and other movements	-	9,782	-	9,782
Closing balance 31 December 2022	**6,762,658**	**3,128,650**	**1,480,009**	**11,371,315**
Carrying Amount:				
31 December 2022	**6,231,536**	**1,961,333**	**12,335,252**	**20,528,121**
31 December 2023	**6,620,890**	**1,944,279**	**11,880,218**	**20,445,388**

21. INVESTMENT PROPERTIES

The caption 'Investment Properties' includes the following properties held by Group Martifer: Benavente Business Centre, Warehouses in Albergaria-a-Velha and the Martifer Construções OF1 property, all intended to be leased out or for capital appreciation in the long term. In December 2020, the company Martifer Romania SRL transferred a land located in Aricestii, Romania, from the caption 'Tangible fixed assets' to 'Investment properties', with same having been disposed of in 2022.

These assets are recorded at market value according to an independent valuation, based on the normal use of each property, performed by specialised entities, according to the international practices of RICS Valuation Standards (RICS Red Book). The Martifer Group carries out regular valuations of these properties, and gains and losses arising from changes in fair value are recognised in the income statement.

The valuation reports carried out by an independent entity were prepared in accordance with Laws 16/2015, of 24 February, and 153/2015, of 14 September, and with CMVM Regulation no. 2/2015, of 17 July.

The methods for calculating the value of the properties were the following:

- Comparative market analysis method, income method and replacement cost method;
- Comparative market analysis method and the discounted cash flow method.

The value assigned to each of the properties resulted from the arithmetic average of the methods used in the valuation.

The valuations were made based on the information provided by the Group, visits to sites, geographical location and market research. In all the valuations, it was assumed that it is possible to transact the properties and that they are free from any encumbrances, charges or commitments.

The movement in financial years 2023 and 2022 under the caption 'Investment Properties' was as follows:

	FY 2023	FY 2022
Opening balance	19,505,000	21,005,000
Sales and disposals	-	(1,500,234)
Effect of foreign currency exchange differences	-	234
Closing balance	**19,505,000**	**19,505,000**

In 2022, the amount of around 1.5 million Euros in 'Sales and disposals' relates to the disposal of a plot of land located in Aricestii, Romania, by Martifer Romania SRL, for 1,601,795 Euros.

The table below presents the valuation method, yield and total value of the independent valuations performed during the financial year, as well as the amount by which the assets are recorded in the Group's accounts:

FY 2023	APPRAISAL METHOD	YIELD	FAIR VALUE LEVEL	FAIR VALUE	INDEPENDENT APPRAISAL
Albergaria a Velha Warehouse	Comparison, Revenue and Cost of Replacement	7.00	3	1,405,000	1,405,000
Benavente Business center	Comparison, Revenue and Cost of Replacement	7.00	3	9,000,000	9,000,000
Martifer Construções Plant	Comparison, Revenue and Cost of Replacement	8.00	3	9,100,000	9,100,000
				19,505,000	**19,505,000**

As determined by the accounting policies (Note 1.4 v)), the fair value recorded is exactly the same as the independent valuation.

The income obtained from investment properties was 712,212 Euros in 2023 (in 2022, it was 631,906 Euros) and is recorded in 'Other operating income' (Note 5).

The expenses associated with these investment properties amounted to 176,051 Euros in 2023 (153,457 Euros, in 2022) and are reflected in different captions of the consolidated income statement.

22. INVESTMENTS IN ASSOCIATE COMPANIEIS AND JOINT ARRANGEMENTS

On 31 December 2023 and 2022, the information related to associated and jointly controlled companies, as well as the value of the holdings are as follows:

	% CAPITAL HELD	TOTAL EQUITY WITHOUT SUPPLEMENTARY CAPITAL	FINANCIAL PARTICIPATION BY EQUITY METHOD	SUPPLEMENTARY CAPITAL	SUPPLEMENTARY CAPITAL IMPAIRMENTS	NET INCOME	FY 2023
	FY 2023						
Martifer-Visabeira, S.A.	50.00%	5,557,563	2,778,781	1,168,895	-	1,442,546	3,947,676
Hytlantic, S.A.	10.00%	(822,265)	-	151,000	(82,227)	(872,187)	68,774
CNA Chantier Naval d'Arzew, SPA 1)	49.00%	-	-	-	-	-	-
							4,016,450

Note: The information presented corresponds to the values of the financial statements of the companies.

	% CAPITAL HELD	TOTAL EQUITY WITHOUT SUPPLEMENTARY CAPITAL	FINANCIAL PARTICIPATION BY EQUITY METHOD	SUPPLEMENTARY CAPITAL	SUPPLEMENTARY CAPITAL IMPAIRMENTS	NET INCOME	FY 2022
	FY 2022						
Martifer-Visabeira, S.A.	50.00%	4,272,029	2,136,015	1,199,787	-	2,338,975	3,335,801
Hytlantic, S.A.	10.00%	49,922	4,992	151,000	-	(78)	155,992
CNA Chantier Naval d'Arzew, SPA 1)	49.00%	-	-	-	-	-	-
							3,491,793

1) In 2019, the holding in CNA Chantier Naval d'Arzew, SPA was cancelled as there is no prospect of recoverability of the investment made - this remains unchanged on 31 December 2022 and 2023.

The movement in this caption, in financial years ended 31 December 2023 and 2022, was as follows:

	FY 2023	FY 2022
Opening balance	3,491,793	6,198,821
Application of the equity method		
- From performance in results (Note 13)	634,054	1,354,968
- Other equity changes	(78,506)	38,136
Sale of Ventinveste, S.A.	-	(4,311,812)
Constitution of Hytlantic, S.A.	-	156,000
Effect of foreign currency exchange differences	(30,892)	55,682
Closing balance	**4,016,450**	**3,491,793**

On 31 December 2023 and 2022, the summarised information on the main financial investments in associated and jointly controlled companies with positive equity, extracted from their unaudited separate financial statements, is as follows:

FY 2023	Martifer-Visabeira, S.A.	Hytlantic, S.A.
% Capital Held	50.0%	10.0%
Non-currrent Assets	6,985,611	-
Cash and Cash equivalents	1,058,891	767,506
Other current assets	7,511,706	114,701
Non-currrent Liabilities	921,343	-
Currrent Liabilities	6,148,110	198,472
Equity	8,486,756	683,735
Total supplementary capital	2,929,193	1,506,000
Equity without supplementary capital	5,557,563	(822,265)

FY 2023	Martifer-Visabeira, S.A.	Hytlantic, S.A.
Supplementary capital from Group	-	-
Supplementary capital from Group Impairments	-	-
Sales and Services Rendered	12,363,870	-
Amortizations and Depreciations	422,279	-
Income Tax	1,650,177	-
Net Profit for the year	1,442,546	(872,187)

FY 2022	Martifer-Visabeira, S.A.	Hytlantic, S.A.
% Capital Held	50.0%	10.0%
Non-currrent Assets	7,429,734	310,159
Cash and Cash equivalents	2,960,211	1,502,352
Other current assets	3,819,785	54,525
Non-currrent Liabilities	697,247	-
Currrent Liabilities	6,218,291	311,113
Equity	7,294,192	1,555,922
Total supplementary capital	3,022,162	1,506,000
Equity without supplementary capital	4,272,029	49,922
Supplementary capital from Group	-	-
Supplementary capital from Group Impairments	-	-
Sales and Services Rendered	8,627,651	-
Amortizations and Depreciations	425,118	-
Income Tax	595,227	-
Net Profit for the year	2,338,975	(78)

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

NON-CURRENT

On 31 December 2023 and 2022, the detail of the non-current 'Financial assets at fair value through profit or loss' is as follows:

	FY 2023	FY 2022
Green Certificates	750,782	1,507,241
Others	265,004	273,393
	1,015,786	**1,780,634**

The movement in the 2023 and 2022 financial years, under the non-current 'Financial assets at fair value through profit or loss' caption was as follows:

	FY 2023	FY 2022
Opening balance	1,780,634	2,490,507
Additions	22,905	66,544
Reductions	(782,893)	(771,732)
Other	(4,860)	(4,685)
Closing balance	**1,015,786**	**1,780,634**

The decrease in this caption, in 2023, essentially results from the reclassification of the green certificates from non-current to current.

The non-current green certificates attributed to Eviva Nalbant, SRL. in 2023, were recorded at the unitary price of RON 145.0 (RON 144.7, in 2022), this being the minimum value defined by law for this year.

On 31 December 2023 and 2022, the detail of the non-current green certificates held by the Group is as follows:

	FY 2023	FY 2022
Number of green certificates held	25,760	51,548
Unit Price (RON)	144,986	144,660
Total Amount (RON)	3,734,842	7,456,923
Total Amount (EUR)	750,782	1,507,241

On 31 December 2023, there is deferred income in the amount of 750,782 Euros (Note 38) relating to these certificates, in accordance with the accounting policy referred to in Note 1.4 vi) (1,507,241 Euros on 31 December 2022).

CURRENT

On 31 December 2023 and 2022, the detail of current 'Financial assets at fair value through profit or loss' is as follows:

	FY 2023	FY 2022
Green Certificates	1,936,704	1,411,193
Deposits given as security	6,785,289	1,704,053
Others	6,596	6,596
	8,728,589	**3,121,842**

The movement in the 2023 and 2022 financial years, under the current 'Financial assets at fair value through profit or loss' caption was as follows:

	FY 2023	FY 2022
Opening balance	3,121,842	2,375,323
Additions	14,198,007	4,284,160
Reductions	(8,394,755)	(3,358,777)
Transfers	-	(64,692)
Other	(196,505)	(114,172)
Closing balance	**8,728,589**	**3,121,842**

The movements in this caption, in 2023, essentially refer to the constitution and redemption of security deposits provided as collateral in the companies Martifer Metallic Constructions SGPS, S.A. and West Sea, Lda.

The movements in this caption also include the attribution and sale of current green certificates by Eviva Nalbant, SRL, with the unit price considered in 2023 of RON 145.0 (RON 144.7, in 2022) being the minimum value defined by law for this year.

On 31 December 2023 and 2022, the detail of the current green certificates held by the Group is as follows:

	FY 2023	FY 2022
Number of green certificates held	66,450	48,263
Unit Price (RON)	144,986	144,660
Total Amount (RON)	9,634,326	6,981,716
Total Amount (EUR)	1,936,704	1,411,193

On 31 December 2023, there is deferred income in the amount of 1,936,704 Euros (Note 38), relating to these certificates, in accordance with the accounting policy referred to in Note 1.4 vi) (1,411,193 Euros on 31 December 2022).

24. INVENTORIES

The information on inventories, for financial years ended 31 December 2023 and 2022, can be analysed as follows:

	FY 2023	FY 2022
Gross Value:		
Raw-materials, subsidiaries and other consumables (Note 6)	4,378,365	4,645,654
Raw-materials, subsidiaries and other consumables - Work in progress (Note 6, 27 and 28)	-	212,461
Merchandise (Note 6)	12,628,778	12,280,650
Finished goods	57,032	57,498
	17,064,175	**17,196,263**
Acumulated impairment losses:		
Raw-materials, subsidiaries and other consumables	118,135	118,160
Merchandise	6,631,104	6,863,774
Finished goods	56,989	56,989
	6,806,228	**7,038,922**
Net value - Inventories	**10,257,947**	**10,157,341**

The Caption ‘Merchandise’ concerns, primarily, plots of land located in Portugal and in Poland (Liszki Green Park). The land located in Poland is recorded at a net book value of 5.2 million Euros (net of impairment of 5.8 million Euros), with this figure taking as reference the last purchase offer received by the Group in 2017. In 2023, a valuation was carried out by an independent appraiser that valued the land using a comparative approach where recent sales are used to determine the probable value of the land. The valuation considered all the specificities of the land and surrounding environment, including the lack of infrastructure, the wider global impacts of the war in Ukraine, rising inflationary pressures and the cost of debt. The difference between the market value of the Liszki Green Park land and the net book value is considered immaterial and is significantly influenced by the PLN exchange rate for 2022 and 2023. The Group decided not to reinforce any amount of impairment in financial year 2023, maintaining the net book value unchanged.

The caption ‘Prepayments’ mainly concerns purchases made by West Sea for incorporation in shipbuilding, with a balance of 6,413,797 Euros in 2023 (in 2022, the amount was 8,532,957 Euros).

25. TRADE RECEIVABLES AND OTHER RECEIVABLES

The information regarding clients and other debtors, for financial years ended 31 December 2023 and 2022, can be analysed as follows:

	NON CURRENT		CURRENT	
	FY 2023	FY 2022	FY 2023	FY 2022
Gross Value:				
Trade receivables:				
Trade receivables	3,003,183	4,222,710	37,487,517	39,862,371
Notes receivables	-	-	495,134	1,125,656
Doubtful trade receivables	1,450	5,666	17,916,850	31,277,487
	3,004,633	**4,228,376**	**55,899,501**	**72,265,514**
Other receivables:				
Related companies	318	546	-	-
Advances to suppliers	-	-	10,873	16,296
Others	1,570,198	1,067,572	1,042,159	2,248,169
	1,570,516	**1,068,118**	**1,053,032**	**2,264,465**
Total Gross Value	**4,575,149**	**5,296,494**	**56,952,533**	**74,529,979**

In 2023, there is a decrease of 8 % at the level of 'Trade receivables', reflecting an improvement in terms of client collection and monitoring processes. To be pointed out is the strong decrease recorded in the caption 'Doubtful trade receivables', of about 13 million Euros, that essentially results from the collection of amounts owed by one of the main clients of the shipbuilding area.

On 31 December 2023, the current and non-current balances of 'Related companies' relate, essentially, to loans granted to associated and jointly controlled companies, which bear interest at the 3-month Euribor rate plus a spread of 3.5 %.

The caption 'Other' in 'Other receivables' relates, essentially, to Brazil, Portugal, the United Kingdom and Poland, and refers to operations other than those related to the main activity of the companies, such as, for example, the sale of financial investments or fixed assets.

The caption 'Trade receivables' includes amounts related to retentions in construction contracts, and, both in 2023 and 2022, all these retentions are found in the 'Non-current' column. Total retentions recorded on 31 December 2023 amount to 2,995,413 Euros, of which 2,315,251 Euros relate to ongoing projects (Note 27). In 2022, there was a total of 4,214,779 Euros of retentions, of which 3,595,683 Euros relate to ongoing projects (Note 27).

The accumulated impairment losses of 'Trade receivables and other receivables' are as follows:

	NON CURRENT		CURRENT	
	FY 2023	FY 2022	FY 2023	FY 2022
Accumulated impairment losses:				
Trade receivables	-	-	19,578,645	35,258,940
Other receivables	1,009,606	1,066,039	375,696	1,562,173
	1,009,606	**1,066,039**	**19,954,341**	**36,821,113**
Carrying amount – trade receivables	**3,004,633**	**4,228,376**	**36,320,856**	**37,006,574**
Carrying amount - other receivables	**560,910**	**2,079**	**677,336**	**702,292**
Total	**3,565,543**	**4,230,455**	**36,998,192**	**37,708,865**

The movement of accumulated impairment losses of accounts receivables is as follows:

	TRADE RECEIVABLES		OTHER RECEIVABLES	
	FY 2023	FY 2022	FY 2023	FY 2022
Opening balance	35,258,940	22,593,789	2,628,212	1,667,720
Additions	2,338,997	13,007,008	-	1,354,812
Reductions	(15,738,882)	(894,385)	(1,092,257)	-
Applications	-	(20,980)	(65,673)	(583,182)
Changes of consolidation perimeter, foreign currency exchange rate difference and transfers	(2,280,410)	573,509	(84,981)	188,862
Closing balance	**19,578,645**	**35,258,940**	**1,385,302**	**2,628,212**

The decrease in impairment losses of 'Trade receivables', in 2023, relates primarily to the reversal of impairment related to the main client of the shipbuilding area (in the amount of circa 15 million Euros, following the collection of the amount in debt). In 2022, the increase in impairment of Clients, resulted, essentially, from the recognition of impairment for the main client of the shipbuilding area as well as from the recognition of client impairment under IFRS 9.

The net amount between increases and reversals of 'Impairment losses', in 2023, is positive in 14,492,142 Euros. In 2022, it was negative in 13,467,435 Euros. These amounts are presented in the consolidated income statement in the caption 'Impairment losses of financial assets'.

On 31 December 2023 and 2022, the ageing of the balances of accounts receivable, net of accumulated impairment losses, can be detailed as follows:

FY 2023			PAST DUE			
	TOTAL	NOT DUE	UNTIL 90 DAYS	90 TO 180 DAYS	180 TO 360 DAYS	MORE THAN 360 DAYS
Trade receivables	38,830,355	25,386,766	11,305,047	542,872	1,043,444	552,227
Notes receivables	495,134	495,134	-	-	-	-
Other receivables	1,238,247	884,281	306,481	6,595	-	40,890
Total	**40,563,736**	**26,766,181**	**11,611,527**	**549,467**	**1,043,444**	**593,117**

FY 2022			PAST DUE			
	TOTAL	NOT DUE	UNTIL 90 DAYS	90 TO 180 DAYS	180 TO 360 DAYS	MORE THAN 360 DAYS
Trade receivables	40,109,294	19,244,316	12,516,320	976,120	1,088,165	6,284,372
Notes receivables	1,125,656	1,006,342	-	119,314	-	-
Other receivables	704,371	304,084	289,320	-	-	110,967
Total	**41,939,320**	**20,554,742**	**12,805,640**	**1,095,434**	**1,088,165**	**6,395,339**

The impairment recorded is mostly for balances overdue by more than 360 days.

The average collection period of accounts receivable of the Group was 67 days in 2023, having decreased in relation to the previous year (88 days in 2022). This positive evolution verified in recent years stems from a strong improvement at the non-Group client level, consequence of the improvements at the level of the ‘Know your Customer’ process and client monitoring, which translated into greater efficiency in the collection processes.

The Board of Directors of the Group believes that the balances of 'Clients’ and ‘Other debtors' recorded in the balance sheet are very close to their fair value, and, in particular, that as regards debts overdue for more than 180 days, no significant losses are expected in addition to the recorded impairment losses. Some of the higher balances that have been overdue the longest relate to clients that, given the current economic situation, are going through temporary liquidity difficulties; however, the Group has taken steps and established agreements to define payment plans and obtain guarantees regarding the collection.

During 2023, the Group maintained the policy of not using factoring lines as a collection mechanism, accepting the collection through confirming in certain cases, maintaining the focus on negotiating advance payments and payment plans that coincide with the disbursements that the Group companies will make under the contracts as a way of balancing the financial cash flow of the works and projects in which it is involved. When the agreed payment plans are not fully complied with, the Group has other means of mitigating this impact on cash flows.

26. CURRENT TAX / INCOME TAX - ASSETS

On 31 December 2023 and 2022, the balances of the caption ‘State and other public entities’ are as follows:

	FY 2023	FY 2022
Income tax (Note 14)	**994,563**	**2,444,006**
Value added tax	1,956,141	2,002,028
VAT requested refunds	2,683,836	1,126,359
Other taxes	24,103	43,441
Current tax assets	**4,664,081**	**3,171,829**

The value of the VAT captions essentially corresponds to the tax to be recovered in Portugal and is a consequence of the fact that the activity in the 'Naval Industry' and in the 'Metallic Constructions' segments is mainly for export.

27. CONTRACT ASSETS

The information concerning assets associated with client contracts by business segment, net of advance payments, on 31 December 2023 and 2022, can be analysed as follows:

	FY 2023	FY 2022
Accrued income net of advances from customers:		
Metallic Construction	6,477,278	3,951,803
Naval Industry	2,662,674	1,508,937
	9,139,951	**5,460,740**

The movement in financial years 2023 and 2022, in assets and liabilities associated with client contracts, excluding the component of advance payments, can be analysed as follows:

	FY 2023
Balances at 1st January 2023	**(10,942,784)**
- Contract Assets	5,460,740
- Contract Liabilities (Note 37)	(16,403,524)
Increases resulting from accomplishing new performance obligations not yet billed	8,048,339
Performance bonds from 2022 billed in 2023	(4,338,845)
Advanced billing in 2022 for performance bonds from 2023	10,801,625
Billing in 2022 without corresponding performance obligation	(10,827,115)
Exchange differences, changes in perimeter and other	933,293
Balances at 31st December 2023	**(6,325,487)**
Balances at 31st December 2023	
- Contract Assets	9,139,951
- Contract Liabilities (Note 37)	(15,465,438)
	(6,325,487)

	FY 2022
Balances on 1st January 2022	**(17,663,855)**
- Contract Assets	8,812,836
- Contract Liabilities (Note 37)	(26,476,691)
Increases resulting from accomplishing new performance obligations not yet invoiced	3,477,514
Performance bonds from 2021 invoiced in 2022	(6,850,304)
Advanced invoicing in 2021 for performance bonds from 2022	19,467,375
Invoicing in 2022 without corresponding performance obligation	(9,116,390)
Exchange differences, changes in perimeter and other	(257,123)
Balances on 31st December 2022	**(10,942,784)**
Balances on 31st December 2022	
- Contract Assets	5,460,740
- Contract Liabilities (Note 37)	(16,403,524)
	(10,942,784)

The value of income accruals, net of advance payments, in 2023, relate mainly to 'Metallic Constructions', in Portugal, France and the United Kingdom.

On 31 December 2023 and 2022, the information on construction contracts in progress is as follows:

	FY 2022	FY 2021
Total costs incurred with construction contracts in progress:	333,013,080	332,317,368
Costs incurred with construction contracts in progress in the year:	116,656,054	98,491,116
Total revenue incurred with construction contracts in progress	403,465,435	405,015,956
Revenue incurred with construction contracts in progress in the year:	143,119,719	121,515,904
Advanced payments received from customers of construction contracts in progress (Note 37)	9,608,145	7,230,905
Retentions performed by customers in construction contracts in progress (Note 25)	2,315,251	3,595,683
Guarantees provided to customers in relation to construction contracts in progress (Note 39)	45,573,412	22,419,332
Accrued income net of advances from customers related with construction contracts in progress (Note 27)	9,139,951	5,460,740
Deferred income and accounts payable related with construction contracts in progress (Note 37)	15,465,438	16,403,524
Deferred Cost related with construction contracts in progress (Note 28)	575,412	1,572,420
Accrued Cost related with construction contracts in progress (Note 38)	10,402,992	6,168,557
Provision to Onerous Contracts related with construction contracts in progress (Note 34)	6,202,421	153,307
Inventory related with construction contracts in progress (Note 24)	-	212,461

The warranties granted to project owners in the 'Metallic Constructions' segment, as referred to in Note 39, relate to ongoing projects and to completed projects within the warranty period, for which the average period is 5 years.

The retentions made by clients in construction contracts in the ‘Metallic Constructions’ segment, referred to in Note 25, concern ongoing projects and completed projects in the warranty period.

As far as shipbuilding is concerned, the value associated with the warranty will continue in deferred income until the end of the project, and, on 31 December 2023, it amounted to 2,671,994 Euros (5,297,473 Euros on 31 December 2022). During the financial year, income associated with the final delivery and end of the warranty period was recognised, in the amount of 1,725,550 Euros (12,168,233 Euros on 31 December 2022).

On 31 December 2023 and 2022, the Group's main ongoing projects that justify the balance of ‘Assets associated with client contracts' are as follows:

	FY 2023	FY 2022
Aerogare de Marseille Provence (Martifer France)	3,033,111	-
Jan de Nul (West Sea)	977,570	-
HS2 - Pack 2.1 (Martifer UK)	774,064	-
Santa Isabel (Navalria)	772,878	-
Gare de Mons (Martifer Construções)	691,684	1,314,417
MAG -Pier 2 Phase 2 - TP2300 Shell & Core (Martifer UK)	658,188	-
Park & Ride Building 3A1, 3D1+3G2, 3K1 (Saudi Martifer)	302,835	-
14 Wind Towers for Spain and France (Martifer Construções)	-	995,907
Gare de Noisy (Martifer France)	265,737	915,001
World Adventurer (West Sea)	-	347,457
5 Wind Towers for France (Martifer Construções)	-	278,335
Sonreiras (West Sea)	-	259,642
Al Faisaliah Redevelopment Project - Early Works Façade Package (Saudi Martifer)	-	223,803
Others	1,663,884	1,126,178
	9,139,951	**5,460,740**

28. OTHER CURRENT ASSETS

On 31 December 2023 and 2022, the breakdown of the caption ‘Other current assets’ may be analysed as follows:

	FY 2023	FY 2022
Accrued income:		
Interest to be received	6,903	7,549
Other accrued income	2,450,293	2,685,953
	2,457,196	**2,693,503**
Prepayments:		
Insurances	470,232	376,697
Financial expenses	32,862	24,988
Rents	110,223	62,559
Other prepayments	485,346	575,290
Deferred Cost - Work in Progress	575,412	1,572,420
	1,674,075	**2,611,954**
	4,131,272	**5,305,457**

The caption 'Other accrued income' is strongly related to the invoicing to be issued by the ‘Metallic Constructions’ segment in Portugal, both on 31 December 2023 and 31 December 2022. In Portugal, this effect is due, in particular, to the invoicing to companies that consolidate by the equity method (Martifer-Visabeira S.A. (Mozambique) - approximately 2.1 million Euros on 31 December 2023 and 2.4 million Euros on 31 December 2022).

On 31 December 2023, the caption ‘Other prepayments’ essentially includes the disbursements made by the Group associated with specialised services, which will be rendered / used in 2024.

Thus, on 31 December 2023 and 2022, the main ongoing projects of the Group that justify the balance of ‘Deferred Cost - Work in Progress ' is as follows:

	FY 2023	FY 2022
Jaquetas - TOBD (Martifer Construções)	-	520,213
Hall e Galerie Béraudier de la Gare de Lyon Part Dieu (Martifer France)	-	353,580
Gare de Noisy (Martifer France)	-	329,000
Estudo CFD Stade d'Abidjan (Martifer Construções)	192,953	-
London Dock - Building C1 (Martifer UK e Martifer Construções)	318,006	-
Alcalá 546 - A546 (Martifer Construções e Martifer Spain)	63,601	-
Effect of the restatement of the hyperinflationary economy in Angola (IAS 29)	852	1,462
Others	-	368,165
	575,412	**1,572,420**

29. CASH AND CASH EQUIVALENTS

The caption ‘Cash and cash equivalents’ may be analysed as follows:

	FY 2023	FY 2022
Cash and cash equivalents:		
Bank deposits	82,878,120	56,288,737
Cash	23,192	42,329
	82,901,312	**56,331,066**

On 31 December 2023 and 2022, no restrictions existed as to the use of the balances recorded in the caption ‘Cash and cash equivalents’.

On 31 December 2023, the line 'Bank deposits' includes 26,911,649 Euros related to term deposits, which bear interest at normal market rates and are immediately withdrawable with insignificant risk of loss of value.

On 31 December 2023, the caption 'Bank deposits' includes about 5.8 million Euros of companies based in Angola, which due to the specificity of this country are subject to restrictions regarding transfers out of Angola; however, there are no restrictions on their use.

The above amounts are broken down, by country, as follows:

	FY 2023	FY 2022
Portugal	50,326,379	41,191,960
Angola	5,780,880	4,692,263
United Kingdom	7,191,314	337,873
Poland	3,305,959	2,381,390
Romania	7,730,784	3,074,620
Spain	844,943	600,367
Belgium	3,305,911	77,890
France	3,683,091	3,415,001
Saudi Arabia	702,688	526,319
Ireland	-	216
Argentina	18,740	18,912
Netherlands	3,211	6,018
Austria	-	700
Malta	6,235	6,237
United Arab Emirates	1,030	1,162
Brazil	147	140
	82,901,312	**56,331,066**

30. EQUITY

Share capital

Martifer SGPS’s share capital, fully subscribed and paid-up, on 31 December 2023 and 2022, amounted to 50,000,000 Euros and is represented by 100 000 000 registered shares with a par value of 0.50 each Euros. All shares hold the same rights, namely one share, one vote. During the 2023 and 2022 financial years, there were no changes in the number of shares representing the Company’s share capital.

During the 2023 financial year, Martifer SGPS did not acquire or sell own shares. Martifer holds 2 215 910 own shares, corresponding to 2.22 % of its share capital, the acquisition cost of which was 2,868,519 Euros (same amount on 31 December 2022).

On 31 December 2023, the share capital of the Company is 38.01 % held by I'M SGPS, S.A. (owned by Carlos Manuel Marques Martins and by Jorge Alberto Marques Martins), 5.89 % held by two directors related to I'M - SGPS, SA (Carlos Manuel Marques Martins and Jorge Alberto Marques Martins), 37.5 % by Mota-Engil SGPS, SA (a company listed on the Stock Exchange), 2.22 % in own shares, and the remaining 16.38 % dispersed on the Stock Exchange.

Own shares

The Group holds 2 215 910 own shares, corresponding to 2.22 % of its share capital. By law, it is required to maintain a non-distributable reserve in the amount of the acquisition of own shares, included in 'Other reserves and Retained earnings'.

Reserves

Legal reserve

Portuguese commercial legislation establishes that at least 5 % of the annual net profit must be used to increase the 'Legal reserve' until the latter represents at least 20 % of the share capital. This reserve is non-distributable, except in the event of liquidation, but may be used to offset losses after all the other reserves have been used up and/ or it can be incorporated in share capital.

This amount is included in the caption 'Other reserves and Retained earnings' and amounts to 10,000,000 Euros, both on 31 December 2023 and 2022.

Currency conversion reserves

The currency conversion reserves reflect the foreign-exchange fluctuations that occurred: (i) in converting the financial statements of subsidiaries in a currency other than the Euro; (ii) in the updating of the net investment in subsidiaries; and (iii) in the updating of the Goodwill, which cannot be distributed or used to absorb losses, being transferred to the income statement when the investees are sold or liquidated.

Other reserves and Retained earnings

In addition to the legal reserve in the amount of 10,000,000 Euros (10,000,000 Euros on 31 December 2022), this caption includes the results of previous years and an unavailable reserve in the amount of 2,868,519 Euros related to the value of the own shares (2,868,519 Euros on 31 December 2022).

Under Portuguese legislation, the amount of reserves considered distributable is determined based on the Company's separate financial statements, prepared in accordance with International Financial Reporting Standards (IFRS).

On 31 December 2023, Martifer SGPS, S.A. has no distributable reserves available.

Capital management policy (See Note 1.4 xxxi))

Capital management is made to ensure the continuity and development of operational activities, and focus is given to financial debt management and to liquidity risk.

Non-controlling interests

The evolution of non-controlling interests can be analysed as follows:

	FY 2023	FY 2022
Opening balance	30,664	(335,337)
Dividends distributed	(146,548)	(400,434)
Profit for the year	1,386,266	817,555
Other changes in equity	(544,835)	47,037
Changes in the consolidation perimeter	(86)	-
Transactions with non-controlling interests	-	(98,152)
Others	64,344	(5)
	789,805	**30,664**

In 2023, the main impacts that justify the change in non-controlling interests are the 'Profit for the year', the 'Dividends distributed' and 'Other changes in equity', which has a negative impact and result, essentially, from the currency devaluation verified in some geographies. In 2022, the main impacts that justify the change in non-controlling interests are the 'Profit for the year', as well as the 'Dividends distributed'.

The detail of the main non-controlling interests can be analysed as follows:

	% NON-CONTROLLING INTERESTS		FY 2023	FY 2022
	FY 2023	FY 2022		
Metallic Contruction				
Martifer – Construções Metálicas Angola, S.A.	21.25%	21.25%	768,170	547,342
Liszki Green Park Sp. Z o.o.	10.00%	10.00%	(890,139)	(930,945)
Other non-controlling interests	-	-	-	87
Renewables				
Martifer Renewables O&M Sp. Z o.o.	32.00%	32.00%	911,773	414,179
			789,805	**30,664**

On 31 December 2023, the summarised financial information on the main subsidiaries controlled by the Group with non-controlling interests was as follows:

FY 2023	NON-CURRENT ASSETS	CURRENT ASSETS	NON-CURRENT LIABILITIES	CURRENT LIABILITIES	NET PROFIT FOR THE YEAR
Martifer - Construções Metálicas Angola, S.A.	3,551,182	9,024,467	856,582	5,106,524	4,458,606
Liszki Green Park Sp. Z o.o.	-	5,216,210	13,053,927	1,063,675	(54,583)
Martifer Renewables O&M Sp. Z o.o.	115,728	3,480,269	52,975	693,731	1,388,346

Regarding Martifer - Construções Metálicas Angola, S.A, on 31 December 2023, the value of the non-controlling interests corresponds to 21.25 % of the Equity, excluding Supplementary capital contributions (1,654,653 Euros), to which the value of the Supplementary capital contributions of the minority shareholding (416,556 Euros) is added.

31. LOANS

The loans obtained, with reference to financial years ended 31 December 2023 and 2022, are as follows:

FY 2023	UNTIL 1 YEAR	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL
Loans from Financial institutions:					
Bank loans	4,867,097	4,406,262	81,055,462	717,884	91,046,705
Other loans:					
Other loans	48,096	52,677	161,320	-	262,092
	4,915,193	**4,458,938**	**81,216,782**	**717,884**	**91,308,798**

FY 2022	UNTIL 1 YEAR	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL
Loans from Financial institutions:					
Bank loans	3,648,511	5,030,213	15,330,682	72,546,583	96,555,989
Other loans:					
Other loans	48,096	48,096	213,997	-	310,188
	3,696,607	**5,078,309**	**15,544,679**	**72,546,583**	**96,866,177**

In 2023, the value of the Group's loans consolidated its downward trajectory, registering a decrease of about 5.74 % from the previous year in the total of the Group's financing, which amounted to 91,308,798 Euros on 31 December 2023.

This decrease results from the honouring of the Group's bank debt service, having also benefited from the contribution resulting from the compliance with Martifer's Non-core Assets Sale Plan.

On 31 December 2023, the short-term debt was 4,915,193 Euros, with a weight of 5 % to the Group's total loans.

The amount recorded in the caption 'Other loans' corresponds, essentially, to development support funding obtained from Agência para o Investimento e Comércio Externo de Portugal (“AICEP”) (Portuguese Agency for Foreign Trade and Investment) and Instituto de Apoio às Pequenas e Médias Empresas e ao Investimento (“IAPMEI”) (Institute for Support to Small and Medium-sized Companies and to Investment).

The change in loans between 31 December 2022 and 2023 is as follows:

	FY 2022	CASH-FLOWS	LOSS COVERAGE	TRANSACTIONS WITH NO EFFECT IN CASH-FLOWS
Bank loans	96,866,177	(5,557,380)	-	91,308,798
Total	**96,866,177**	**(5,557,380)**	**-**	**91,308,798**

Between 2022 and 2023, no other amounts affected the cash flows.

The change in loans between 2021 and 2022 is as follows:

	FY 2021	CASH-FLOWS	CHANGES OF CONSOLIDATION PERIMETER	TRANSACTION S WITH NO EFFECT IN CASH-FLOWS
Bank loans	110,593,526	(13,808,221)	80,872	96,866,177
Total	**110,593,526**	**(13,808,221)**	**80,872**	**96,866,177**

Between 2021 and 2022, 0.08 million Euros did not affect cash flows due to capitalisation of interest associated with contracts in which capitalisation is provided for.

On 31 December 2023 and 2022, the amounts relating to loans are denominated in the following currencies:

FY 2023	FINANCIAL INSTITUTIONS	OTHER LOANS	TOTAL
Euro	91,046,705	262,092	91,308,798
	91,046,705	**262,092**	**91,308,798**

FY 2022	FINANCIAL INSTITUTIONS	OTHER LOANS	TOTAL
Euro	96,555,989	310,188	96,866,177
	96,555,989	**310,188**	**96,866,177**

The average interest rates incurred on loans are as follows:

FY 2023	AVERAGE RATES	RANGE OF INTEREST RATES (%)
Loans from Financial institutions:		
Bank loans	6.95%	[5.89% to 7.14%]
Other loans:		
Other loans	0.00%	[0.00%]

FY 2022	AVERAGE RATES	RANGE OF INTEREST RATES (%)
Loans from Financial institutions:		
Bank loans	4.91%	[2.23% to 5.73%]
Other loans:		
Other loans	0.00%	[0.00%]

The interest rates incurred on bank loans, by country, are as follows:

COUNTRY	INDEX	SPREAD
Portugal	Euribor	[2.00 to 3.00]

Martifer's debt is subject to variable interest rates in its entirety. In 2023, interest rates in the Eurozone showed an increasing trajectory with periodic upward revisions of reference rates by the European Central Bank. With inflation levels showing the first signs of slowing down, Christine Lagarde opted, in March 2024, to maintain reference rates and it is expected that they may be revised, slightly downwards, in the second half of the year. However, according to the macroeconomic projections of the European Central Bank Staff, published in March 2024 (March 2024 ECB staff macroeconomic projections), the 3-month Euribor should remain at the same level as in December 2023, with the reduction in interest rates only being projected for 2025, with Euribor stabilising at 2.4 %.

On 31 December 2023, the main bank loans obtained by the Group are as follows:

COMPANY	CONTRACT CURRENCY	VALUE (EUROS)	DUE DATE	GRACE PERIOD OF CAPITAL	INSTALMENT PAYMENTS	FIRST INSTALMENT AMOUNT	LAST INSTALMENT AMOUNT
Martifer Construções Metalomecânicas, S.A.	EUR	2,150,000	30/06/2028	4 months + 4 years + 1 quarter + 12 months + 6 months	Quarterly	32,673	970,318
Martifer Construções Metalomecânicas, S.A.	EUR	1,500,000	30/06/2028	4 months + 4 years + 1 quarter + 12 months + 6 months	Quarterly	22,795	676,942
Martifer Construções Metalomecânicas, S.A.	EUR	6,500,000	30/06/2028	2 years + 4 years + 1 quarter + 12 months + 6 months	Quarterly	325,000	1,601,921
Martifer Metallic Constructions SGPS, S.A.	EUR	20,000,000	30/06/2028	1 years + 4 years + 1 quarter + 12 months + 6 months	Quarterly	1,250,000	12,531,632
Martifer Metallic Constructions SGPS, S.A.	EUR	5,250,000	30/06/2028	1,5 years + 4 years + 1 quarter + 12 months + 6 months	Quarterly	76,924	1,677,441
Martifer Construções Metalomecânicas, S.A.	EUR	5,000,000	30/06/2028	1 quarter + 6 years + 1 quarter + 12 months + 6 months	Quarterly	12,522	429,005
Martifer Construções Metalomecânicas, S.A.	EUR	2,500,000	30/06/2028	2 years + 5 years + 1 quarter + 12 months + 6 months	Quarterly	64,103	1,746,279
Martifer Construções Metalomecânicas, S.A.	EUR	851,052	30/06/2028	5 years + 1 quarter + 12 months + 6 months	Quarterly	2,128	653,855
Martifer Metallic Constructions SGPS, S.A.	EUR	14,000,000	30/06/2028	5 years + 1 quarter + 12 months + 6 months	Quarterly	33,852	10,392,794
Martifer Construções Metalomecânicas, S.A.	EUR	2,500,000	30/06/2028	4 years + 1 quarter + 12 months + 6 months	Quarterly	6,277	1,926,916
Martifer Construções Metalomecânicas, S.A.	EUR	2,600,000	30/06/2028	4 years + 1 quarter + 12 months + 6 months	Quarterly	6,504	1,996,696
Martifer Metallic Constructions SGPS, S.A.	EUR	29,347,440	30/06/2028	1 quarter + 12 months + 6 months	Quarterly	1,100,529	9,772,479
Martifer Metallic Constructions SGPS, S.A.	EUR	59,922	30/06/2028	3 years + 1 quarter + 12 months + 6 months	Quarterly	150	45,989
Martifer Construções Metalomecânicas, S.A.	EUR	113,172	30/06/2028	3 years + 1 quarter + 12 months + 6 months	Quarterly	283	86,861
Navalria Docas, Construções e Reparações Navais, S.A.	EUR	513,233	30/06/2028	3 years + 1 quarter + 12 months + 6 months	Quarterly	1,283	393,911
Martifer Construções Metalomecânicas, S.A.	EUR	2,035,204	30/06/2028	4 years + 1 quarter + 12 months + 6 months	Quarterly	5,088	1,563,686
Martifer Metallic Constructions SGPS, S.A.	EUR	3,048,379	30/06/2028	4 years + 1 quarter + 12 months + 6 months	Quarterly	7,621	2,342,127
Navalria Docas, Construções e Reparações Navais, S.A.	EUR	254,032	30/06/2028	4 years + 1 quarter + 12 months + 6 months	Quarterly	635	195,177
Navalria Docas, Construções e Reparações Navais, S.A.	EUR	1,624,246	30/06/2028	4 years + 1 quarter + 12 months + 6 months	Quarterly	4,061	1,247,939
Martifer Construções Metalomecânicas, S.A.	EUR	310,155	30/06/2028	4 years + 1 quarter + 12 months + 6 months	Quarterly	775	238,298
Martifer Construções Metalomecânicas, S.A.	EUR	1,016,422	30/06/2028	4 years + 1 quarter + 12 months + 6 months	Quarterly	2,541	780,936
Martifer Construções Metalomecânicas, S.A.	EUR	1,016,126	30/06/2028	4 years + 1 quarter + 12 months + 6 months	Quarterly	2,540	780,709
Martifer Construções Metalomecânicas, S.A.	EUR	3,299,532	30/06/2028	4 years + 1 quarter + 12 months + 6 months	Quarterly	8,249	2,535,093
Martifer Construções Metalomecânicas, S.A.	EUR	4,318,537	30/06/2028	4 years + 1 quarter + 12 months + 6 months	Quarterly	10,796	3,318,034

COMPANY	CONTRACT CURRENCY	VALUE (EUROS)	DUE DATE	GRACE PERIOD OF CAPITAL	INSTALMENT PAYMENTS	FIRST INSTALMENT AMOUNT	LAST INSTALMENT AMOUNT
Martifer Construções Metalomecânicas, S.A.	EUR	3,299,468	30/06/2028	4 years + 1 quarter + 12 months + 6 months	Quarterly	8,249	2,535,044
Martifer Construções Metalomecânicas, S.A.	EUR	3,048,645	30/06/2028	4 years + 1 quarter + 12 months + 6 months	Quarterly	7,622	2,342,331
Martifer Metallic Constructions SGPS, S.A.	EUR	351,719	30/06/2028	4 years + 1 quarter + 12 months + 6 months	Quarterly	879	270,232
Martifer Construções Metalomecânicas, S.A.	EUR	1,631,965	30/06/2028	12 months + 6 months	Quarterly	14,280	1,262,506
Martifer Renewables SGPS, S.A.	EUR	10,000,000	31/12/2028	3,5 years	Half-yearly	-	622,795
Martifer Metallic Constructions SGPS, S.A.	EUR	4,500,000	31/03/2028	8 years	Quarterly	-	4,607,932
Martifer Metallic Constructions SGPS, S.A.	EUR	1,527,689	31/12/2031	6,5 years	Quarterly	41,675	59,824
Martifer Construções Metalomecânicas, S.A.	EUR	792,198	20/03/2028	N,A	Quarterly	1,496	752,658
Martifer Construções Metalomecânicas, S.A.	EUR	37,999	20/03/2028	N,A	Quarterly	75	36,036

On 31 December 2023, the Group's sensitivity to changes in interest rates indices can be analysed as follows:

	ESTIMATED IMPACT 2023
Change in financial results due to a 0.5 p.p. alteration of the interest rate applied to the entire debt	456,544
Fixed-rate hedging	1,310
Sensitivity of the financial results due to interest rate changes	**455,234**

For this financing, the guarantees identified in Note 39 were provided.

The Group's bank financing contracts foresee some mechanisms to accelerate the repayment of the debt, namely through a programme for the sale of non-core assets provided for in the Strategic Plan and a cash-sweep mechanism. The calculation of this ratio for 2022 and 2023 did not result in any early repayment of the debt.

32. LEASE LIABILITIES

On 31 December 2023 and 2022, the value of lease rents and the present value of rents associated with lease liabilities are as follows:

	MINIMUM LEASE PAYMENTS		PRESENT VALUE OF MINIMUM LEASE PAYMENTS	
	FY 2023	FY 2022	FY 2023	FY 2022
No later than 1 year	2,900,143	2,570,316	1,550,692	1,340,292
Later than 1 year and not later than 5 years	15,431,876	8,634,103	11,070,329	4,222,368
Later than 5 years	22,970,782	31,700,470	12,991,876	21,035,147
	41,302,801	**42,904,889**	**25,612,897**	**26,597,806**
Future finance charges	(15,689,905)	(16,307,083)	-	-
Present value of minimum lease payments	**25,612,897**	**26,597,806**	**25,612,897**	**26,597,806**
Included in the financial statements as:				
Current lease payments	2,900,143	2,570,316	1,550,692	1,340,292
Non-current lease payments	22,712,754	24,027,490	24,062,205	25,257,514
	25,612,897	**26,597,806**	**25,612,897**	**26,597,806**

On 31 December 2023, Lease liabilities refer, essentially, to:

- sub-concessions of the shipyards of Viana do Castelo and Aveiro, with the present value of rents associated with lease liabilities amounting to 13,152,994 Euros (of which 233,977 Euros are recorded as current and 12,919,017 Euros as non-current);
- previous commitments with finance leases, with the present value of the rents associated with lease liabilities amounting to 8,663,671 Euros (of which 360,336 Euros were recorded as current and 8,303,336 Euros as non-current).

33. TRADE PAYABLES AND OTHER PAYABLES

The information regarding trade payables and other payables, for financial years ended 31 December 2023 and 2022, may be analysed as follows:

	NON CURRENT		CURRENT	
	FY 2023	FY 2022	FY 2023	FY 2022
Trade payables	**1,810,006**	**1,833,628**	**31,922,576**	**28,665,505**
Other payables:				
Fixed assets suppliers	-	-	130,631	136,482
Related companies and other shareholders	-	-	823,670	823,658
Other payables	9,788	15,000	3,300,498	3,352,673
Other payables	**9,788**	**15,000**	**4,254,800**	**4,312,813**
Total	**1,819,794**	**1,848,628**	**36,177,376**	**32,978,318**

In 2023, there was a 9 % increase in the amount of current and non-current suppliers, with a 2 % reduction in the value of non-current debts to suppliers and other creditors and an increase of 10 % in the value of current debts to trade payables and other payables. This increase reflects the increase in the level of purchases, for the works in the Group’s portfolio, having also benefitted from the improvement in the payment conditions offered by suppliers.

On 31 December 2023 and 2022, current balances with ‘Related companies and other shareholders' include balances payable to suppliers resulting from the Group's operating activity. The Board of Directors considers that the fair value of these balances does not differ significantly from their book value and that the effect of discounting these amounts is not material.

On 31 December 2023 and 2022, the ageing of the balances in the captions ‘trade payables’ and ‘other payables’ is as follows:

FY 2023	TOTAL	PAST DUE	NOT DUE			
			UNTIL 90 DAYS	90 TO 180 DAYS	180 TO 360 DAYS	MORE THAN 360 DAYS
Trade payables	33,732,583	7,374,929	23,712,129	706,056	129,463	1,810,006
Other payables	4,264,588	406,680	2,861,327	986,792	-	9,788
Total	**37,997,170**	**7,781,610**	**26,573,456**	**1,692,848**	**129,463**	**1,819,794**

FY 2022	TOTAL	PAST DUE	NOT DUE			
			UNTIL 90 DAYS	90 TO 180 DAYS	180 TO 360 DAYS	MORE THAN 360 DAYS
Trade payables	30,499,133	10,051,208	15,926,320	2,130,773	557,204	1,833,628
Other payables	4,327,813	2,048,502	2,258,316	5,995	-	15,000
Total	**34,826,945**	**12,099,710**	**18,184,636**	**2,136,768**	**557,204**	**1,848,628**

The average payment period for purchases and services acquired by the Group is around 74 days, a decrease from the previous year, in which the average payment period was around 85 days, corresponding to a decrease of 12.9 %. This improvement results from a better performance in terms of payment management.

Similarly to what happens with clients (Note 25), the retentions made from suppliers (1,435,997 Euros, in 2023 and 1,501,104 Euros, in 2022) are included in the caption 'trade payables', except for those in which the bank guarantee is provided by the supplier and not by Martifer, with these being considered as 'not overdue'.

The Group uses confirming lines to manage payments to some suppliers. The cash outflow is only recognised when the payment of the amount is made to the financing entity. On 31 December 2023, the value of the debt assigned in confirming amounted to 2,477,933 Euros (2,038,123 Euros on 31 December 2022), and is guaranteed by Martifer SGPS, S.A. The unused confirming ceiling was 522,067 Euros on 31 December 2023 (961,877 Euros on 31 December 2022).

34. PROVISIONS

The information regarding provisions, for financial years ended 31 December 2023 and 2022, may be detailed as follows:

	FY 2023	FY 2022
Quality guarantees	1,460,587	1,369,201
Ongoing legal claims	-	289,510
Onerous Contracts	6,202,421	153,307
Provisions on contractual obligations	1,172,468	1,394,264
	8,835,477	**3,206,282**

The movement in the caption 'Provisions', in financial year ended 31 December 2023, is as follows:

	OPENING BALANCE	ADDITIONS (Note 11)	DEDUCTIONS (Note 11)	APPLICATIONS	CHANGE OF CONSOLIDATION PERIMETER, EXCHANGE RATE DIFFERENCES, TRANSFERS	CLOSING BALANCE
Quality guarantees	1,369,200	184,486	(94,432)	-	1,332	1,460,587
Ongoing legal claims	289,510	-	(62,000)	-	(227,510)	-
Onerous contracts	153,307	85,990	(138,348)	-	6,101,473	6,202,421
Provisions on contractual obligations	1,394,264	99,948	(82,718)	-	(239,026)	1,172,468
	3,206,282	**370,424**	**(377,497)**	**-**	**5,636,269**	**8,835,477**

The financial investments which are accounted for using the equity method and for which provisions were constituted, on 31 December 2023 and 2022, were as follows:

	% CAPITAL HELD	EQUITY	NET PROFIT	FY 2023
	FY 2023	FY 2023	FY 2023	
Martimetal, SPA [1)]	49.00%	-	-	-
				-

	% CAPITAL HELD	EQUITY	NET PROFIT	FY 2022
	FY 2023	FY 2023	FY 2023	
Martimetal, SPA [1)]	49.00%	-	-	-
				-

[1)] Regarding the investment in Martimetal, SPA, in 2019, the provision arising from the application of the equity method was reversed as there are no additional responsibilities beyond the investment made. There was no change in this situation during financial years 2022 and 2023.

On 31 December 2023 and 2022, there is no associated or jointly controlled company with a negative equity, which justifies the inexistence of provisions resulting from the 'Application of the equity method'.

The provisions for 'Quality warranties' are intended to deal with any potential quality problems in the projects carried out by the Group, which have an average 5-year warranty period. The provisions are made at a percentage of around 0.15 % of the project value, which was calculated with reference to historical costs incurred.

In 2023 and 2022, the provisions for onerous contracts essentially relate to projects in the 'Metallic Constructions' segment, in Portugal. The detail, by project, can be analysed below:

	FY 2023	FY 2022
World Seeker (West Sea)	5,101,473	-
World Adventurer (West Sea)	1,000,000	-
Services F.C.P (Martifer Construções)	-	122,269
Gare de Noisy (Martifer France and Martifer Construções)	100,948	-
Luz Stadium_Maintenance 2013-2020 (Martifer Construções)	-	30,985
Others	-	53
	6,202,421	**153,307**

In 2023, a Provision was constituted for onerous contracts in the amount of 6.1 million Euros, resulting from the need to renegotiate with some suppliers associated with the construction of two ships by the company West Sea, as well as the general increase in the prices of equipment, materials and services. This provision was set up directly as an operating cost for the year, under the caption subcontracts, in accordance with the defined accounting policy.

Given the unpredictability of the moment of the reversal of provisions and given the nature for which they are intended, the Group did not discount them to their present value.

35. CONTINGENT ASSETS AND LIABILITIES

On 31 December 2023, there was the following contingent liability:

i) Lawsuit in an arbitration court brought against the subsidiary Martifer Construções Metalomecânicas, S.A. (MTC) and a third party, by the client Andrade Gutierrez Engenharia SA (AG) within the scope of the implementation of the Specific Contract for the Supply and Assembly of Metallic Structures and PTFE Membranes of the Arena of the Amazonia Stadium, totalling 4.3 million Euros by way of redress and BRL 2.4 million for additional costs, ongoing at CCBC - Chamber of Commerce Brazil Canada, in the preparatory and production of evidence phase. The Board of Directors of the Company, supported by the legal opinions of its lawyers, considers that, as a result of the proceedings, it is not possible to determine what responsibilities may arise for the subsidiary MTC, although it considers that the possibilities of a conviction are reduced because it has already counter-settled BRL 12.7 million via additional costs and additional work. In November 2023, the Expert’s Report, prepared by the appointed expert, was presented to the arbitration court, with the consequent evidence production acts ongoing.

36. CURRENT TAX / INCOME TAX - LIABILITIES

On 31 December 2023 and 2022, the balance of the caption ‘State and other public entities’ is as follows:

	FY 2023	FY 2022
Income Tax (Note 14)	**1,060,998**	**1,951,722**
Value added tax	2,713,474	2,986,530
Social security contributions	760,850	633,865
Withholding tax	398,430	449,385
Other taxes	68,603	26,761
Current tax liabilities	**3,941,356**	**4,096,540**

37. CONTRACT LIABILITIES

The information regarding liabilities associated with client contracts by business segment, on 31 December 2023 and 2022, can be analysed as follows:

	FY 2023			FY 2022		
	ADVANCES FROM CUSTOMERS (Note 27)	DEFERRED INCOME (Note 27)	ADVANCES FROM CUSTOMER S (Note 27)	DEFERRED INCOME (Note 27)	ADVANCES FROM CUSTOMERS (Note 27)	DEFERRED INCOME (Note 27)
Metallic Construction	8,480,419	6,761,611	15,242,030	5,616,381	5,376,832	10,993,214
Naval Industry	1,127,726	8,703,827	9,831,553	1,614,523	11,026,692	12,641,215
Total of Contracts Liabilities	**9,608,145**	**15,465,438**	**25,073,583**	**7,230,905**	**16,403,524**	**23,634,429**

The movement in the 2023 financial year, in advance payments received from clients, can be analysed as follows:

	FY 2023
Balance at 1st January 2023	**7,230,905**
Revenue recognized in the year associated with liabilities recorded in previous years	(1,878,024)
Advances received in the year	4,311,786
Exchange differences, changes in perimeter and other	(56,521)
Balance at 31st December 2023	**9,608,145**

On 31 December 2023 and 2022, the Group's main ongoing projects that justify the deferred income balance in the caption ‘Liabilities associated with client contracts’ are as follows:

	FY 2023	FY 2022
Edenn (Martifer France and Martifer Construções)	3,947,908	-
APT River Cruise (West Sea)	3,312,258	-
World Traveller (West Sea)	1,854,066	3,571,923
World Seeker (West Sea)	1,850,878	3,367,323
Integrated communication project (Martifer Angola)	-	1,932,280
World Navigator (West Sea)	-	1,725,550
Avalon Douro (West Sea)	817,927	1,648,442
Jaquetas - TOBD (Martifer Construções)	-	1,309,041
6 Wind Towers for France (Martifer Construções)	-	642,138
Multipurpose Oriente (Martifer Construções)	613,586	115,452
Our Zimbo 2 Frames (Martifer Construções Angola)	551,211	-
HS2 Old Oak WP18 - GWML Station & SAB Structural Steelwork (Martifer UK)	486,427	-
Mareterra QPC1 & QPC2 (Martifer France)	-	324,306
Hall e Galerie Béraudier de la Gare de Lyon Part Dieu (Martifer France)	-	207,289
Others	2,031,177	1,559,779
	15,465,438	**16,403,524**

38. OTHER NON-CURRENT / CURRENT LIABILITIES

NON-CURRENT

The information regarding other non-current liabilities, for financial years ended 31 December 2023 and 2022, is as follows:

	FY 2023	FY 2022
Deferred income		
Subsidies / Government grants (Note 40)	176,387	185,721
Other deferred income	750,782	1,507,241
	927,169	**1,692,961**

The caption 'Other deferred income' in 2023, as well as in 2022, results exclusively from the recognition of deferred income with the attribution of the Green Certificates in Eviva Nalbant S.R.L, the sale of which will only occur beyond 365 days (Note 23).

CURRENT

The information regarding other current liabilities, for financial years ended 31 December 2023 and 2022, is as follows:

	FY 2023	FY 2022
Accrued expenses		
Accrued Expenses - Work in progress	10,402,992	6,168,557
Holiday pay and bonuses	5,341,383	4,559,170
Interest borne but not yet overdue	1,658,965	1,356,606
Insurances to be paid	-	17,338
Production performed by third parties not yet invoiced	27,090	38,292
Other accrued expenses	1,483,043	1,032,277
	18,913,474	**13,172,240**
Deferred income		
Subsidies / Government grants (Note 40)	352,406	7,207
Other deferred income	2,058,352	2,028,081
	2,410,758	**2,035,289**
	21,324,232	**15,207,528**

The 'Other accrued expenses', on 31 December 2023, correspond to external supplies and services rendered in 2023 and not yet invoiced.

The caption 'Other deferred income', in 2023, as in 2022, mainly results from the recognition of deferred income with the attribution of the Green Certificates in Eviva Nalbant S.R.L. (Note 23).

The caption 'Accrued expenses – ongoing projects' includes work executed and material supplied and incorporated in the manufacturing process but not yet invoiced by suppliers.

Thus, on 31 December 2023 and 2022, the main ongoing projects that justify the balance of 'Accrued expenses – ongoing projects' are as follows:

	FY 2023	FY 2022
Aerogare de Marseille Provence (Martifer France and Martifer Construções)	2,762,704	387,455
Edenn (Martifer France and Martifer Construções)	1,758,495	-
MAG -Pier 2 Phase 2 - TP2300 Shell & Core (Martifer UK and Martifer Construções)	1,252,562	-
Gare de Noisy (Martifer France)	680,501	-
Multipurpose Oriente (Martifer Construções)	583,282	162,865
Park & Ride Building 3A1, 3D1+3G2, 3K1 (Martifer Saudi Arabia)	524,320	448,002
Al Faisaliah Redevelopment Project - Early Works Façade Package (Martifer Saudi Arabia)	514,127	1,857,624
Casa X (Martifer Construções)	313,827	352,947
Jaquetas - TOBD (Martifer Angola and Martifer Construções)	282,107	-
East wing of Geneva Airport (Martifer Construções)	172,830	218,919
Biontech (Martifer Construções)	159,422	-
Integrated communication project (Martifer Angola)	144,163	636,908
ESB Zócalo (Martifer Espanha e Martifer Construções)	142,755	52,128
Stade Félix-Houphouët-Boigny – Abidjan (Martifer Construções)	-	306,665
Mareterra QPC1 & QPC2 (Martifer France and Martifer Roménia)	126,814	300,476
Kinaxixi-Podium (Martifer Construções)	96,936	117,184
Torre Infinity (Martifer Construções)	65,705	299,408
Gare de Mons (Martifer Construções Sucursal Bélgica and Martifer Construções)	41,672	168,162
MMH - Completion of remaining works (Martifer Construções and Martifer Construções UK)	40,583	76,937
Le Havre Project (Martifer France)	-	9,146
Others	740,187	773,729
	10,402,992	**6,168,557**

39. COMMITMENTS

Financial guarantees

On 31 December 2023 and 2022, the guarantees, namely bank guarantees and bond insurance, provided by the Group to project owners in respect projects for which various Group companies are responsible, split by currency, are as follows:

	FY 2023	FY 2022
Euro	56,101,047	28,660,919
New Leu	138,689	139,480
US dollar (*)	1,565,227	4,770,689
Moroccan Dirham	82,584	80,536
Pound Sterling	8,887,219	1,415,830
Angolan Kwanza	319,430	-
	67,094,198	**35,067,455**

(*) Bank guarantees for good performance, issued in Angola and in Portugal, mainly to guarantee projects in Saudi Arabia.

The detail, by Group company, is as follows:

	FY 2023	FY 2022
Martifer Construções Metalomecânicas S.A.	14,502,030	10,407,630
Martifer Metallic Constructions SGPS	21,147,576	9,957,306
Navalria S.A.	120,000	120,000
West Sea Lda	29,515,021	11,233,012
Martifer Construcciones Metálicas Espanha	1,297,389	711,000
Martifer SGPS	192,750	-
Martifer Construções Metálicas Angola S.A.	319,430	2,638,508
	67,094,198	**35,067,455**

In relation to the bank guarantees provided to clients, there are guarantees of three distinct natures:

- The advance payment guarantee aims to guarantee the value advanced by the Client at the beginning of the project for the purchase of material. The advance amount is defined in the contract and will be settled through the invoices; the client will cancel the guarantee once the entire advance payment has been settled;
- The good performance guarantees aim to ensure the fulfilment of the contract (execution deadlines, quality, etc.). The validity of this guarantee is defined contractually, and it is cancelled when the definitive reception of the project is carried out;
- The tender guarantees are issued as a guarantee that the company which presents itself for the tender will be capable of executing the work in the future and of guaranteeing the good performance that is necessary in case the tender is awarded.

The amount of active bank guarantees, on 31 December 2023, is 67.1 million Euros, having increased 91.3 % compared to the year 2022. The increase in guarantees in the ‘Metallic Constructions’ and ‘Naval Industry' segment largely contributed to this increase.

On 31 December 2023 and 2022, there are no commitments with documentary import credits.

On 31 December 2023 and 2022, there is no active credit insurance.

No disbursements related to the commitments mentioned above are expected.

Collateral

On 31 December 2023, collateral provided by the Company may be summarised as follows:

GUARANTEE	MORTGAGEE	DEBT AMOUNT
Pledge of Shares of Martifer Construções, S.A. 20% (1 500 000 shares)	Martifer Metallic Constructions SGPS, S.A.	15,303,256
1st degree mortgage on the Headquarters Building, 2nd degree mortgage on the Torres Eólicas Industrial Building (article 1914)	Martifer Construções Metalomecânicas, S.A.	6,191,500
	Navalria, S.A.	1,523,946
Mortgage of the Industrial Building Martifer Construções, S.A. (article 2079)	Martifer Construções Metalomecânicas, S.A.	2,901,514
1st degree pledge on 25% of the shares of Martifer Renewables SGPS, S.A. (25 000 000 shares)	Martifer Construções Metalomecânicas, S.A.	5,723,290
	Martifer Metallic Constructions SGPS, S.A.	2,860,136
Mortgage Land and warehouses Albergaria	Martifer Construções Metalomecânicas, S.A.	4,743,213
	Martifer Metallic Constructions SGPS, S.A.	13,760,213
TAVEIRO Land Mortgage (rustic building - 1349 and urban building - 2271)	Martifer Construções Metalomecânicas, S.A.	792,198
Vacant Land Mortgage (urban buildings - 2758 and 1420)	Martifer Construções Metalomecânicas, S.A.	37,999
Urban building mortgage Oliveira de Frades (article P-2003) Fáb. OF MTC		
Generic Mortgage (7.5 M€) of the Torres Eólicas Industrial Building (article 1914).		
1st degree pledge of Martifer Renewables SGPS, S.A. shares 65% (65 000 000 shares) + 10% (10 000 000 shares)	Martifer Metallic Constructions SGPS, S.A. Martifer Renewables SGPS, S.A.	10,835,884
Pledge of 1 Suzlon S88 Wind Turbine - 2.1 MW Hub height 79m		
Warehouse mortgage Martifer OF		
Mortgage on "Other MGI Land"		
Commercial Pledge various equipment	Navalria, S.A.	476,195
Commercial Pledge equipment	Martifer Construções Metalomecânicas, S.A.	105,005
Pledge of Term Deposit in the amount of 3,000,000 euros, at Bankinter associated with the bank guarantee of the HS2 work	Martifer Metallic Constructions SGPS	-
Pledge of Term Deposit in the amount of 2,5000,000 euros, at Millennium BCP associated with the NPO's bank guarantee	West Sea - Estaleiros Navais, Lda.	-
		65,254,351

During 2023, new collateral, mortgages and pledges of term deposits were provided. There was a clear reduction in the amount outstanding compared to 2022, of around 4.9 million Euros.

40. SUBSIDIES

The detail of the investment subsidies attributed to the Group, with an impact on financial year ended 31 December 2023, is as follows:

	INVESTMENT AMOUNT	SUBSIDIES GRANTED	DEFERRED INCOME (NOTE 38)	AMOUNT RECORDED IN INCOME STATEMENT (NOTE 5)
Buildings and other constructions	5,797,465	4,203,885	5,919	2,959
Basic equipment	7,832,920	2,373,768	1,890	1,890
Office equipment	89,387	89,387	503	2,359
Tools and utensils	61,233	53,023	-	-
Ongoing Assets	-	-	520,482	113,689
	13,781,005	**6,720,062**	**528,793**	**120,897**

The detail of operating subsidies recorded in the consolidated income statement for financial year ended 31 December 2023, in the caption' Other operating income / (expenses)', is as follows:

COMPANY	DESIGNATION	
Martifer Construções, S.A.	IEFP	13,075
		13,075

41. RELATED PARTIES

a) Balances and transactions

The Group's investees have relationships between them that qualify as transactions with related parties. All these transactions are carried out at market prices.

In the consolidation procedures, these transactions with Group companies are eliminated since the consolidated financial statements present information of the holding and its subsidiaries as if they were a single company.

The balances and transactions with associated and jointly controlled companies, as well as with shareholders and companies related with them, amounted to the following amounts:

	COSTS		REVENUES		ACCOUNTS RECEIVABLE (NOTE 25)		ACCOUNTS PAYABLE (NOTE 33)	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Associate companies	-	-	-	-	161,441	161,441	-	-
Joint Ventures	-	-	359,102	351,777	3,281,832	3,878,621	-	-
Shareholders	381,600	381,600	18,004	17,568	10,896	2,443	234,684	117,342
Other related parties	350,660	846,457	14,647,549	7,983,949	5,515,019	1,333,186	11,224	19,311
	732,260	**1,228,057**	**15,024,655**	**8,353,295**	**8,969,188**	**5,375,692**	**245,908**	**136,653**

In addition to the values mentioned in the tables presented above and below, there are no other transactions or balances held with related parties of the Group.

Accounts receivable from and payable to related companies will be settled in cash and are not covered by guarantees. During financial years ended 31 December 2023 and 2022, no impairment losses were recognised in relation to accounts receivable from related parties, except in situations arising from the application of IFRS 9.

The line 'Other entities' is essentially related to companies belonging to I'M - SGPS, S.A. Group and Mota-Engil SGPS, S.A. Group, reference shareholders of Martifer Group, and the vast majority of the balances and transactions originate from contracts in the 'Metallic Constructions' segment.

The companies included in the caption 'Shareholders' are as follows:

Shareholders
Mota-Engil SGPS, S.A.
I'M - SGPS, S.A.

The main companies included in the caption 'Other entities' (companies with balances and/or transactions of amounts over 10,000 Euros) are as follows:

Other Relatd Parties
MRP - Promoção Imobiliária, Lda
Mota Engil Angola, S.A.
Mota-Engil Cote D'Ivoire, SARL
Mota-Engil, Engenharia e Construção, S.A.
Largo do Paço, Investimentos Turísticos e Imobiliários, S.A
Black and Blue Investimentos, S.A.
Tavira Gran Plaza, S.A.
Mota-Engil, Engenharia e Construção África, S.A.

b) Remuneration of the Board and other key personnel

The remuneration granted to members of the Board of Directors and other key managers of the Group, during financial years ended 31 December 2023 and 2022, amounted to 2,311,613 Euros and 2,497,136 Euros, respectively.

The remuneration is determined by the Remuneration Committee, considering individual performance and the evolution of this type of job market.

The remuneration attributed to key management personnel, by remuneration category, can be summarised as follows (amounts in Euros):

	FY 2023	FY 2022
Fixed remuneration	2,311,613	2,497,136
	2,311,613	**2,497,136**

The remuneration policy of the members of the management and supervisory bodies of Martifer SGPS, approved under the terms of Law no. 28/2009, as well as the annual amount of remuneration earned by the members of said bodies, in an aggregate and individual manner, is presented in the Corporate Governance Report.

In addition, we present next the Directors of Martifer SGPS:

i. Carlos Manuel Marques Martins
ii. Arnaldo José Nunes da Costa Figueiredo
iii. Jorge Alberto Marques Martins
iv. Pedro Miguel Rodrigues Duarte
v. Pedro Nuno Cardoso Abreu Moreira
vi. Carlos Alberto Araújo da Costa
vii. Maria Sílvia da Fonseca Vasconcelos da Mota
viii. Carla Maria de Araújo Viana Gonçalves Borges Norte
ix. Carla Sofia Teixeira Gouveia Moura

42. EFFECTS OF THE RESTATEMENT OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES WHOSE FUNCTIONAL CURRENCY IS THE CURRENCY OF A HYPERINFLATIONARY ECONOMY

In 2017, Angola was considered a hyperinflationary economy, so the financial statements of subsidiaries of the Group that operate in this country and whose functional currency is the Kwanza had to be restated in terms of the current measuring unit at the end of the reporting period by applying a general price index.

In 2019, according to IMF information, Angola stopped being a hyperinflationary economy, and from this point on, it is considered that the figures reported in the financial statements at the end of the previous reporting period are considered the carrying amounts of the subsequent financial statements. The date considered as the last reporting date for Angola within hyperinflation was 30 June 2019, and the values of this country are maintained until the restated balance sheet items are used up.

In 2018, it was Argentina's turn to be considered a hyperinflationary economy, which resulted in the fact that companies that report in Argentinian Pesos had to be adjusted for those effects, a situation which is maintained in 2023.

The general price indices were calculated based on information on inflation provided by the Central Bank of the Republic of Argentina.

The effect of the restatement in the consolidated income statement for financial year 2023, can be summarised as follows:

FY 2023	ANGOLA	ARGENTINA	TOTAL
Restatement of expenses and income	-	(41,500)	(41,500)
Effect of derecognition of restated balance sheet items	(124,348)	-	(124,348)
Monetary result	-	187,087	187,087
Impact on net income for the year	**(124,348)**	**145,587**	**21,239**

The effect of the restatement in the consolidated statement of financial position on 31 December 2023 can be summarised as follows:

FY 2023	ANGOLA	ARGENTINA	TOTAL
Intangible assets	842,299	17,640	859,939
Tangible fixed assets	5,201,671	634,796	5,836,467
Inventory	106,707	-	106,707
Deferrals	3,265	60,728	63,992
Impact on Assets	**6,153,943**	**713,164**	**6,867,106**
Reserves	4,354,797	546,761	4,901,558
Net Iincome for the year	(124,348)	145,587	21,239
Impact on Equity	**4,230,449**	**692,348**	**4,922,797**
Deferred tax liabilities	1,729,292	15,511	1,744,802
Deferrals	194,202	5,305	199,507
Impact on Liabilities	**1,923,494**	**20,815**	**1,944,309**

On the other hand, the effects of the restatement in the consolidated statement of financial position, on 31 December 2022 can be summarised as follows:

FY 2022	ANGOLA	ARGENTINA	TOTAL
Intangible assets	846,788	9,735	856,523
Tangible fixed assets	5,316,387	421,052	5,737,439
Inventory	111,229	-	111,229
Deferrals	3,265	44,201	47,466
Impact on Assets	**6,277,668**	**474,987**	**6,752,656**
Reserves	4,451,396	388,397	4,839,793
Net Iincome for the year	(121,071)	65,368	(55,704)
Impact on Equity	**4,330,325**	**453,765**	**4,784,090**
Deferred tax liabilities	1,753,141	16,351	1,769,492
Deferrals	194,202	4,872	199,074
Impact on Liabilities	**1,947,343**	**21,223**	**1,968,566**

43. ANNEX TO THE CONSOLIDATED CASH FLOW STATEMENT

The receipts and payments of financial assets, in financial years ended 31 December 2023 and 2022, may be analysed as follows:

	FY 2023	FY 2022
Cash Receivables:		
Sale of Wind Farm Lada Sp. Z o.o.	-	13,976,941
Sale of Ventiveste, S.A. e Parque Eólico de Vale Grande, S.A.	-	6,000,000
Sale of FW Warta Sp. Z o.o.	1,033,162	199,781
Sale of PV Sol 7 Sp. Z o.o.	185,541	-
Total of Receivables	**1,218,703**	**20,176,722**
Cash and cash equivalents derecognised with loss of control	(802)	(190,784)
Total Net Receipts	**1,217,901**	**19,985,937**
Cash Payments:		
Acquisition of FW Warta Sp. Z o.o.	636,916	-
Constitution of Hytlantic, S.A.	-	156,000
Acquisition of 16% of Martifer Renewables O&M Sp. Z o.o.	-	33,344
Acquisition of minority interest of CiTin – Centro de Interface Tecnológico Industrial	4,000	4,000
Total of Payments	**640,916**	**193,344**
Cash and cash equivalents derecognised with gain of control	-	-
Total Net Payments	**640,916**	**193,344**

Regarding the sale of FW Warta, in December 2020, the amount to be received was Polish Zlotys 4 547 567. This value was to be received when the wind farm entered operation. This happened at the end of 2022, with Martifer neither having received the amount in question, nor obtained an expected date for such receipt; for this reason, and due to the uncertainty generated throughout the process, Martifer recorded an impairment loss for the amount in question. At the beginning of 2022, 199,781 Euros were received related to the recovery of value added tax, an amount provided for in the contract. In 2023, about 1 million Euros was received in respect of the earn-out of this project, having simultaneously paid the opponents the amount of 0.6 million Euros.

Regarding the disposal of FW Lada, in December 2022, the amount received amounted to 13,976,941 Euros. Part of the amount was received on the signature of the SPV sales contract (10,506,271 Euros). Additionally, in November 2022 we received around 3.47 million Euros in respect of 50 % of the success fee related to the re-permitting of the project, which went from 20 MW to 35 MW. There may be an additional receipt of an amount of 3.3 million Euros, for which we are unable to estimate when, or if, we will receive it. However, in 2023, based on past events and the future prospects that Martifer has of receiving the amount of the contingent price in respect of the re-permitting of the wind farm, the amount of 558,692 Euros was recorded in ‘Capital gains on non-financial assets’.

In 2023, as in 2022, the caption 'Other receipts / payments relating to operating activities' is mostly justified both by the VAT reimbursements received and by payments to Social Security (contributions by the employer and contributions by employees).

In 2023, the captions ‘Other receipts’ and ‘Other payments’ of investing activities are fundamentally justified by redemptions and constitutions of term deposits provided as collateral, respectively.

44. SUBSEQUENT EVENTS

On 19 February 2024, Martifer, through its subsidiary Martifer Renewables SGPS, S.A. completed the acquisition of 32 % of Martifer Renewables Operation and Maintenance sp. Z o.o., coming to hold 100 % of the company.

Since the reference date of the accounts, and except for the aforementioned, there have been no other events that affect the financial information disclosed.

45. FINANCIAL INSTRUMENTS

The financial instruments, in accordance with the accounting policies described in Note 1.4 vi), were classified as follows:

On 31 December 2023 and 2022, the financial instruments are as follows:

€	FY 2023	FY 2022
FINANCIAL ASSETS		
Financial assets at amortized cost		
Cash and cash equivalents	82,901,312	56,331,066
Non-current trade debtors and other debtors	3,565,543	4,230,455
Current trade debtors and other debtors	36,998,192	37,708,865
Prepayments	6,413,797	8,532,957
State and other public entities (without income tax)	4,664,081	3,171,829
	134,542,925	**109,975,173**
Financial assets at fair value through profit or loss		
Green Certificates non-current	750,782	1,507,241
Others non-current	265,004	273,393
Green Certificates current	1,936,704	1,411,193
Deposits given as security	6,785,289	1,704,053
Others current	6,596	6,596
	9,744,375	**4,902,476**
Carrying amount of Financial Assets	**144,287,300**	**114,877,649**

€	FY 2023	FY 2022
FINANCIAL LIABILITIES		
Financial liabilities at amortized cost		
Non-Current Loans	86,393,605	93,169,570
Non-current Lease liabilities	24,062,205	25,257,514
Non-current trade creditors and other creditors	1,819,794	1,848,628
Current Loans	4,915,193	3,696,607
Current Lease liabilities	1,550,692	1,340,292
Current trade creditors and other creditors	36,177,376	32,978,318
State and other public entities (without income tax)	3,941,356	4,096,540
	158,860,221	**162,387,469**
Carrying amount of financial liabilities	**158,860,221**	**162,387,469**

46. APPROVAL OF THE FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors on 12 April 2024. In addition, these consolidated financial statements as of 31 December 2023 are pending approval by the General Meeting of Shareholders.

Oliveira de Frades, 12 April 2024

The Certified Accountant

Marlene Henriques Pereira

The Board of Directors

Carlos Manuel Marques Martins
(Chairman)

Arnaldo José Nunes da Costa Figueiredo
(Vice-Chairman)

Jorge Alberto Marques Martins
(Vice-Chairman)

Pedro Miguel Rodrigues Duarte
(Member of the Board of Directors)

Pedro Nuno Cardoso Abreu Moreira
(Member of the Board of Directors)

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(Member of the Board of Directors)

Clara Sofia Teixeira Gouveia Moura
(Member of the Board of Directors)

SEPARATE FINANCIAL INFORMATION

SEPARATE FINANCIAL INFORMATION

Separate Financial Statements

13 | SEPARATE FINANCIAL STATEMENTS

SEPARATE INCOME STATEMENTS FOR FINANCIAL YEARS ENDED 31 DECEMBER 2023 AND 2022

RUBRICS	NOTES	FY 2023	FY 2022 (RESTATED NOTE 2)
Sales and services rendered	3	2,034,893	2,281,051
External services and supplies	4	(656,832)	(563,236)
Staff costs	5	(2,899,868)	(1,884,914)
Other income	7	56,409	48,549
Other expenses	7	(19,853)	(23,596)
Profit before depreciation, provisions, impairments, financial expenses and tax		**(1,485,251)**	**(142,146)**
Amortisation and depreciation costs	9	(377)	(623)
Operating income (before financial expenses and tax)		**(1,485,628)**	**(142,770)**
Interest and similar revenue	10	348,687	148,508
Interest and similar expenses	10	(3,021)	(3,156)
Gains/losses recognised on subsidiaries, associates and joint ventures	13	18,366,014	12,690,071
Earnings before tax		**17,226,052**	**12,692,653**
Income tax	11	2,469,606	1,386,819
Net profit for the year		**19,695,658**	**14,079.472**
Basic	**12**	**0.2014**	**0.1440**
Diluted	**12**	**0.2014**	**0.1440**

To be read with the Notes to the Financial Statements.

SEPARATE COMPREHENSIVE INCOME STATEMENTS FOR FINANCIAL YEARS ENDED 31 DECEMBER 2023 AND 2022

	NOTES	FY 2023	FY 2022 (RESTATED NOTE 2)
Net profit for the year		**19,695,658**	**14,079,472**
Amounts that will not be subsequently reclassified to profit or loss			
Adjustments to equity shares in subsidiary companies	13	707,047	2,315,811
		707,047	**2,315,811**
Net profit for the year		**20,402,706**	**16,395,283**

To be read with the Notes to the Financial Statements.

SEPARATE STATEMENTS OF FINANCIAL POSITION ON 31 DECEMBER 2023 AND 2022

RUBRICS	NOTES	FY 2023	FY 2022 (RESTATED NOTE 2)	01/01/2022 (RESTATED NOTE 2)
ASSETS				
Non-current assets				
Intangible assets	8	-	-	-
Tangible fixed assets	9	-	377	1,000
Investments in subsidiaries and associated companies	13	49,007,039	36,167,731	25,655,004
Group companies	14	5,107,289	5,107,289	3,872,289
Financial assets at fair value through profit or loss		4,860	4,658	4,052
Deferred tax assets	11	4,229,079	4,229,079	4,229,079
		58,348,268	**45,509,134**	**33,761,424**
Current assets				
Trade receivables	15	1,113,440	813,653	7,189
State and other public entities	16	3,351	3,351	-
Group companies	14	3,299,152	2,719,842	4,533,619
Other accounts receivable	15	30,450	30,878	30,811
Deferred expenses	17	16,316	1,449	1,449
Cash and cash equivalents	18	1,012,969	1,090,573	97,231
		5,475,677	**4,659,747**	**4,670,299**
TOTAL ASSETS		**63,823,945**	**50,168,881**	**38,431,723**
EQUITY				
Issued capital	19	50,000,000	50,000,000	50,000,000
Treasury stock	19	(2,868,519)	(2,868,519)	(2,868,519)
Legal reserves	19	10,000,000	10,000,000	10,000,000
Other reserves	19	5,891,378	5,184,331	2,868,519
Retained earnings	19	(27,265,851)	(41,345,322)	(41,345,322)
Net profit for the year	19	19,695,658	14,079,472	-
TOTAL EQUITY		**55,452,666**	**35,049,961**	**18,654,678**
LIABILITIES				
Non-current liabilities				
Provisions	6	-	6,233,753	9,984,641
		-	**6,233,753**	**9,984,641**
Current liabilities				
Trade payables	20	275,726	118,633	350,489
State and other public entities	16	134,757	155,447	168,206
Income tax	11	613,011	495,824	1,791,338
Group companies	14	6,268,741	7,843,087	7,018,887
Other accounts payable	20	1,079,044	272,176	463,485
		8,371,279	**8,885,167**	**9,792,405**
TOTAL LIABILITIES		**8,371,279**	**15,118,920**	**19,777,046**
TOTAL EQUITY AND LIABILITIES		**63,823,945**	**50,168,881**	**38,431,723**

To be read with the Notes to the financial statements.

SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR FINANCIAL YEARS ENDED 31 DECEMBER 2023 AND 2022

	SHARE CAPITAL	OWN SHARES	LEGAL RESERVES	OTHER RESERVES	RETAINED EARNINGS	PROFIT FOR THE YEAR	TOTAL EQUITY
BALANCE AT THE BEGINNING OF 2022	**50,000,000**	**(2,868,519)**	**10,000,000**	**2,868,519**	**28,272,381**	**717,126**	**88,989,507**
Effect of the change in the accounting policy for the recognition of financial investments (Note 2)	-	-	-	-	(70,334,829)	-	(70,334,829)
BALANCE ON 01 JANUARY 2022 (RESTATED NOTE 2)	**50,000,000**	**(2,868,519)**	**10,000,000**	**2,868,519**	**(42,062,448)**	**717,126**	**18,654,677**
Appropriation of the profit of 2021	-	-	-	-	717,126	(717,126)	-
Effect of the application of the equity method (Note 13)	-	-	-	2,315,811	-	-	2,315,811
Net income for the year	-	-	-	-	-	14,079,472	14,079,472
Result of comprehensive income for the year	**-**	**-**	**-**	**2,315,811**	**717,126**	**13,362,346**	**16,395,283**
BALANCE AT THE END OF 2022	**50,000,000**	**(2,868,519)**	**10,000,000**	**5,184,331**	**(41,345,322)**	**14,079,472**	**35,049,961**
BALANCE AT THE BEGINNING OF 2023	**50,000,000**	**(2,868,519)**	**10,000,000**	**5,184,331**	**(41,345,322)**	**14,079,472**	**35,049,961**
Appropriation of the profit of 2022 (Note 19)	-	-	-	-	14 079 472	(14 079 472)	-
Effect of the application of the equity method (Note 13)	-	-	-	707,047	-	-	707,047
Net income for the year	-	-	-	-	-	19,695,658	19,695,658
Result of comprehensive income for the year	**-**	**-**	**-**	**707,047**	**-**	**19,695,658**	**20,402,706**
BALANCE AT THE END OF 2023	**50,000,000**	**(2,868,519)**	**10,000,000**	**5,891,378**	**(27,265,851)**	**19,695,658**	**55,452,666**

To be read with the Notes to the financial statements.

SEPARATE STATEMENTS OF CASH FLOWS FOR FINANCIAL YEARS ENDED 31 DECEMBER 2023 AND 2022

	NOTES	FY 2023	FY 2022
OPERATING ACTIVITIES			
Receipts from customers		2,205,709	1,998,616
Payments to suppliers		(668,016)	(871,737)
Payments to employees		(1,748,117)	(1,864,070)
Cash generated from operations		**(210,424)**	**(737,191)**
Paid/received income tax		1,572,339	2,760,858
Other receipts/payments relating to operating activities		(645,983)	(651,589)
Net cash generated by operating activities (1)		**715,933**	**1,372,077**
INVESTING ACTIVITIES			
Payments arising from:			
Financial assets	23	(800,000)	(1,235,000)
		(800,000)	**(1,235,000)**
Receipts arising from:			
Tangible fixed assets		-	129
Financial assets	23	-	742,268
Interest and similar income	23	9,458	115,942
Dividends		27	956
		9,485	**859,295**
Net cash generated by investing activities (2)		**(790,515)**	**(375,705)**
FINANCING ACTIVITIES			
Payments arising from:			
Interest and similar costs		(3,021)	(3,030)
		(3,021)	**(3,030)**
Net cash generated by financing activities (3)		**(3,021)**	**(3,030)**
Net increase in cash and cash equivalents (1 + 2 + 3)		**(77,604)**	**993,342**
Cash and cash equivalents at the beginning of the year	**18**	**1,090,573**	**97,231**
Cash and cash equivalents at the end of the year	**18**	**1,012,969**	**1,090,573**

To be read with the Notes to the financial statements.

SEPARATE FINANCIAL INFORMATION

Notes to the Separate Financial Statements

14 | NOTES TO THE SEPARATE FINANCIAL STATEMENTS

INTRODUCTORY NOTE

Martifer, SGPS, S.A. (“Company”) is a public limited company, with registered office at Zona Industrial, Apartado 17, Oliveira de Frades, Portugal, incorporated on 29 October 2004 that has as its main activity the management of shareholdings held and the rendering of support services to Group companies. It is the Holding company of Martifer Group (“Group”) and has as reference shareholders I'M, SGPS, S.A. (38%) and Mota-Engil, SGPS, S.A. (37.5%).

From June 2007 onwards, following the successful Initial Public Offer (IPO), the Company started trading on the Portuguese Stock Exchange, Euronext Lisbon.

The Company is obliged, in terms of Article no. 4 of Regulation No. 1606/2002, of the European Parliament and Council, of 19 July, to prepare its consolidated financial statements in conformity with the International Financial Reporting Standards (“IFRS”) as adopted by the European Union, in terms of Article no. 3 of the referred regulation.

As allowed by Decree-Law no. 158/2009, of 13 July, republished by Decree-Law no. 98/2015, of 2 June, the separate financial statements were prepared according to the International Financial Reporting Standards (“IFRS”), as adopted by the European Union.

All the amounts presented in these notes are stated in Euros (rounded to the unit) unless otherwise indicated.

1. BASES OF PREPARATION AND ACCOUNTING POLICIES

1.1 BASES OF PRESENTATION

These accompanying financial statements relate to the separate financial statements of Martifer, SGPS, S.A. and were prepared in accordance with the International Financial Reporting Standards (“IFRS”), as adopted by the European Union, in force at the beginning of the economic period started on 1 January 2023. These correspond to the International Financial Reporting Standards, issued by the International Accounting Standards Board (“IASB”), and to the interpretations issued by the IFRS Interpretations Committee or by the previous Standing Interpretations Committee (“SIC”), which have been endorsed by the European Union.

The accompanying financial statements were prepared from the accounting records of the Company, on the going concern assumption and applying the historical cost convention.

The Board of Directors assessed the capacity of the Company to continue to operate based on all relevant information, facts and circumstances of a financial, commercial or other nature, including events that occurred after the reference date of the financial statements, available on the future. Account was also taken of the fact that current liabilities exceed current assets, which result mainly from balances with Group companies. As a result of that assessment, the Board of Directors concluded that the Company has adequate resources to maintain its activities, having no intention of terminating them in the short term; therefore, it considered appropriate the use of the going concern assumption in the preparation of the financial statements.

The accounting policies and mensuration criteria adopted by the Company in the 2023 financial year are consistent with those applied by the Company, except as regards the measurement of financial investments in subsidiaries (Note 2), in the preparation of the financial statements of the previous financial year, presented for comparative purposes, except in respect of the standards and interpretations entering into force on or after 1 January 2023, the adoption of which has not had a significant impact on the Company’s comprehensive income or on the Company’s financial position.

Amendments to standards effective on 1 January 2023:

	EFFECTIVE DATE
IFRS 17 – Insurance contracts	01/01/2023
Amendment to IAS 8 – Accounting policies, changes in accounting estimates and errors – Definition of accounting estimates	01/01/2023
Amendment to IAS 1 – Presentation of financial statements and IFRS Practice Statement 2 – Disclosure of accounting policies	01/01/2023
Amendment to IAS 12 – Income Taxes – Deferred Taxes related to assets and liabilities resulting from a single transaction	01/01/2023
Amendment to IFRS 17 – Insurance contracts – Initial application of IFRS 17 and IFRS 9 – Comparative information	01/01/2023
Amendment to IAS 12 Income Taxes – International Tax Reform (Pillar Two)	01/01/2023

Amendment to IFRS 17. This standard establishes, for insurance contracts within its scope of application, the principles for their recognition, measurement, presentation and disclosure. This standard replaces IFRS 4 - Insurance Contracts.

Amendment to IAS 8 – Accounting policies, changes in accounting estimates and errors – Definition of accounting estimates. This amendment published by the IASB, defines accounting estimate as a monetary amount in the financial statements subject to measurement uncertainty.

Amendment to IAS 1 – Presentation of financial statements and IFRS Practice Statement 2 – Disclosure of accounting policies. This amendment, published by the IASB in February 2021, clarifies that material accounting policies should be disclosed, rather than significant policies, having introduced examples for the identification of material policies.

Amendment to IAS 12 - Income taxes – Deferred taxes related to assets and liabilities resulting from a single transaction. This amendment, published by the IASB in May 2021, clarifies that the exemption from initial recognition of deferred taxes does not apply to transactions that produce equal amounts of taxable and deductible timing differences.

Amendment to IFRS 17 – Insurance contracts – Initial application of IFRS 17 and IFRS 9 – Comparative information. This amendment, published by the IASB in December 2021, introduces changes to the comparative information to be presented when an entity adopts the two standards, IFRS 17 and IFRS 9, simultaneously.

Amendment to IAS 12 - Income taxes – International Tax Reform (Pillar Two). This amendment, published by the IASB in May 2023, includes a temporary exemption from the requirement to recognise deferred taxes and disclose information on taxes arising from the Pillar Two model of the international tax reform, and the use of this exemption must be disclosed.

New standards and amendments which become effective on or after 1 January 2024, already endorsed by the EU:

	EFFECTIVE DATE
IAS 1 (amendment) - Presentation of financial statements - Classification of liabilities as current and non-current; Deferral of application date; Non-current liabilities with covenants	01/01/2024
Amendment to IFRS 16 - Leases – Lease liability in a sale and leaseback transaction	01/01/2024

Amendment to IAS 1 - Presentation of financial statements – Classification of liabilities as current and non-current; Deferral of application date; Non-current liabilities with covenants (effective for annual periods beginning on or after 1 January 2024). These amendments, published by the IASB, clarify the classification of liabilities as current and non-current, analysing the existing contractual conditions at the reporting date. The amendment relating to non-current liabilities with covenants, clarifies that only the conditions that must be fulfilled before or on the reference date of the financial statements are relevant for the purposes of classification as current / non-current.

Amendment to IFRS 16 – Leases – Lease liability in a sale and leaseback transaction (effective for annual periods beginning on or after 1 January 2024). This amendment, published by the IASB in September 2022, clarifies how a seller-lessee accounts for a sale and leaseback transaction that meets the criteria of IFRS 15 to be classified as a sale.

At the present date, no significant impacts are estimated from the adoption of the aforementioned standards and amendments.

New standards and amendments that become effective on or after 1 January 2025, not yet endorsed by the EU:

	EFFECTIVE DATE
Amendments to IAS 7 – Cash Flow Statements – and IFRS 7 – Financial Instruments: Disclosures – Supplier Financing	01/01/2024
Amendment to IAS 21 – The effects of changes in exchange rates – Lack of exchangeability	01/01/2025

Amendments to IAS 7 – Cash Flow Statements – and IFRS 7 – Financial Instruments: Disclosures – Supplier Financing Arrangements (effective for annual periods beginning on or after 1 January 2024). These amendments, published by the IASB in May 2023, include requirements for additional disclosure of qualitative and quantitative information about supplier financing arrangements.

Amendment to IAS 21 – The effects of changes in exchange rates – Lack of exchangeability (effective for annual periods beginning on or after 1 January 2025). This amendment, published by the IASB in August 2023, sets out the approach for assessing whether a currency can be exchanged for another currency. If it is concluded that the currency cannot be exchanged for another, it indicates how the exchange rate to be applied is determined and the additional disclosures required.

Management is analysing the impact, if any, on the consolidated financial statements.

In preparing the financial statements, in accordance with IFRS, the Company's Board of Directors adopted certain assumptions and estimates that may affect the reported assets and liabilities, as well as the income and expenses incurred for the reported years. All estimates and assumptions made by the Board of Directors were made based on its best knowledge existing at the date of approval of the financial statements, and the information available on that date.

The uncertainty associated with the depth of the economic impacts resulting from the wars still exists. The Board of Directors will continue to monitor the threat and implications for its activity but does not anticipate significant impacts that will affect the financial information disclosed.

1.2 COMPARABILITY OF INFORMATION

The Company’s financial statements on 31 December 2023 were prepared in accordance with accounting policies and calculation methods similar to those presented in the 2022 Separate financial statements, except as regards the measurement of financial investments in subsidiaries and associated companies, which are now measured by the equity method (Note 2).

1.3 MAIN ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATES

The main accounting policies, judgements and estimates used in the preparation of the Company’s financial statements for the financial years presented are as follows:

i) Financial investments in subsidiaries and associated companies

The financial investments in subsidiaries and associated companies are recorded by the equity method.

Subsidiaries are all entities (including special purpose entities) that the Company controls by being exposed to or being the holder of rights regarding the variable results generated by the entity through its relationship with it and has the ability to allocate these results through the power it has over the entity.

Associated companies are entities over which the Company has a significant influence in the definition of the financial and operational policies.

In situations where the investment or financial interest and the contract signed between the parties allow the entity to have direct joint control over the rights to hold the asset or obligations inherent to the liabilities related to that agreement, it is considered that such a joint agreement does not correspond to a jointly controlled company, but rather to a jointly controlled operation.

Financial investments in associated companies are investments in which the Company exercises significant influence, but in which it does not have control or joint control. Significant influence (assumed when voting rights are between 20% and 50%) is the power to participate in the entity's financial and operational policy decisions, without, however, exercising control or joint control of these policies.

According to the equity method, these financial investments are initially accounted for at acquisition cost. The financial investments are subsequently adjusted by the amount corresponding to the Company's share in the comprehensive income (including net income for the year) of subsidiaries, jointly controlled and associated companies, against other comprehensive income of the Company or gains or losses for the year as applicable. Additionally, dividends from these shares are recorded as a decrease in the value of the investment, and the proportional part in changes in equity is recorded as a change in the Company's equity.

When the Company's proportion of the accumulated losses of subsidiaries, jointly controlled and associated companies exceeds the value at which the investment is recorded, the investment is reported at zero value, except when the Company has made commitments to the subsidiary, jointly controlled or associated company, recording in these cases a provision to meet these obligations.

The accounting policies of subsidiaries, jointly controlled and associated companies are changed, whenever necessary, in order to ensure that they are applied consistently.

The differences between the acquisition price and the fair value of the identifiable assets and liabilities of subsidiaries, jointly controlled and associated companies on the acquisition date, if positive, are recognised as Goodwill and maintained in the financial investment value. If these differences are negative, they are recorded as income for the year under the caption “Results related to investments”, after reconfirming the fair value attributed.

The Company carries out impairment tests on financial investments whenever events or changes in the surrounding conditions indicate that the value at which they are recorded in the separate financial statements is not recoverable, with impairment losses that are demonstrated to exist being recorded as expenses. When impairment losses recognised in previous financial years cease to exist, they are reversed.

It is the Board of Directors' understanding that the methodology described above leads to reliable results regarding the existence of possible impairment of the investments under analysis, as they consider the best information available at the date of preparation of the financial statements.

ii) Tangible assets

Tangible assets are recorded at their acquisition cost, net of accumulated depreciation and impairment losses.

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

Office equipment	3 to 5 years

Maintenance and repair expenses that neither increase the useful lives nor create significant improvements in tangible fixed assets are expensed in the financial year they are incurred.

iii) Financial assets and liabilities

Financial assets and liabilities are recognised in the Company's statement of financial position when it is a contractual party of the instrument.

The financial assets and liabilities are initially measured at their fair value. The transaction costs directly attributable to the acquisition or issue of financial assets and liabilities (which are not financial assets or liabilities measured at fair value through profit or loss) are added to or deducted from the fair value of the financial asset or liability on initial recognition.

The transaction costs directly attributable to the acquisition of assets or liabilities recognised at fair value through profit or loss are recognised immediately in the income statement.

iii.a) Financial assets

All purchases and sales of financial assets are recognised as at the date of the signing of the respective sale and purchase agreements, regardless of the date of their financial settlement.

All financial assets recognised are subsequently measured at amortised cost, or at their fair value, depending on the business model adopted by the Company and the characteristics of their contractual cash flows.

Classification of financial assets:

a) Debt instruments and accounts receivable

Fixed-income debt instruments and accounts receivable that comply with the following conditions are subsequently measured at amortised cost:

(i) the financial asset is held considering a business model the goal of which is to keep it to receive its contractual cash flows; and

(ii) the contractual terms of the financial asset give rise, on specific dates, to cash flows that are solely payments of principal and interest on the principal outstanding.

The effective interest rate method is a method used to calculate the amortised cost of a financial instrument and of allocating the respective interest during the period of its validity.

For financial assets that are not acquired or originated with impairment (i.e., impaired assets on initial recognition), the effective interest rate is the rate that exactly discounts the estimated future cash flows (including paid or received fees and commissions which are an integral part of the effective interest rate, transaction costs and other premiums or discounts) during the expected life cycle of the instrument to its gross carrying amount on the date of its initial recognition.

The amortised cost of a financial asset is the amount by which it is measured on initial recognition net of capital repayments, and the accumulated amortisation, using the effective interest rate method, of any difference between that initial amount and the amount of its repayment, adjusted for any possible impairment losses.

The income associated with interest is recognised in the income statement under the caption 'Financial income and gains', using the effective interest rate method, for financial assets subsequently recorded at amortised cost or at fair value through profit or loss. The interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset.

Debt instruments and accounts receivable that comply with the following conditions are subsequently measured at fair value through other comprehensive income:

(i) the financial asset is held considering a business model the objective of which foresees the receipt of its contractual cash flows and of its divestiture; and

(ii) the contractual terms of the financial asset give rise, on specific dates, to cash flows that are solely payments of principal and interest on the principal outstanding

Impairment of financial assets

The Company recognises expected impairment losses for debt instruments measured at amortised cost, as well as for accounts receivable from clients and other debtors.

The amount of expected impairment losses for the financial assets mentioned above is updated at each reporting date to reflect changes in credit risk that have occurred since the initial recognition of the respective financial assets.

As regards balances receivable from associated companies, which are not considered part of the financial investment in those companies, the credit impairment is assessed considering the following criteria: (i) if the balance receivable is payable on demand; (ii) if the balance receivable is of low risk; (iii) if its term is less than 12 months.

In cases in which the balance receivable is payable on demand and the related party has the ability to pay, the probability of default was considered close to 0%; therefore, the impairment was considered equal to zero. In cases in which the balance receivable is not payable on demand, the credit risk of the related company is assessed, and if it is 'low' or if is due in less than 12 months, the Company only assesses the probability of default for the cash flows that are due in the following 12 months.

For all other situations and types of balances receivable, the Company applies the general approach of the impairment model, assessing on each reporting date if there has been a significant increase in the credit risk since the date of initial recognition of the asset. If there has not been an increase in the credit risk, the Company calculates an impairment corresponding to the amount equivalent to the expected losses in a period of 12 months. If there has been an increase in the credit risk, the Company calculates an impairment corresponding to the amount equivalent to the expected losses for all contractual cash flows until the asset's maturity. The assessment of the credit risk is carried out according to the criteria disclosed in the credit risk management policies included in the Management Report.

Write-off Policy

The Company writes off a financial asset when there is information that demonstrates that the debtor is in the process of liquidation or bankruptcy and when there are no realistic prospects of credit recovery. However, the financial assets written off may still be subject to recovery procedures by the Company.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the asset's cash flows expire or when it transfers the financial asset and substantially all the risks and benefits associated with its ownership to another entity. If it neither transfers nor retains substantially all the risks and benefits associated with the ownership of a financial asset but continues to control it, the Company recognises its interest in the retained asset and a liability equivalent to the amount that it will have to return. If the Company substantially retains all the risks and benefits associated with the ownership of a transferred financial asset, then it will continue to recognise it and, additionally, recognises a loan in respect of the amount received in the meantime.

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

iii.b) Financial liabilities and equity instruments

Classification as a financial liability or as an equity instrument

Financial liabilities and equity instruments are classified as liabilities or as equity according to the contractual substance of the transaction.

Equity

The Company considers equity instruments to be those in which the contractual support of the transaction shows that a third party holds a residual interest in the set of assets after deducting the liabilities of the Company.

Equity instruments issued by the Company are recognised by the amount received, net of the costs directly attributable to their issue.

The repurchase of equity instruments issued by the Company (own shares) is accounted for by its acquisition cost as a deduction from equity. The gains or losses inherent to the disposal of own shares are recorded under the caption 'Retained earnings'.

Financial liabilities

After initial recognition, all financial liabilities are subsequently measured at amortised cost or at fair value through profit or loss.

Financial liabilities are recorded at fair value through profit or loss when:

(i) the financial liabilities result from a contingent consideration due to a business combination;
(ii) the liability is not held for trading; or
(iii) the liability is designated to be recorded at fair value through profit and loss.

A financial liability is classified as held for trading if:

(i) it is acquired mainly for the purpose of sale in the short term; or
(ii) on initial recognition, it is part of a portfolio of identified financial instruments that the Company manages together and where there is evidence of a recent real pattern of obtaining profit in the short term; or
(iii) it is a derivative financial instrument (except if it is part of a hedging operation).

The financial liabilities recorded at fair value through profit or loss are measured at fair value with gains and losses arising from their fair value fluctuation being recognised in the income statement, except if they are part of a hedging relationship.

Financial liabilities subsequently measured at amortised cost

The financial liabilities that are not designated at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method.

The effective interest rate method is a method used to calculate the amortised cost of a financial liability and of allocating the respective interest during the period of its validity.

The effective interest rate is the rate that exactly discounts the estimated future cash flows (including paid or received fees and commissions which are an integral part of the effective interest rate, transaction costs and other premiums or discounts) during the expected life cycle of the financial liability to its carrying amount on the date of its initial recognition.

Types of financial liabilities

Loans in the form of commercial paper issues are classified as non-current liabilities when they have a placement guarantee for a period exceeding one year, and the Company's Board of Directors intend to use this source of funding also for a period exceeding one year.

The other financial liabilities relate, essentially, to factoring and finance lease operations, which are initially recorded at their fair value. These financial liabilities are, subsequent to initial recognition, measured at amortised cost using the effective interest rate method.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the obligations of the Company are settled, have been cancelled or have expired.

The difference between the derecognised carrying amount of the financial liability and the consideration paid or payable is recognised in the income statement.

When the Company exchanges with a certain creditor a debt instrument for another with substantially different terms, this exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Similarly, the Company accounts for substantial modifications in terms of an existing liability, or part of it, as a termination of the original financial liability and the recognition of a new financial liability. The terms are assumed to be substantially different if the present value of the discounted cash flows of the renegotiated financial liability, including any fees paid net of any commissions received, discounted using the original effective interest rate, is at least 10% divergent from the present value of the discounted cash flows remaining of the original financial liability.

If the modification is not substantial, the difference between (i) the carrying amount of the liability before the modification and (ii) the present value of the future cash flows after the modification is recognised in the income statement as a gain or loss on the modification, in financial income / expenses.

iv) Cash and cash equivalents

'Cash and cash equivalents' include cash on hand, demand and term deposits, and other treasury applications (with maturity under three months, readily convertible into a known cash amount and which are not subject to a significant risk of change in value).

v) Accruals and deferrals

Income and expenses are recorded in the financial year to which they relate, regardless of their date of payment or receipt. The differences between the amounts received and paid and the corresponding income and expenses are recorded under the captions 'Other current assets', 'Other non-current assets', 'Other current liabilities' and 'Other non-current liabilities'.

vi) Revenue

Nature, performance obligations and moment of revenue recognition

The primary source of revenue of the Company is the support and management services rendered to its investees.

Revenue is calculated according to the consideration specified in the contracts or agreements executed with clients and excludes any amount received on behalf of third parties. Thus, the Company records revenue when it transfers control over a particular good or service to the client. The revenue is recorded net of any taxes, trade discounts and financial discounts attributed.

In determining the value of the revenue, the Company assesses for each transaction the performance obligations that it assumes to clients, the transaction price to assign to each performance obligation identified in the transaction and the existence of variable price conditions that can lead to future adjustments to the registered revenue amount, and for which the Company performs its best estimate.

vii) Balances and transactions stated in foreign currency

All the assets and liabilities expressed in foreign currencies are converted to the functional currency using the official exchange rates at the reporting date. The favourable or unfavourable exchange rate differences originating from the differences between the exchange rates at the transaction dates and those used at the collection, payment or on the balance sheet date, are recorded at their gross amount as gains and losses in the income statement of the financial year.

viii) Income taxes

Income tax for the period includes current and deferred tax, in accordance with IAS 12. Current tax is calculated based on the respective taxable income, in accordance with the tax rules in force at the place where the Company has its registered office.

Deferred taxes are calculated based on the balance sheet liability method and refer to timing differences between the amounts of assets and of liabilities for accounting purposes and their respective amounts for tax purposes, as well as to certain tax credits attributed to the Company.

Deferred tax assets and liabilities are calculated and annually assessed using the tax rates in force, or announced to be in force, at the date of reversal of the timing differences.

Deferred tax assets are only recognised to the extent that there is a reasonable probability that sufficient future taxable income will be available against which to offset them, based on the 5-year Business Plan duly approved by the Group. At the date of each statement of financial position date, deferred tax assets are reviewed and derecognised whenever it is probable that they will no longer be used in future.

Deferred tax liabilities are recognised for all taxable timing differences, except those related to: (i) the initial recognition of Goodwill; or (ii) the initial recognition of assets and liabilities, which do not result from a business combination, and which, at the date of the transaction, do not affect the accounting or tax result. However, with regards to the taxable timing differences associated with investments in subsidiaries and associated companies, these should not be recognised to the extent that: i) the parent company has the ability to control the period of the reversal of the timing difference; and (ii) it is probable that the timing difference will not reverse in the near future.

The amount of deferred tax resulting from transactions or events recognised in equity accounts is recorded directly under these same captions, not affecting the income statement.

Offsetting of deferred tax assets and liabilities is only mandatory when: (i) the Company has a legal right to offset such assets and liabilities for assessment purposes; (ii) such assets and liabilities relate to income taxes levied by the same tax authority; and (iii) the Company intends to offset for assessment purposes.

ix) Financial charges on loans

The financial charges on loans are expensed in the financial year in which they are incurred in accordance with the accrual method of accounting.

x) Provisions

Provisions are recognised when and only when the Company has a present (legal or implicit) obligation resulting from a past event; it is probable that for the resolution of this obligation, there will be an outflow of resources, and the amount of the obligation can be reasonably estimated. The provisions are reviewed on the date of each statement of financial position date and are adjusted to reflect the best estimate at that date, considering all the risks and uncertainties inherent to such estimates. When a provision is determined, considering the future cash flows necessary to settle such obligation, it is recorded at its present value.

xi) Impairment of assets

An impairment assessment is made at the date of each statement of financial position whenever an event or change in circumstances is identified that indicates that the amount for which an asset is registered may not be recovered. Whenever the amount for which an asset is recorded is greater than its recoverable value, an impairment loss is recognised in the income statement under the caption ‘Provisions and impairment losses’. The recoverable value is the highest between the net sales value and the value in use. The net sale value is the amount that would be obtained with the sale of the asset in a transaction within reach of the parties involved, less expenses directly attributable to the sale. Value in use is the present value of the estimated future cash flows that are expected to arise from the continued use of the asset and its disposal at the end of its useful life. The recoverable value is estimated for each asset individually or, if this is not possible, for the cash-generating unit to which the asset belongs.

The reversal of impairment losses recorded in previous years is recognised when the underlying reasons that caused that entry are no longer applicable and, consequently, the asset is no longer impaired. The reversal of impairment losses is recognised in the income statement as operating income under the caption ‘Provisions and impairment losses’. However, the reversal of an impairment loss is only recognised up to the amount that would be recorded (whether using the historical cost or the revalued amount, net of amortisation or depreciation) if the impairment loss had not been recorded in previous years.

xii) Employee benefits

<u>Current and non-current benefits granted to employees</u>

A liability is recognised for benefits granted to employees related to salaries, holiday pay and holiday subsidy in the period in which the service of the employees is provided, and it is recognised for the amount of expected benefits to be paid.

Liabilities recognised relating to current benefits granted to employees are measured at the undiscounted amount of the benefits expected to be paid for the services provided.

Liabilities recognised relating to non-current benefits granted to employees are measured at the present value of expected future payments for services rendered by the employees up to the reporting date.

<u>Variable remuneration</u>

According to the articles of association of the Company, the shareholders approve at a General Meeting or within a Remuneration Committee elected by the shareholders, when elected, the fixed and variable remuneration to be distributed to members of the corporate bodies. Variable remuneration is recorded in the results of the financial year to which it relates.

xiii) Classification in the statement of financial position

Assets to be realised and liabilities to be settled more than one year after the statement of financial position date are classified, respectively, as non-current assets and liabilities. Likewise, given their nature, 'Deferred tax' and 'Provisions' are classified as non-current assets and liabilities.

xiv) Contingent assets and liabilities

Contingent liabilities are not recorded in the financial statements. Instead, they are disclosed unless the possibility of an outflow of funds affecting future economic benefits is remote.

Contingent assets are not recorded in the financial statements but are disclosed in the Notes to the financial statements when future economic benefits are probable.

xv) Statement of Cash Flow

The statement of cash flow is prepared using the direct method in accordance with IAS 7.

The statement of cash flow is classified into operating, investing and financing activities. Operating activities include cash receipts from clients, payments to suppliers, payments to employees and others relating to operating activities. The cash flows included in investing activities include, inter alia, acquisitions and disposals of investments in investees and receipts and payments arising from the purchase and sale of tangible and intangible assets.

The cash flows covered in the financing activities include, in particular, payments and receipts related to loans obtained and payment of dividends.

xvi) Subsequent events

Events occurring after the date of the financial statements that provide additional information on conditions that existed at the date of the financial statements (adjustable events) are reflected in the financial statements. Events after the date of the financial statements that provide information on conditions that occur after the date of the financial statements (non-adjustable events), if material, are disclosed in the notes to the financial statements.

xvii) Judgements and estimates

In preparing the consolidated financial statements, the Company's Board of Directors used its best knowledge and accumulated experience of past and/or current events in making certain assumptions as to future events.

The most significant accounting estimates reflected in the financial statements for financial years ended 31 December 2023 and 2022 include:

- impairment tests made to investments in subsidiaries and associated companies (Note 13). Investments in subsidiaries and associated companies are subject to an impairment test whenever there are indications of a possible loss of value. The recoverable value of the units that generate cash flows to which the investment is allocated is determined based on the expected cash flows. These calculations require the use of estimates by the Board of Directors regarding the future evolution of the activity and of the discount rates considered. The Board of Directors considers that the methodology described above leads to reliable results on the existence of possible impairment of investments in subsidiaries and associated companies, since they consider the best information available at the time of preparation of the financial statements.

- recording of provisions. The Company analyses on a regular basis any obligations arising from past events that should be recognised or disclosed. The subjectivity inherent in determining the probability of the existence of a present liability and the amount of internal resources required to pay the obligations may lead to significant adjustments, either due to changes in the assumptions used or due to the future recognition of provisions previously disclosed as contingent liabilities.

- the recoverability of deferred tax assets arising from tax losses available for carry forward generated by companies included in the tax perimeter of the Special Regime for the Taxation of Groups of Companies ("RETGS") (Note 11). Deferred tax assets are recorded only when there are reasonable expectations that there will be future taxable income available for the use of tax losses carried forward within the reporting periods defined by tax legislation in Portugal. The assessment of deferred tax assets is made by management at the end of each financial year, considering the expected future tax performance established in the 5-year Business Plans approved annually by the Group's Board of Durectors and used for the purpose of the Goodwill impairment analysis.

The above estimates are based on the best information available at the date of the preparation of the financial statements. However, events may occur in subsequent periods that, not being predictable at the time, were not considered in those estimates. Changes to these estimates that occur after the date of the financial statements will be adjusted in the income statement prospectively, in accordance with IAS 8.

xviii) Financial risk management

Uncertainty, the dominant characteristic of the markets, involves a variety of risks to which the activities of the Company are exposed, namely, exchange rate risk, liquidity risk and credit risk.

a) Exchange rate risk

Exchange rate risk has a strong interdependence with the other types of risks, specifically country risks, through the evolution of economies and their impact on inflation and interest rates and credit risk, due to the possibility of monetary fluctuations which may jeopardise future financial flows, originating the possibility of recording losses or gains as a result of changes in exchange rates among different currencies.

In the operations with investees, the Company carries out transactions in Euros, not being subject to a significant exchange rate risk.

a) Liquidity risk

Liquidity risk reflects the Company's ability to satisfy its financial liabilities with the financial resources available.

The main objective of the liquidity risk management policy is to ensure that the Company has at its disposal, at any time, sufficient financial resources to meet its liabilities and to pursue the outlined strategies, honouring all commitments made to third parties.

The financial management department monitors the implementation of the risk management policies defined by the Board, to ensure that economic and financial risks are identified, measured and managed in accordance with such policies.

b) Credit risk

With the reinforcement of banking capital in Portugal, there has been a boost in the level of credit granted by banks. The rising interest rates and the consequent expectation of improved profitability of banks in credit granting may make this activity even more attractive for financial entities. On the other hand, this increase also represents an increase in the banks' obligations in the interbank market and may constitute a greater incentive to save and, consequently, increase the remuneration of deposits.

The spectrum of uncertainty caused by the current geopolitical situation and the pressure of the increase in interest rates to positive territory, may lead to a more careful selection by banks when granting credit. However, this situation is not expected to affect the Company and the Group since, currently, they do not resort to short-term lines and their recourse to new credit is currently very occasional and always Project Finance oriented.

The Company is subject to credit risk related to its operational activity - Clients and Other debtors. To the extent that the majority of its transactions are with investees, credit risk arises indirectly from the credit risk of those companies.

Aware of this reality and of the increase in credit risk in the current context of economic contraction, the Company and the Group seek to assess the credit risk of all their clients for establishing the credit to be granted; the ultimate objective being to ensure the effective collection of credits within the established deadlines to minimise their exposure to each of the clients.

With this objective in mind, the Group uses financial information and credit rating agencies and performs regular risk analyses and credit control, as well as the collection and management of processes under litigation. These are essential procedures to manage the credit activity and to minimise the occurrence of irrecoverable amounts.

The Company considers the likelihood of default on initial recognition of the asset and depending on the occurrence of significant increases in the credit risk, continuously in each reporting period. To assess whether there has been a significant increase in credit risk, the Company compares the risk of default occurring by reference to the reporting date, with the risk of default assessed by reference to the date of initial recognition.

The main value to be received is from Martifer Metallic Constructions (Note 22), a subsidiary, and the risk of uncollectability is minute.

xix) Capital management

Capital management is made to ensure the continuity and development of operational activities, and focus placed on liquidity management.

The objective of the Company, in relation to capital management, is to maintain an optimal capital structure.

On 31 December 2023, the Company's Equity is positive by approximately 55 million Euros (35 million Euros on 31 December 2022 – restated). The Company has no financial debt.

2. RESTATEMENT OF THE FINANCIAL STATEMENTS

The restatement of the financial statements for financial year ended 31 December 2022 results from the change in the accounting policy for recognition and measurement of financial investments in subsidiaries.

Financial investments in subsidiaries were measured in accordance with the provisions of IAS 27 – Separate financial statements, at acquisition cost less any impairment losses. However, it is the Board of Directors' understanding that the recognition and measurement of financial investments in subsidiaries and associated companies using the equity method is more appropriate, as it represents, at the level of the Company's financial statements, a more appropriate reflection of the net assets held in subsidiaries and the results of its operations as the Martifer Group.

The impacts of the restatement on the financial statements on 31 December 2022 and 1 January 2022 are as follows:

	31 DECEMBER 2022
FINANCIAL STATEMENTS	
Imputed gains/losses of subsidiaries and associated companies	(10,917,315)
Provisions and impairments	11,950,803
Increase / (Decrease) in net income for the year	**1,033,488**

	31 DECEMBER 2022	01 JANUARY 2022
FINANCIAL STATEMENTS		
Non-current assets		
Investments in subsidiaries and associated companies	(60,751,776)	(60,350,188)
Provisions	(6,233,753)	(9,984,641)
Increase / (Decrease) in net income for the year	**(66,985,530)**	**(70,334,829)**

3. SALES AND SERVICES RENDERED

The sales and services rendered, for financial years ended 31 December 2023 and 2022, refer, essentially, to management fees charged to investees:

	FY 2023	FY 2022
Services rendered - Note 21	2,034,893	2,281,051
	2,034,893	**2,281,051**

4. EXTERNAL SUPPLIES AND SERVICES

The breakdown of external supplies and services, for financial years ended 31 December 2023 and 2022, is as follows:

	FY 2023	FY 2022
Specialised works	539,397	484,418
Maintenance and repairs	50	12
Books and technical documentation	-	168
Office material	58	517
Offers	-	90
Fuel	85	201
Travel and accommodation	81,193	48,291
Communications	1,206	729
Insurance	34,223	28,338
Legal and notarial fees	316	391
Representation expenses	279	-
Others	24	81
	656,832	**563,236**

5. STAFF COSTS

Staff costs, for financial years ended 31 December 2023 and 2022, can be analysed as follows:

	FY 2023	FY 2022
Remuneration	2,710,468	1,725,862
Social charges		
Social contributions and others	128,048	128,603
Others	61,351	30,450
	2,899,868	**1,884,914**

During financial years 2023 and 2022, the Company's average staff number was as follows:

	FY 2023	FY 2022
Funtional division		
Board Member	4	4
Other employees	1	1
	5	**5**

6. PROVISIONS

Provisions for financial years ended 31 December 2023 and 2022, are as follows:

2023	OPENING BALANCE	ADDITIONS	DEDUCTIONS	UTILIZATION	CLOSING BALANCE
Provisions for negative equity from equity holdings - Note 13	6,233,753	-	6,233,753	-	-
	6,233,753	**-**	**6,233,753**	**-**	**-**

2022 (RESTATED NOTE 2)	OPENING BALANCE	ADDITIONS	DEDUCTIONS	UTILIZATION	CLOSING BALANCE
Provisions for negative equity from equity holdings - Note 13	9,984,641	-	3,750,887	-	6,233,753
	9,984,641	**-**	**3,750,887**	**-**	**6,233,753**

7. OTHER OPERATING INCOME AND EXPENSES

These captions can be analysed as follows:

	FY 2023	FY 2022
Social services	744	641
Sales of tangible fixed assets	-	105
Other incomes and gains	55,665	47,803
	56,409	**48,549**

	FY 2023	FY 2022
Legal expenses	-	3,732
Taxes	6,469	6,348
Contributions	12,590	12,590
Others non-specified	567	926
Foreign exchange losses	227	-
	19,853	**23,596**

8. INTANGIBLE ASSETS

The information relating to the gross values of the intangible assets, for financial years ended 31 December 2023 and 2022, can be analysed as follows:

	OPENING BALANCE	INCREASES	SALES AND WRITE-OFFS	TRANSFERS	CLOSING BALANCE
31 DECEMBER 2023					
Software and other rights	1,349	-	-	-	1,349
Other intangible assets	42,265	-	-	-	42,265
	43,614	**-**	**-**	**-**	**43,614**
31 DECEMBER 2022					
Software and other rights	1,349	-	-	-	1,349
Other intangible assets	42,265	-	-	-	42,265
	43,614	**-**	**-**	**-**	**43,614**

The information related to the values of accumulated amortisation and impairment losses of intangible assets, with reference to financial years ended 31 December 2023 and 2022, can be analysed as follows:

	OPENING BALANCE	INCREASES	SALES AND WRITE-OFFS	TRANSFERS	CLOSING BALANCE
31 DECEMBER 2023					
Software and other rights	1,349	-	-	-	1,349
Other intangible assets	42,265	-	-	-	42,265
	43,614	**-**	**-**	**-**	**43,614**
31 DECEMBER 2022					
Software and other rights	1,349	-	-	-	1,349
Other intangible assets	42,265	-	-	-	42,265
	43,614	**-**	**-**	**-**	**43,614**

The net value of intangible assets, with reference to financial years ended 31 December 2023 and 2022, is 0 Euros.

9. TANGIBLE FIXED ASSETS

The information regarding the gross values of tangible fixed assets, for financial years ended 31 December 2023 and 2022, can be analysed as follows:

	OPENING BALANCE	INCREASES	SALES AND WRITE-OFFS	TRANSFERS	CLOSING BALANCE
31 DECEMBER 2023					
Office equipment	11,078	-	-	-	11,078
	11,078	**-**	**-**	**-**	**11,078**
31 DECEMBER 2022					
Office equipment	12,588	-	1,509	-	11,078
	12,588	**-**	**1,509**	**-**	**11,078**

The information relating to the values of accumulated depreciation and impairment losses of office equipment, with reference to financial years ended 31 December 2023 and 2022, can be analysed as follows:

	OPENING BALANCE	INCREASES	SALES AND WRITE-OFFS	TRANSFERS	CLOSING BALANCE
31 DECEMBER 2023					
Office equipment	10,701	377	-	-	11,078
	10,701	**377**	**-**	**-**	**11,078**
31 DECEMBER 2022					
Office equipment	11,587	623	1,509	-	10,701
	11,587	**623**	**1,509**	**-**	**10,701**

The carrying value of tangible fixed assets, with reference to financial years ended 31 December 2023 and 2022, is 0 Euros and 377 Euros, respectively.

10. FINANCIAL RESULTS

Financial results, for financial years ended 31 December 2023 and 2022, may be analysed as follows:

	FY 2023	FY 2022
Interest and similar revenue		
Loans and accounts receivable (including bank deposits)		
Interest income	348,660	147,190
Dividends obtained from other financial investments	27	1,318
	348,687	**148,508**

	FY 2023	FY 2022
Interest and similar expenses		
Borrowings and accounts payable		
Other financial expenses	3,021	3,156
	3,021	**3,156**

The amount of ‘Other expenses and financial losses’ results, essentially, from current account commissions incurred.

11. INCOME TAX

The breakdown of assets giving rise to deferred tax, in financial years ended 31 December 2023 and 2022, may be analysed as follows:

	FY 2023	FY 2022
Tax losses carried forward	4,229,079	4,229,079
Deferred tax assets	**4,229,079**	**4,229,079**

According to the tax returns and income tax estimates of the companies forming part of the tax consolidation perimeter of the Special Regime for the Taxation of Groups of Companies (“RETGS”), the deferred tax assets related to tax losses, on 31 December 2023 and 2022, using for the purpose the tax rates applicable at that time, were available for carry forward as follows:

	TAX LOSSES CARRIED FORWARD	DEFERRED TAX ASSET	TIME LIMIT
31 DECEMBER 2023			
Generated in 2014	20,138,472	4,229,079	
	20,138,472	**4,229,079**	
31 DECEMBER 2022			
Generated in 2014	20,138,472	4,229,079	2028
	20,138,472	**4,229,079**	

On 31 December 2023, there were tax losses available for carry forward, calculated in the companies taxed under the Special Regime for the Taxation of Groups of Companies (“RETGS”), of which Martifer SGPS is the dominant company, before and during the application of RETGS, amounting to 82,977,675 Euros (69,864,736 Euros on 31 December 2022), for which the potential deferred tax assets amount to 17,425,312 Euros (14,671,594 Euros on 31 December 2022). Based on the estimated recoverability

within the period of 5 years, which corresponds to the period projected by the Martifer Group in accordance with the business plans used for Goodwill impairment testing purposes, deferred tax assets, related to tax losses in Portugal, to be used in the future were only recognised in the amount of 4,229,079 Euros.

The breakdown of total tax losses available for carry forward and potential tax credits in Portugal, can be analysed as follows:

	FY 2023			FY 2022		
	TAX LOSSES CARRIED FORWARD	TAX CREDIT	TIME LIMIT	TAX LOSSES CARRIED FORWARD	TAX CREDIT	TIME LIMIT
Generated in 2014	25,146,592	5,280,784	-	26,068,784	5,474,445	2028
Generated in 2015	5,081,758	1,067,169	-	5,081,758	1,067,169	2029
Generated in 2016	32,310,271	6,785,157	-	32,310,271	6,785,157	2030
Generated in 2017	344,449	72,334	-	344,449	72,334	2024
Generated in 2019	7,481,137	1,571,039	-	6,058,809	1,272,350	2026
Generated in 2020	666	140	-	666	140	2032
Generated in 2022	12,612,803	2,648,689	-	-	-	-
	82,977,675	**17,425,312**		**69,864,736**	**14,671,594**	

In relation to the above tax losses, the following should be noted:

i. Tax losses of 2014: present a change compared to the previous year due to the use of tax losses, in the amount of 922,191 Euros, in the tax assessment for tax year 2023;

ii. Tax losses of 2017: the group of companies taxed under the RETGS presents, in relation to tax year 2017, tax losses in the amount of 344,449 Euros, assessed by Cedilhas ao Vento (individually), before joining the RETGS, which can only be deducted from the Group's taxable income up to the limit of Cedilhas ao Vento’s own taxable income;

iii. Tax losses of 2019: there is a change in the tax losses available from 2019 (7,481,137 Euros), compared to the amount available in the previous year (6,058,809 Euros). This change results from the difference between the estimated and the effective income tax of 2022, as well as the correction made to the tax loss of 2019;

iv. Tax losses of 2020: the amount presented corresponds to tax losses assessed, in financial year 2020, at the individual level by the companies Volume Cintilante and Volume Vistoso, in the global amount of 666 Euros, which came to integrate the RETGS on 1 January 2021. These tax losses can only be deducted from the RETGS taxable income, up to the limit of the taxable income assessed individually by those companies;

v. Tax losses of 2022: in the previous year no amount of tax losses was indicated because, in 2022, the tax result of the RETGS, determined for purposes of calculating the tax estimate for 2022, was considered;

vi. Tax losses of 2023: no tax losses were considered, as in terms of the tax estimate, the Group recorded a positive tax result in the amount of 1,418,756 Euros and is using tax losses in the amount of 922,191 Euros.

It should be noted that in accordance with the State Budget Law for 2023, tax losses available for carry forward (of the year and of previous years) no longer have any time limitation in terms of their respective validity for deduction, regardless of the size of the company.

The reconciliation of income tax for the period and current tax can be analysed as follows:

	FY 2023	FY 2022 (RESTATED NOTE 2)
Current tax	**(1,525,101)**	**(1,080,276)**
Excess/Insufficiency of income tax estimate	(944,505)	(306,542)
Tax charge for the period	**(944,505)**	**(306,542)**
Income tax	**2,469,605**	**1,386,819**

On 31 December 2023 and 2022, the reconciliation between the nominal and effective tax rate is as follows:

	FY 2023	FY 2022 (RESTATED NOTE 2)
Earnings before taxes	**17,226,052**	**12,692,653**
Nominal income tax (nominal rate 21%)	3,617,471	2,665,457
Not-deductible expenses for tax purposes:		
Gains/Loss from financial investments	(3,856,863)	(2,509,669)
Non-deductible net financing expenses	(210,000)	-
Others	(64,864)	171
Accounting capital gains	-	(155,246)
Tax benefits	(124,606)	(1,623)
Tax losses for the year that did not give rise to deferred tax assets	570,701	-
Use of tax losses that have not originated deferred tax assets	-	(1,759)
Excess/ Insufficiency of income tax estimate	(944,505)	(306,542)
Autonomous taxation	1,057	1,035
Municipal surchage	-	180
Consolidated tax net effect	(1,457,997)	(1,078,823)
Effective income tax	**(2,469,605)**	**(1,386,819)**

In tax year 2023, Martifer SGPS, SA and its Portuguese investees were subject to Corporate Income Tax (Imposto sobre o Rendimento das Pessoas Coletivas (“IRC”)) at the normal rate of 21%, plus a municipal surcharge of up to 1.5% of the taxable income.

Additionally, in respect of the taxable income above 1,500,000 Euros, subject and not exempted from IRC, the following local State surcharges apply: 3% on the part over 1,500,000 Euros and up to 7,500,000 Euros; 5% on the part over 7,500,000 Euros and up to 35,000,000 Euros; and 9% on the part of taxable income that exceeds 35,000,000 Euros.

Pursuant to Article no. 88 of the IRC Code, Portuguese companies are additionally subject to autonomous taxation on a set of expenses at the rates provided for in said article.

In tax year 2011, Martifer SGPS, SA chose to apply the Special Regime for the Taxation of Groups of Companies (“RETGS”) which includes Portuguese companies in which it, directly or indirectly, holds at least 75% of their capital and that simultaneously comply with the other conditions defined by that regime.

The companies that belong to the Special Regime for the Taxation of Groups of Companies (“RETGS”) are the following:

COMPANIES BELONGING TO RETGS
Cedilhas ao Vento S.A.
Martifer - Construções Metalomecânicas SA
Martifer Metallic Constructions SGPS SA
Martifer Renewables SA
Martifer Renewables SGPS S A
Martifer SGPS SA
Navalria - Docas Construções e Reparações Navais SA
Sociedade de Madeiras do Vouga S.A.
West Sea - Estaleiros Navais, Lda

Under the Portuguese law in force, the tax returns of Portuguese companies are subject to revision and correction by the tax authorities during a period of four years (five years for social security), except when tax losses have occurred, tax benefits have been granted, or inspections, claims or appeals are ongoing, in which cases, depending on the circumstances, the time limits may be extended or suspended. Thus, tax returns for the years 2020 to 2023 (2019 to 2023 for social security) may still be subject to review and corrections.

The Board of Directors considers that any adjustments resulting from reviews / inspections by the tax authorities will have no significant impact on the financial statements on 31 December 2023.

On 31 December 2023 and 2022, the detail of income taxes is presented as follows:

	FY 2023	FY 2022
Income tax		
Special payment on account	33,155	33,155
Payments on account	234,184	1,290,718
Retentions	-	330
Group income tax estimate (RETGS)	(555,820)	(1,495,497)
Tax payable	(324,530)	(324,530)
	(613,011)	**(495,824)**

The amount of 324,530 Euros in the caption 'Tax payable' relates to the year 2013 and is the result of corrections made by the Tax Authority which were challenged by the Company. Those corrections, which effect is reflected in the reduction of tax losses available for carry forward and in the amount of autonomous taxation, resulted in the payment of the referred amount. Since there is still no final decision on the case and if the Company is successful in respect of all the amounts challenged, there will be an increase in the value of the tax losses available for carry forward and the amount previously paid will have to be reimbursed. In 2023, there was no evolution in this process.

12. EARNINGS PER SHARE

Martifer SGPS has issued solely ordinary shares, so there are no special dividends or voting rights.

Martifer SGPS, S.A.'s share capital is represented by 100,000,000 ordinary shares, totally subscribed and paid-up, representing a share capital of 50,000,000 Euros.

The weighted average number of shares in circulation is net of 2,215,910 shares, corresponding to own shares acquired by Martifer SGPS (Note 19).

On 31 December 2023 and 2022, there is no difference between the calculation of basic earnings per share and the calculation of diluted earnings per share, which can be demonstrated as follows:

	FY 2023	FY 2022 (RESTATED NOTE 2)
Net profit for the year (I)	19,695,658	14,079,472
Weighted average number of shares outstanding (II)	97,784,090	97,784,090
Basic and diluted earnings per share (I) / (II)	**0.2014**	**0.1440**

13. INVESTMENTS IN SUBSIDIARIES, ASSOCIATED COMPANIES AND OTHER

On 31 December 2023 and 2022, the breakdown of financial investments in subsidiaries, associated companies and other was as follows:

	% HELD	EQUITY WITHOUT SUPPLEMENTARY CAPITAL	FINANCIAL PARTICIPATION BY EQUITY	SUPPLEMENTARY CAPITAL	GOODWILL	NET PROFIT	TOTAL
31 DECEMBER 2023							
Martifer Metallic Constructions SGPS *	100%	4,004,919	7,903,728	-	3,898,809	13,621,654	7,903,728
Martifer Renewables SGPS *	100%	41,078,311	41,078,311	-	-	-	41,078,311
Patris Investimentos SGPS	0.12%	25,000	-	-	-	-	25,000
		45,108,230	**48,982,039**	-	**3,898,809**	**13,621,654**	**49,007,039**
31 DECEMBER 2022 ((RESTATED NOTE 2)							
Martifer Metallic Constructions SGPS *	100%	(10,132,562)	-	-	3,898,809	699,376	-
Martifer Renewables SGPS *	100%	36,142,731	36,142,731	-	-	11,251,427	36,142,731
Patris Investimentos SGPS	0.12%	25,000	-	-	-	-	25,000
		26,035,168	**36,142,731**	-	**3,898,809**	**11,950,802**	**36,167,731**

* Consolidated financial statements prepared in accordance with IFRS.

** Note: The value of the holding in the company Patris Investimentos, SGPS, S.A. was included in this caption, despite the investment being measured by the cost method, because it is immaterial, not justifying disclosure under an autonomous caption.

The movement in this caption, in financial years ended 31 December 2023 and 2022, is as follows:

	FY 2023	FY 2022 (RESTATED NOTE 2)
Opening balance	36,167,731	25,655,004
Application of MEP:		
that result from performance into results - Martifer Metallic Constructions SGPS	13,621,654	699,376
that result from performance into results - Martifer Renewables SGPS	4,744,360	11,251,427
other changes in equity - Martifer Metallic Constructions SGPS	515,827	3,051,512
other changes in equity - Martifer Renewables SGPS	191,220	(735,700)
Effect on the provision for negative equity - Martifer Metallic Constructions SGPS (Note 20)	6,233,753	(3,750,887)
Sale of the 6% stake - Ventinveste, S.A.	-	(3,000)
	49,007,039	**36,167,731**

The gains and losses on subsidiaries and associated companies, on 31 December 2023 and 2022, are as follows:

	FY 2023	FY 2022 (RESTATED NOTE 2)
Gains/losses recognised on subsidiary, associates and joint ventures		
Sale of shares Ventinveste, SA to GALP (Note 12)	-	739,268
Effect of the application of the equity method - Martifer Metallic Constructions SGPS	13,621,654	699,376
Effect of the application of the equity method - Martifer Renewables SGPS	4,744,360	11,251,427
	18,366,014	**12,690,071**

The equity and the net profit / (loss) of subsidiaries and associated companies, on 31 December 2023, are as follows:

	EQUITY	NET PROFIT FOR THE YEAR
Martifer Renewables SGPS *	41,078,311	4,744,360
Martifer Metallic Constructions SGPS *	4,004,919	13,621,654
	45,083,230	**18,366,014**

* Consolidated financial statements prepared in accordance with IFRS.

In the restated 31 December 2022 comparatives, a provision of 6,233,753 Euros was set up in Martifer Metallic Constructions SGPS due to the application of the equity method.

Supplementary capital contributions neither bear interest nor have a repayment term.

14. GROUP COMPANIES

On 31 December 2023 and 2022, the asset balances of shareholder loans and other financial operations are as follows:

	31 DECEMBER 2023			31 DECEMBER 2022		
	NON-CURRENT	CURRENT	TOTAL	NON-CURRENT	CURRENT	TOTAL
Martifer Construções	-	627,482	627,482	-	274,152	274,152
Martifer Metallic Constructions SGPS	3,872,289	400,026	4,272,315	3,872,289	137,732	4,010,021
Martifer Renewables	-	11,773	11,773	-	12,374	12,374
Martifer Renewables SGPS	1,235,000	939,210	2,174,210	1,235,000	9,458	1,244,458
Navalria	-	6,790	6,790	-	12,752	12,752
West Sea - Estaleiros Navais	-	1,313,871	1,313,871	-	2,273,374	2,273,374
	5,107,289	**3,299,152**	**8,406,441**	**5,107,289**	**2,719,842**	**7,827,132**

The shareholder loans will be repaid in a period exceeding 1 year and bear interest at Euribor 3 months + 3.50%.

On 31 December 2023, of the amount referred to in ‘Other financial operations’, 2,012,760 Euros relates to the tax estimated by the controlled companies that form part of the RETGS tax group (Martifer Construções: 627,482 Euros, Martifer Renewables S.A.: 11,773 Euros, Martifer Renewables S.G.P.S.: 52,844 Euros, Navalria: 6,790 Euros and West Sea - Estaleiros Navais: 1,313,871 Euros). The remaining values, respectively, 486,392 Euros, refers to shareholder loan interest and 800,000 Euros refers to short-term treasury operations.

On 31 December 2022, of the amount referred to in ‘Other financial operations’, 2,572,652 Euros relates to the tax estimated by the controlled companies that form part of the RETGS tax group (Martifer Construções: 274,152 Euros, Martifer Renewables S.A.: 12,374 Euros, Navalria: 12,752 Euros and West Sea - Estaleiros Navais: 2,273,374 Euros). The remaining value, 147,190 Euros, refers to shareholder loan interest.

The balances presented in liabilities by the Company, with Group companies, on 31 December 2023 and 2022, are as follows:

	FY 2023	FY 2022
Martifer Construções	4,265,501	4,612,829
Martifer Metallic Constructions SGPS	1,436	2,664
Martifer Renewables	888	888
Martifer Renewables SGPS	-	-
Navalria	5,812	16,606
West Sea - Estaleiros Navais	1,994,448	3,209,443
Cedilhas ao Vento, SA	656	656
	6,268,741	**7,843,087**

On 31 December 2023 and 2022, the value presented in Group companies (liabilities) refers to the liabilities that the Company has to the subsidiaries arising from the RETGS.

15. CLIENTS AND OTHER DEBTORS

On 31 December 2023 and 2022, these captions have the following breakdown:

	FY 2023	FY 2022
Trade receivables		
Trade receivables	1,113,440	813,653
	1,113,440	**813,653**
Other debtors		
Other debtors	30,450	30,878
	30,450	**30,878**
	1,143,889	**844,531**

On 31 December 2023 and 2022, the ageing of the balances of accounts receivable can be detailed as follows:

			DUE			
31 DECEMBER 2023	TOTAL	NOT DUE	UNTIL 90 DAYS	90 TO 180 DAYS	180 TO 360 DAYS	MORE THAN 360 DAYS
Trade receivables	1.113.440	552.001	208.594	345.655	-	7.189
Other debtors	30.450	-	-	-	-	30.450
	1.143.890	**552.001**	**208.594**	**345.655**	**-**	**37.639**

			DUE			
31 DECEMBER 2022	TOTAL	NOT DUE	UNTIL 90 DAYS	90 TO 180 DAYS	180 TO 360 DAYS	MORE THAN 360 DAYS
Trade receivables	813,653	806,464	-	-	-	7,189
Other debtors	30,878	-	429	-	-	30,449
	844,531	**806,464**	**429**	**-**	**-**	**37,638**

The balances overdue by 360 days are not significant, and the Company considers that there has been no deterioration in the credit quality of the counterparty so said balances are not at risk of uncollectibility.

16. STATE AND OTHER PUBLIC ENTITIES

On 31 December 2023 and 2022, the asset and liability balances of the caption 'State and other public entities' are as follows:

	FY 2023	FY 2022
Assets		
Value added taxes	3,351	3,351
	3,351	**3,351**
Liabilities		
Withholding taxes	47,918	46,296
Value added taxes	75,312	97,638
Social Security contributions	11,527	11,512
	134,757	**155,447**

17. DEFERRALS

The caption 'Deferrals' may be analysed as follows:

	FY 2023	FY 2022
Insurance	2,478	1,449
Other expenses to recognised	13,838	-
	16,316	**1,449**

18. CASH AND CASH EQUIVALENTS

The caption 'Cash and cash equivalents' may be analysed as follows:

	FY 2023	FY 2022
Cash	800	800
Bank deposits	1,012,169	1,089,773
	1,012,969	**1,090,573**

On 31 December 2023 and 2022, no restrictions existed as to the use of the balances recorded in the caption 'Cash and cash equivalents'.

19. EQUITY

Share capital

Martifer SGPS's share capital, fully subscribed and paid-up, on 31 December 2023 and 2022, amounted to 50,000,000 Euros and is represented by 100,000,000 registered shares with a par value of 0.50 Euros each. All shares hold the same rights, namely one share, one vote. During the 2023 and 2022 financial years, there were no changes in the number of shares representing the Company's share capital.

Own shares

During 2023, Martifer SGPS did not acquire or sell own shares. Martifer holds 2,215,910 own shares, corresponding to 2.22% of its share capital. By law, it is required to maintain a non-distributable reserve in the same amount as that of the acquisition of own shares, included in the caption 'Other reserves'.

On 31 December 2023, the share capital of the Company is 38% held by I'M SGPS, S.A. (owned by Carlos Manuel Marques Martins and by Jorge Alberto Marques Martins), 5.89% held by two directors related to I'M - SGPS, SA (Carlos Manuel Marques Martins and Jorge Alberto Marques Martins), 37.5% by Mota-Engil SGPS, SA (a company listed on the Stock Exchange), 2.22% in own shares, and the remaining 16.39% dispersed on the Stock Exchange.

Reserves

Legal reserve

Portuguese commercial legislation establishes that at least 5% of the annual net profit must be used to increase the 'Legal reserve' until the latter represents at least 20% of the share capital. This reserve is non-distributable, except in the event of liquidation, but may be used to offset losses after all the other reserves have been used up and/or it can be incorporated in share capital.

Other reserves

On 31 December 2023, this caption includes an unavailable reserve in the amount of 2,868,519 Euros (2022 restated: 2,868,519 Euros) related to the acquisition value of the own shares.

In addition to the above reserve, this caption also includes reserves for changes in the equity of subsidiaries resulting from the application of the equity method in subsidiaries (Note 13) in 2023 in the amount of 3,022,859 Euros (2022 restated: 2,315,812 Euros).

According to the legislation in force in Portugal, income and other positive equity changes recognised as a result of the use of the equity method only qualify for distribution to shareholders when realised. The legislation in force in Portugal also establishes that the difference between the result appropriated by applying the equity method and the amount of dividends paid or deliberated relating to the same investments is equated to the legal reserve.

Under Portuguese legislation, the amount of reserves considered distributable is determined based on the Company's separate financial statements, prepared in accordance with International Financial Reporting Standards (IFRS). On 31 December 2023 and 2022, Martifer SGPS, SA has no distributable reserves available.

Appropriation of the net profit for the financial year

At the General Meeting of Shareholders held on 25 May 2023, it was approved that the net profit for financial year ended 31 December 2022, amounting to 13,045,983.75 Euros (the separate net income of the Company after the restatement is 14,079,471.68 Euros – Note 2) would have the following appropriation:

- Transfer for Retained earnings - 13,045,983.75 Euros.

20. SUPPLIERS AND OTHER CREDITORS

The information regarding suppliers and other creditors, for financial years ended 31 December 2023 and 2022, may be analysed as follows:

	FY 2023	FY 2022
Trade payables	275,726	118,633
	275,726	**118,633**
Other accounts payables		
Cost accruals	1,067,696	267,360
Other creditors	11,347	4,816
	1,079,044	**272,176**
	1,354,770	**390,809**

On 31 December 2023 and 2022, this caption includes balances payable to suppliers and other creditors arising from the Company's operating activity and accrued expenses related to remuneration and respective charges for holiday pay, holiday subsidy and bonuses payable to employees and corporate bodies.

The Board of Directors considers that the fair value of these balances does not differ significantly from their book value and that the effect of discounting these amounts is not material.

On 31 December 2023 and 2022, the ageing of the balances in the captions 'Suppliers' and 'Other creditors' is as follows:

			DUE			
31 DECEMBER 2023	TOTAL	NOT DUE	UNTIL 90 DAYS	90 TO 180 DAYS	180 TO 360 DAYS	MORE THAN 360 DAYS
Trade payables	275,726	157,532	118,193	-	-	-
Other creditors	11,347	-	11,347	-	-	-
	287,073	**157,532**	**129,541**	-	-	-

			DUE			
31 DECEMBER 2022	TOTAL	NOT DUE	UNTIL 90 DAYS	90 TO 180 DAYS	180 TO 360 DAYS	MORE THAN 360 DAYS
Trade payables	118,633	-	833	117,800	-	-
Other creditors	4,816	-	4,816	-	-	-
	123,449	-	**5,648**	**117,800**	-	-

21. REMUNERATION OF THE BOARD, SUPERVISORY BOARD AND STATUTORY AUDITOR

Remuneration attributed to key management personnel, by remuneration category, can be summarised as follows:

	FY 2023	FY 2022
Fixed remuneration	1,618,093	1,642,153
Variable remuneration	90,000	110,000
	1,708,093	**1,752,153**

The remuneration attributed to the Supervisory Board in 2023 amounted to 9,600 Euros (2022: 9,600 Euros), and the fees paid to the Statutory Auditor amounted to 68,280 Euros (2022: 66,300 Euros).

The remuneration policy of the members of the management and supervisory bodies of Martifer SGPS, approved under the terms of Law no. 28/2009, as well as the annual amount of remuneration earned by the members of said bodies, in an aggregate and individual manner, is presented in the Corporate Governance Report.

22. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

In addition to the balances identified in the notes above, the balances and transactions with related parties are as follows:

	COSTS		REVENUES		ACCOUNTS RECEIVABLE		ACCOUNTS PAYABLE	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Shareholders	381,600	381,600	-	-	-	-	234,684	117,342
Group and associated companies	314	649	2,383,553	2,428,341	13,244,984	12,365,888	6,268,741	7,843,087
	381,914	**382,249**	**2,383,553**	**2,428,341**	**13,244,984**	**12,365,888**	**6,503,425**	**7,960,429**

The balances under the caption ‘Parent company’ are held by the shareholder I’M, SGPS and by the shareholder Mota-Engil, SGPS. Accounts receivable include the supplementary capital contributions recorded in financial investments (see Note 13).

23. NOTES TO THE SEPARATE STATEMENT OF CASH FLOW

The receipts and payments of financial investments, in financial years ended 31 December 2023 and 2022, may be analysed as follows:

	FY 2023	FY 2022
Cash Receivables:		
Reimbursement of supplies and treasury operations by Group companies (Note 13)	9,458	115,942
Sale of financial holdings	-	742,268
Total Receivables	**9,458**	**858,210**
Cash Payments:		
Treasury operations with group companies	800,000	1,235,000
Total Payments	**800,000**	**1,235,000**

The change in financial investments – shareholder loans and treasury operations with Group companies between 2023 and 2022, is as follows:

	FY 2022	CASHFLOWS (RECEIPTS)	CASHFLOWS (PAYMENTS)	TRANSACTIONS NOT AFFECTING CASH	FY 2023
Treasury operations with Group companies - Note 14	5,254,479	9,458	(800,000)	(401,505)	6,446,525
Total	**5,254,479**	**9,458**	**(800,000)**	**(401,505)**	**6,446,525**

	FY 2021	CASHFLOWS (RECEIPTS)	CASHFLOWS (PAYMENTS)	TRANSACTIONS NOT AFFECTING CASH	FY 2022
Treasury operations with Group companies - Note 13	3,988,231	115,942	(1,235,000)	(147,190)	5,254,479
Total	**3,988,231**	**115,942**	**(1,235,000)**	**(147,190)**	**5,254,479**

The amounts that appear in the column 'Transactions not affecting cash' (401,505 Euros), include 348,661 Euros that result from interest charged and not received on 31 December 2023, and (52,844 Euros) referring to the tax estimate of Martifer Renewables S.G.P.S (Note 14).

24. SUBSEQUENT EVENTS

On 19 February 2024, Martifer, through its subsidiary Martifer Renewables SGPS, S.A. completed the acquisition of 32% of Martifer Renewables Operation and Maintenance sp. Z o.o., coming to hold 100% of the company.

25. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors on 12 April 2024. In addition, these financial statements on 31 December 2023 are pending approval by the General Meeting of Shareholders.

26. TRANSLATION NOTE

This Annual Report, comprising the Management Report, Consolidated and Separate financial statements of Martifer Group for the financial year ended 31 December 2023, is a free translation of the original issued in the Portuguese language. In the event of discrepancies or misinterpretations the original version shall prevail.

Oliveira de Frades, 12 April 2024

The Certified Accountant

Marlene Henriques Pereira

The Board of Directors

Carlos Manuel Marques Martins
(Chairman)

Arnaldo José Nunes da Costa Figueiredo
(Vice-Chairman)

Jorge Alberto Marques Martins
(Vice-Chairman)

Pedro Miguel Rodrigues Duarte
(Member of the Board of Directors)

Pedro Nuno Cardoso Abreu Moreira
(Member of the Board of Directors)

Carlos Alberto Araújo da Costa
(Member of the Board of Directors)

Maria Sílvia da Fonseca Vasconcelos da Mota
(Member of the Board of Directors)

Carla Maria de Araújo Viana Gonçalves Borges Norte
(Member of the Board of Directors)

Clara Sofia Teixeira Gouveia Moura
(Member of the Board of Directors)

CORPORATE GOVERNANCE REPORT

CONTENTS

PART I
INFORMATION ON SHAREHOLDER STRUCTURE, ORGANISATION AND CORPORATE GOVERNANCE

A. Shareholder Structure

B. Governing Bodies and Committees

C. Internal Organisation

D. Remuneration

E. Transactions with Related Parties

PART II
CORPORATE GOVERNANCE ASSESSMENT

ANNEXES TO THE CORPORATE GOVERNANCE REPORT

Annexe I - Professional qualifications and positions held and activities carried out in other companies by members of the management and supervisory bodies and the Remuneration Committee

Annexe II - Statement referred to in sub-paragraph c) of paragraph 1 of Article 29-G of the Portuguese Securities Code

Note: The Portuguese version shall prevail.

CORPORATE GOVERNANCE REPORT

PART I
Information on Shareholder Structure, Organisation and Corporate Governance

PART I

Information on shareholder structure, organisation and Corporate Governance

A. SHAREHOLDER STRUCTURE

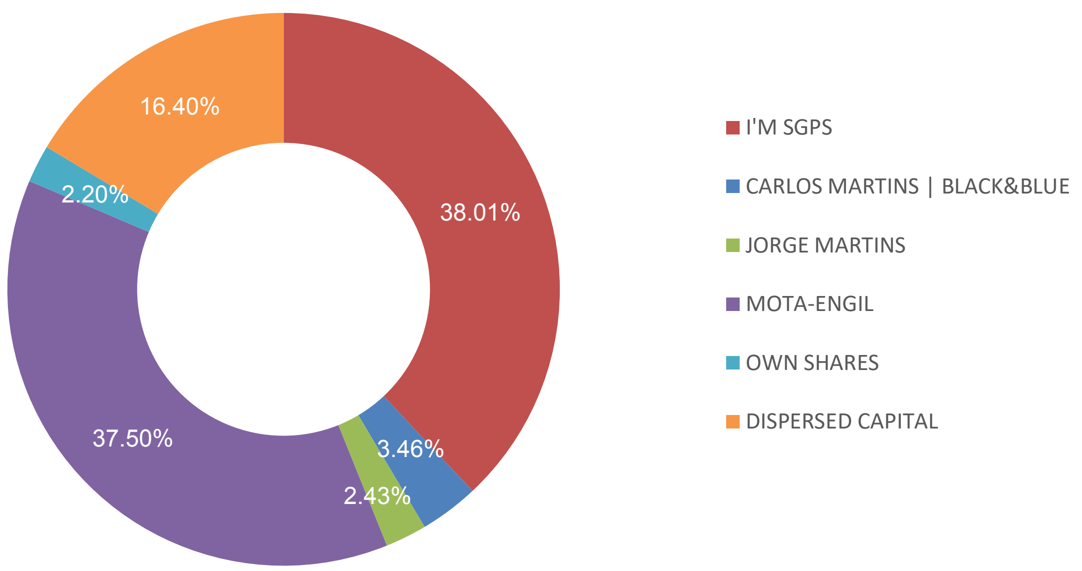
I. CAPITAL STRUCTURE

1. Share Capital Structure

The share capital of Martifer SGPS, S.A., the company issuing shares, (hereinafter also referred to as the "Company" or "Martifer") is €50,000,000.00 (fifty million Euros), fully subscribed and paid up, represented by 100,000,000 (one hundred million) nominative, scriptural shares, with a par value of €0.50 (fifty Euro cents) each.

All the shares are ordinary, no different categories of shares existing, nor rights and duties beyond those foreseen in law or the Company's Articles of Association.

All Martifer shares are admitted to trading on the Euronext Lisbon regulated market, corresponding to ISIN Code PTMFR0AM0003, traded under the Mnemo Code MAR.



The detailed information regarding the distribution of the share capital with reference to 31 December 2023 by the reference shareholders can be found in Item 7, Part I of the Corporate Governance Report.

2. Restrictions on the transferability and ownership of shares

Currently, there are no restrictions on the free transfer of the Company's shares, nor are there shareholders holding special rights. Consequently, all shares admitted to trading on the stock exchange are freely transmissible following the normal applicable regulations.

3. Own shares

There were no transactions relating to own shares in 2023. Consequently, on 31 December 2023, the Company held, as it did in 2022, own shares totalling 2,215,910, representing 2.22% of its share capital. These own shares do not grant voting rights.

4. Impact of the change in the Company's shareholder control on significant agreements

Martifer has not entered into, nor is it party to, any significant agreement that would come into force, be amended or terminated in the event of a change of control of the company following a takeover bid.

Likewise, through the approval of any statutory provisions or other measures adopted by the Company, the Company has not adopted rules or regulations aimed at preventing the success of takeover bids.

Similarly, no statutory provisions limit the number of votes that can be held or exercised by a single shareholder, individually or in agreement with other shareholders.

5. Defensive measures in the event of a change in shareholder control

During the 2023 financial year, no defensive measures were adopted in the event of a change in shareholder control.

6. Shareholder Agreements that the Company is aware of

The only Shareholder Agreement known to the Company was signed on 28 May 2007 between I'M SGPS, S.A. and Mota-Engil, SGPS, S.A., and was amended by amendments signed on 22 December 2009 and 17 April 2012.

The shares subject to the Shareholder Agreement on 31 December 2023 are directly held by the referred shareholders in the following amounts:

SHAREHOLDERS	No. of Shares	PERCENTAGE	VOTING RIGHTS [1]
Mota-Engil, SGPS, S.A.	37,500,000	37.50%	38.35%
I'M SGPS, S.A.	38,005,689	38.01%	38.87%
Total	**75,505,689**	**75.51%**	**77.20%**

[1] % Voting Rights = No. of Shares Held / (No. of Total Shares - Own Shares)

The aforementioned Shareholder Agreement regulates some of the main aspects of the company's corporate life, namely:

1. Attribution of voting rights – The shareholders agree to exercise at the Company's General Meeting, in a concerted way, their voting rights regarding the matters for which the law demands the deliberation by the Shareholders to be made by a qualified majority.

2. Various provisions – At the request of any of them, the shareholders oblige themselves to deliberate changes in the Company's articles of association whenever they are needed to ensure, as broadly as allowed by law, the good execution of the provisions in the Shareholders Agreement;

The shareholders commit, during the validity of the Shareholders Agreement, not to celebrate with other Company shareholders any Shareholder Agreement; and

The Shareholder Agreement does not provide for any restrictions on the transfer of securities.

3. Validity - The Shareholders Agreement will last for an undetermined period of time, but any of the shareholders can freely terminate it with a minimum 30-day notice prior to the date when the termination should take effect.

II. SHAREHOLDINGS AND BONDS HELD

7. Qualifying holdings[1]

With reference to 31 December 2023 and based on the notifications received by the Company, the shareholders who, following article 16 of the Portuguese Securities Code ("CVM"), and for the purposes of article 29-H of the CVM, held direct qualifying holdings representing at least 5% of the Company's share capital were the following shareholders:

SHAREHOLDERS	No. SHARES	% OF SHARE CAPITAL	% OF VOTING RIGHTS [1]
I'M SGPS, S.A.	38,005,689	38.01%	38.87%
Mota-Engil – SGPS, S.A.	37,500,000	37.50%	38.35%

The Board Members of the Company, Carlos Manuel Marques Martins and Jorge Alberto Marques Martins, are the majority shareholders of the company I'M SGPS, S.A., holding, respectively, 48% and 50% of the share capital of that shareholder.

The voting rights of the company Mota-Engil SGPS, S.A. are held directly, under the terms of article 20 of the Portuguese Securities Code.

The shareholder Carlos Manuel Marques Martins holds voting rights relating to 2,200,000 shares directly held and 1,261,853 shares indirectly held, due to the household of this Member of the Board of Directors of the Company, through the company Black and Blue Investimentos, S.A., of which he is a shareholder.

The shareholder Jorge Alberto Marques Martins has voting rights for 2,430,260 shares held indirectly by virtue of the direct ownership of his spouse, Elisabete Maria de Almeida Jesus Farreca.

On 31 December 2023, according to the information made available to the Company under the terms of the legislation currently in force, the following entities were holders of qualifying holdings, calculated following Article 20(1) of the Portuguese Securities Code, in the Company's share capital:

SHAREHOLDERS	No. SHARES	% OF SHARE CAPITAL	% OF VOTING RIGHTS [1]
I'M SGPS, SA	**38,005,689**	**38.01%**	**38.87%**
Carlos Manuel Marques Martins*			
Directly	2,200,000	2.20%	2.25%
Through Black and Blue Investimentos, S.A.	1,261,853	1.26%	1.29%
Total attributable	3,461,853	3.46%	3.54%
Jorge Alberto Marques Martins*			
Directly	–	–	–
Through Elisabete Maria de Almeida Jesus Farreca	2,430,260	2.43%	2.49%
Total attributable	2,430,260	2.43%	2.49%
Total Imputable to I'M SGPS, SA	**43,897,802**	**43.90%**	**44.89%**
Mota-Engil SGPS, SA	37,500,000	37.50%	38.35%
Total Imputable to Mota-Engil, SGPS, SA	**37,500,000**	**37.50%**	**38.35%**

[1] % of voting rights = No. Shares Held / (No. Total Shares - Own Shares)

*Member of a corporate body of the Company and of I'M SGPS, SA;

On 31 December 2023, 83.24% of the Company's voting rights are attributed to the shareholders I'M SGPS, S.A. and Mota-Engil SGPS, S.A.

[1] On 20 February 2024, the Company was notified by the shareholder Black and Blue Investimentos, S.A., of the allocation of 5.58% of the voting rights, under the terms of Article 20(1)(e) of the CVM, thus giving it a qualified holding, albeit in relation to a right to be acquired.

8. Number of shares and bonds held by members of the management and supervisory bodies (In accordance with the provisions of Article 447(5) of the Commercial Companies Code - "CCC")[2]

Board of Directors	No. of shares held on 31.12.2023	No. of shares held on 31.12.2022
President		
Carlos Manuel Marques Martins*	3,461,853	3,451,751
Vice Presidents		
Jorge Alberto Marques Martins**	2,430,260	2,430,260
Arnaldo José Nunes da Costa Figueiredo	3,000	3,000
Members		
Pedro Miguel Rodrigues Duarte	–	–
Pedro Nuno Cardoso Abreu Moreira	–	–
Carlos Alberto Araújo da Costa	–	–
Maria Sílvia da Fonseca Vasconcelos da Mota	–	–
Carla Maria Araújo Gonçalves Borges Norte	–	–
Clara Sofia Teixeira Gouveia Moura	–	–

* Of the 3,461,853 shares held by the shareholder Carlos Manuel Marques Martins, 1,261,853 are held indirectly, through the family household of this member of the Company's Board of Directors, through the company Black and Blue Investimentos, S.A., of which he is a shareholder.

** The 2,430,260 shares held by the shareholder Jorge Martins are held indirectly by virtue of the marriage with Elisabete Maria de Almeida Jesus Farreca.

Note: There are no bonds held by members of the management and supervisory bodies.

Supervisory Board	No. of shares held on 31.12.2023	No. of shares held on 31.12.2022
Mária Maria Machado Lapa de Barros Peixoto ***President***	–	–
Américo Agostinho Martins Pereira ***Member***	–	–
Luís Filipe Cardoso da Silva ***Member***	–	–
Ana Luísa Nabais Aniceto da Fonte ***Alternate***	–	–

Statutory Auditor	No. of shares held on 31.12.2023	No. of shares held on 31.12.2022
Deloitte & Associados, SROC, S.A. ***Effective***	–	–
João Carlos Henriques Gomes Ferreira ***Alternate***	–	–

9. Special powers of the Board of Directors, namely with regard to capital increase operations

The Board of Directors is authorised, under the terms of the Articles of Association in force, following a favourable opinion from the Supervisory Board and in compliance with the other applicable provisions of the Articles of Association, to increase the share capital in cash, once or more times, up to a maximum limit of one hundred and twenty-five million Euros. The Board of Directors shall determine the terms and conditions of each share capital increase, as well as the form and the deadlines for subscription and payment, under Article no. 4.8 of the Company's Articles of Association. Up to this date, there has not been any capital increase in the Company under this attribution of the Board of Directors.

[2] Includes shares held by members of the management or supervisory body of Martifer, as well as, if applicable, (i) of the spouse not judicially separated, regardless of the matrimonial regime; (ii) of underage descendants; (iii) of persons in whose name the shares are held, having been acquired on behalf of the member of the management or supervisory body or the persons referred to in (i) and (ii); and (iv) of those belonging to a company of which the member of the management or supervisory body and the persons mentioned in (i) and (ii) are partners with unlimited liability, exercise management or supervisory functions or hold, alone or together with the persons mentioned in (i) to (iii), at least half of the share capital or of the votes corresponding to the share capital.

10. Significant Business Relationships between the Holders of Qualifying Holdings and the Company

In carrying out its business, regardless of its relevance, Martifer celebrates business deals and carries out normal market operations for similar operations with several entities, including holders of qualified holdings in Martifer's share capital and related companies. Regarding the financial year 2023, there are no significant commercial relations between Martifer Group companies and entities with qualifying holdings in the Company's share capital. The Board of Directors is bound to submit to the appreciation or knowledge of the Supervisory Board all transactions with related parties and the transactions considered Relevant[3] are subject to the prior opinion of the Supervisory Board. As for other business deals or transactions between holders of qualifying holdings in the Company and other affiliated companies, they are part of the normal business activity of these companies and were carried out under normal market conditions.

The company aims to adopt the best governance practices, which is why it has an internal policy regulating conflicts of interest and business deals between related parties, the current version of which was approved at the meeting of the Board of Directors on 13 July 2022, available for consultation on Martifer's website: Related Party Transactions and Conflicts of Interest Policy.

B. GOVERNING BODIES AND COMMITTEES

I. GENERAL MEETING

a) Composition of the Board of the General Meeting

11. Names and positions of the members of the Board of the General Meeting and their respective term of office

The Board of the General Meeting comprises a president, a vice president, and a secretary; the present holders of these positions were elected on 21 May 2021 at the General Meeting for a three-year term of office, ending on 31 December 2023.

The members of the Board of the General Meeting are:

GENERAL MEETING		FIRST APPOINTMENT	END OF CURRENT APPOINTMENT
President	José Joaquim Neiva Nunes de Oliveira	2015	2023
Vice President	Ana Sofia Pinto Rijo Andrade	2021	2023
Secretary	Luís Neiva de Oliveira Nunes de Oliveira	2015	2023

(b) Exercise the right to vote

12. Possible restrictions on voting rights

The Articles of Association do not establish any percentage or maximum limit on the exercise of voting rights by any shareholder. The Company has not issued any preference shares without voting rights.

The Company has not adopted any mechanism that causes mismatching between the right to receive dividends or to subscribe new securities and the voting right of each share.

[3] See Related Party Transactions and Conflicts of Interest Policy, published at https://www.martifer.com/pt/investors/corporate-governance/estatutos.

Therefore, the General Meeting includes shareholders holding Company shares, **each share carrying one vote**.[4]

Shareholders can participate provided they hold shares at least five days prior to the date set for the General Meeting and provided these shares are registered in their name in securities accounts. The blocking of shares is not a condition for participation, and the Registration Date is the relevant moment for assessing the shareholder quality.

No later than three (3) days before the date set for the meeting, proof of share ownership must be provided to the Company by means of a certificate issued by the relevant entity. If the General Meeting is adjourned, the Company does not require a lock-up for the entire period until the session is resumed, but only the ordinary notice required for the first session.

Shareholders may be represented at General Meetings by means of a written proxy addressed to the Chairman of the Board of the General Meeting and may appoint different representatives in respect of shares held in different securities accounts without prejudice to the provisions of the law in this regard. That communication may also be sent by electronic mail (presidentedamesaag@martifer.com) following the instructions in the notice convening the respective General Meeting.[5]

Shareholders can also vote by post on all matters subject to consideration by the General Meeting.

It is the President of the Board of the General Meeting's responsibility, or the person substituting him/her, to verify the conformity of the postal vote declarations, and those votes corresponding to declarations that are not accepted will not be accepted.

The proposals to be submitted to the General Meeting, as well as the other information required to prepare for and participate in the meetings (including, among others, the template for exercising the postal voting right), are made available to shareholders up to twenty-one (21) days before the date of the General Meeting at the Company's registered office and on the Company's website. This documentation can be accessed on the company's website at http://www.martifer.pt/. In addition to the Company's website, this documentation is also available for consultation by shareholders at the company's registered office during office hours and on the CMVM's Information Disclosure System (www.cmvm.pt) on the date of the notice of the meeting. The minutes of the General Meetings are also made available on the Company's website within five (5) days of the meeting.

Under the recent amendments introduced by Law no. 50/2020 of 25 August, the Company also discloses each notice of the General Meeting and the adjacent information pursuant to the Shareholders' Rights Directive II (hereinafter only "SRD II"), to each shareholder.

During 2023, the participation and exercise of remote voting rights were not requested. However, as mentioned above, the Company's articles of association provide for postal voting, as well as the possibility of holding the General Meeting by electronic means as soon as the respective means of communication security and the authenticity of the declarations have been verified and ensured[6].

Martifer has been ensuring and implementing measures to promote and encourage shareholder participation in General Meetings:

Vote by correspondence Availability of letters of representation and ballot papers on the website.	Disclosure on the website, in Portuguese and English, of the notice convening the General Meetings, the voting methods and the procedures to be adopted for postal or proxy voting.	Availability on the website, in Portuguese and English, of the preparatory documentation relating to the various items on the Agenda.	The creation of an email dedicated exclusively for the General Meeting, disclosed in its notice, in order to facilitate the clarification of any query.

[4] See Article 16.1 of the Articles of Association.
[5] See Article 15.2 and 15.3 of the Articles of Association.
[6] See Article 15.3 of the Articles of Association.

13. Maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders in any of the relationships listed in article 20.1 of the CVM

There is no limitation on the number of votes that can be held or exercised by a single shareholder or group of shareholders.

14. Shareholder resolutions which, under the articles of association, can only be passed with a qualified majority, in addition to those legally provided for

Article 18 of the Company's Articles of Association establishes the rule of a simple majority of votes cast for the approval of corporate resolutions, both on the first and second call, unless the CCC or the Company's Articles of Association provide otherwise.

The only exception to this rule relates to the provision in the Company's Articles of Association that sets a qualified majority of two-thirds of the votes counted for the passing of resolutions relating to the dismissal without fair grounds of directors.

II. MANAGEMENT AND SUPERVISION

a) Composition

15. Corporate Governance Model

The company adopts the Latin monist governance model, commonly known as "*reinforced Latin*", which advocates the separation of the management and supervisory bodies (dual), and its Corporate Governance structure includes the Board of Directors, the Supervisory Board and the Statutory Auditor. All the bodies are elected at the Shareholders General Meeting.

For the three-year term of office corresponding to the 2021-2023 period, the Board of Directors delegated powers relating to the Company's day-to-day management to an Executive Committee under the terms and within the limits defined in no. 21.1 below. The Board of Directors has exclusive powers to monitor and define the company's strategic guidelines and to supervise the Executive Committee and the specialised consultative committees.

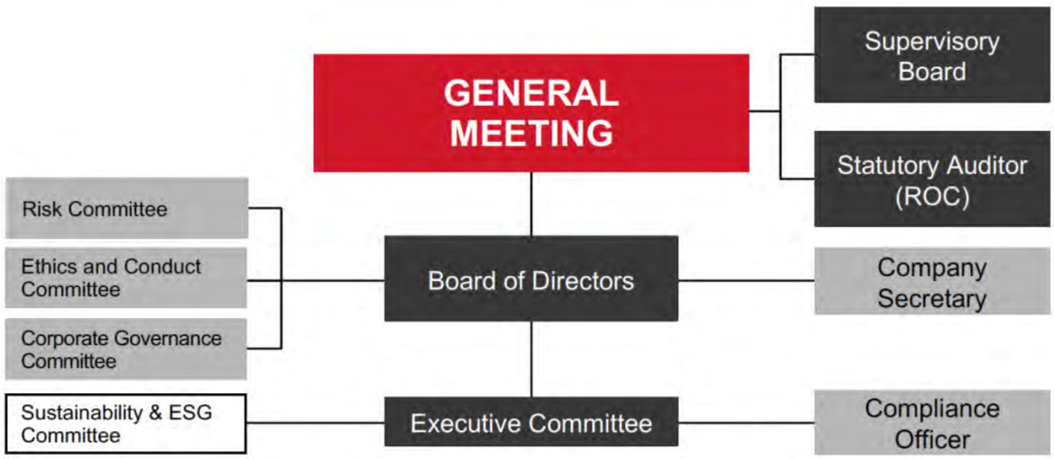
The adoption of this model allows the existence of a supervisory body with effective and reinforced supervisory powers composed entirely of members subject to an incompatibility regime and independence requirements. It also allows for the creation of specialised consultative committees aimed at assisting the Board of Directors' decisions in matters of greater relevance.

The transparency and independence requirements of the Board of Directors are reinforced by a *Lead Independent Director* and three specialised consultative committees created within the Board of Directors - the Risk Committee, the Ethics and Conduct Committee and the Corporate Governance Committee, which do not include executive board members.

Except for the Statutory Auditor, who was elected for a two-year term (2022-2023), the members of the governing bodies, the Board of the General Meeting and the Remuneration Committee were elected for a three-year term (2021-2023).

An understanding of how Martifer Group's corporate governance works is available on its website, which contains the articles of association and the operating regulations of the governing bodies and specialised committees, and the Company Secretary ensures communication between the governing bodies and the respective specialised committees, either by sending notices of meetings, proposals and support documents to the meetings of each board of directors or committee, or by providing legal and regulatory information.

The General Meeting elects the governing bodies, requiring that the preparation of proposals with appointment lists be characterised by the fulfilment of prior and adequate criteria of experience, competence, integrity and independence.



16. Statutory rules on procedural and material requirements applicable to the appointment and replacement of members of the Board of Directors

Currently, there are no special statutory rules in the Company regarding the appointment and replacement of board members. In this matter, the regime resulting from the CCC applies, considering from the outset that, by law, the power to appoint the board members (as well as the supervisory body) is exclusive to the shareholders and cannot be attributed to any other corporate body or specialised committee created by the Board of Directors, taking into account the provisions of article no. 391 of the CCC.

As the choice and appointment of members of corporate bodies is an exclusive competence of the General Meeting [and, therefore, of the shareholders], such competence is not available to the Company, under penalty of voiding the binding nature of the preparation and legal imposition of diversity models or policies. The Board of Directors is appointed or replaced following the provisions of the CCC and the Articles of Association.

The members of the Board of Directors are proposed and elected every three years by the Shareholders at a General Meeting or co-opted by the Board of Directors, subject to ratification at the General Meeting; their re-election is allowed once or more than once.

Pursuant to the provisions of Article no. 289(1)(d) of the CCC, the proposals for the election of board members (and other corporate bodies) shall indicate the qualifications and professional activities performed during the last five years by the persons whose election has been proposed by the Company's shareholders.

The election of members of the Board of Directors is carried out through lists, with an indication of the proposing shareholders, voting on the list as a whole and not on each of its members.

Under the Articles of Association, the Board of Directors appoints the President and two Vice Presidents from among its members and, as it sees fit and considers appropriate, constitutes an Executive Committee or delegates powers to executive board members.

The right to propose the election of a board member on their own is guaranteed by the articles of association by shareholders who voted against the proposal that won the election, provided that, alone or jointly, they represent at least 10% (ten per cent) of the share capital.

The substitution of board members is carried out under the terms of article no. 393 of the CCC. According to the Articles of Association, for the purposes of replacing board members, absence is considered definitive when, without a justification accepted by the management body, a board member is absent from more than five meetings, consecutive or interspersed. The respective replacement shall be made through co-optation, subject to ratification at the following General Meeting.

In accordance with the law, the shareholders deliberate annually on the continuity in functions of each board member through a vote of praise and/or confidence, or the opposite, through the attribution of a vote of no confidence, which may lead to the dismissal of the board member in question.

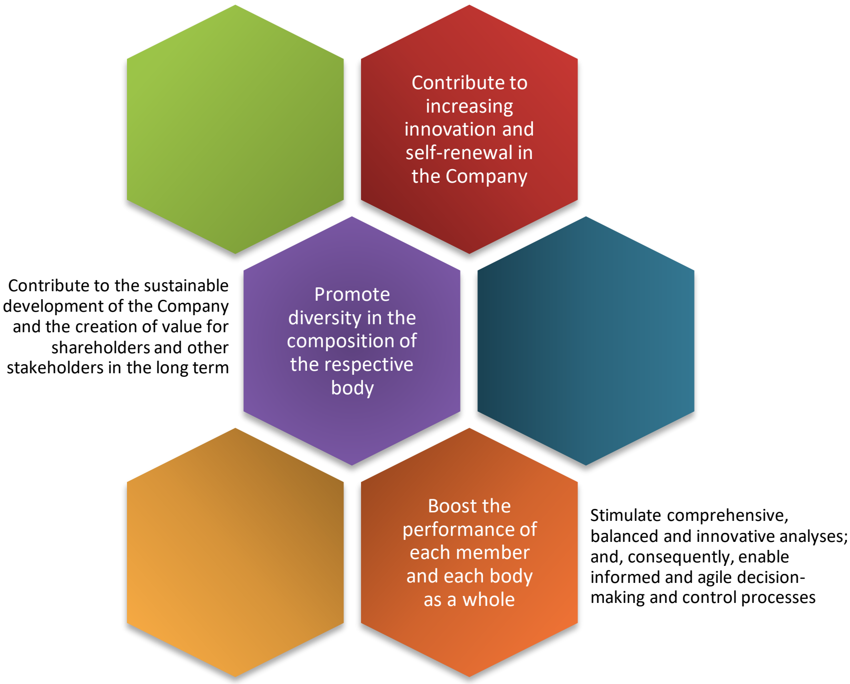
Within the scope of good governance practices, the shareholders have been applying criteria to the selection of new members of the Company's governing bodies regarding the suitability of the profile, knowledge and curriculum vitae for the role to be performed by these candidates, covering aspects such as education, experience in the metal and/or naval and/or energy sectors, integrity and independence, the proven experience and diversity that each proposed member can offer to the competent body. **However**, for reasons of proportionality, taking into account the governance model and the size and market capitalisation of the Company, combined with the fact that the Company's capital structure and ownership are fairly concentrated, an appointment committee has not been set up to monitor and support the appointment of its senior management.

In a policy of "*multiplicity*", the proposals for appointing members of the governing bodies seek to combine the individual attributes of each of the proposed members, such as age, independence, integrity, experience and competence - individual merit, with that of all and with the specific characteristics of the Company, namely its governance model, size, shareholder structure and business model, favouring criteria of competence, independence and integrity and availability, complementarity and diversity.

Furthermore, in compliance with the Resolution of the Council of Ministers no. 11-A/2015, the Company has committed itself to meeting diversity targets in the composition of its corporate bodies, having a female representation in its corporate bodies, thus being considered not only the profiles of the proposed members but also gender diversity requirements. It should be noted that the 2021-2023 term of office fulfils the proportion of people of each sex appointed to the management and supervisory bodies.

In September 2023, the Company published its Gender Equality Plan, which can be consulted on the Company's website at the following link https://www.martifer.pt/pt/investors/corporate-governance/plano-igualdade-genero, setting out the objectives to be pursued by the Company in this area and the concrete measures to be implemented to achieve these objectives.

Responding to the challenges that arise from this framework, Martifer Group's governance by its shareholders advocates a policy of diversity in the composition of its corporate bodies, in particular the Board of Directors and the Supervisory Board, as a way to:



The Company's shareholders, therefore, recognise the need to continuously promote diversity in its governing bodies and other leaders, particularly in the Board of Directors and the Supervisory Board, namely in the following aspects:

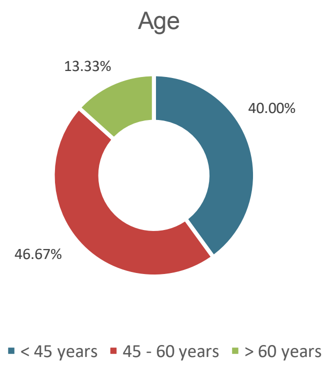
- Adequate academic qualifications and relevant professional experience for the specific corporate position and which, as a whole, allow the respective corporate body to bring together the necessary skills for the full performance of its duties;
- Inclusion of members from different age groups, combining the knowledge and experience of more senior members with the innovation and creativity of younger members to enable the respective body to be orientated towards an innovative vision of the business and prudent risk management;
- The promotion of gender diversity and, consequently, an appropriate balance of sensitivities and decision-making styles within the respective body.

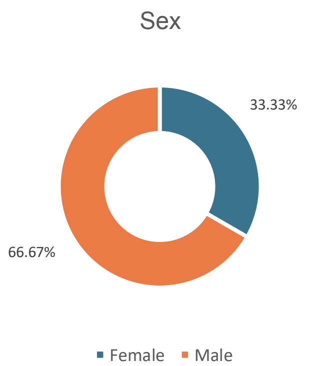
In what concerns the Board of Directors and the Supervisory Board, whose composition was changed at the annual General Meeting on 21 May 2021, different criteria are observed as indicated in item 19. (Board of Directors) and item 33. (Supervisory Board) of this report. In particular, it should be noted that in both cases the Board of Directors includes 33.33% of people of the under-represented sex and the Supervisory Board includes 33.33% in the same way.

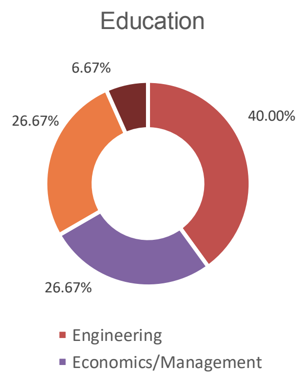
It should be noted that the analysis of the multiplicity within the corporate bodies of Martifer Group conveys the existence of a quite reasonable level of diversity. Verify the following table:

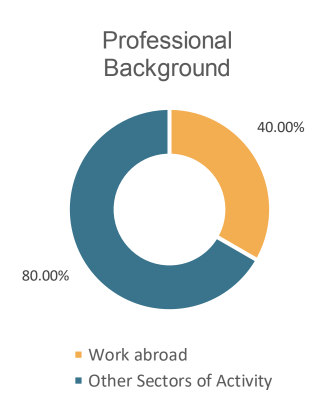
DIVERSITY FACTOR	PARAMETER	%*
AGE	<45	40.00%
	45-60	46.67%
	>60	13.33%
SEX	Female	33.33%
	Male	66.67%
EDUCATION	Engineering	40.00%
	Economy/Finance/Management	26.67%
	Law	26.67%
	Others	6.67%
PROFESSIONAL BACKGROUND	Working abroad	40.00%
	Other sectors of activity	80.00%

* Considering the members of the General Meeting, the Board of Directors and the effective members of the Supervisory Board.









17. Composition of the Board of Directors

Following the Company's Articles of Association, Martifer's Board of Directors includes a minimum of 5 (five) and a maximum of 9 (nine) members elected at a General Meeting.

The term of office of the members appointed to the Board of Directors is 3 (three) calendar years and there are no restrictions regarding their re-election. The members of the Board of Directors are considered inducted as soon as they are elected, and they remain in office until they are replaced by newly elected directors if it is required by the Articles of Association.

On 31 December 2023, the Board of Directors comprised 9 (nine) members, elected at the Company's General Meeting for a term of 3 (three) calendar years.

On 31 December 2023, the composition of the Board of Directors was as follows:

NAME OF THE BOARD MEMBER	FIRST APPOINTMENT	END OF CURRENT APPOINTMENT*
Carlos Manuel Marques Martins (President)	2004	2023
Jorge Alberto Marques Martins (Vice President)	2004	2023
Arnaldo José Nunes da Costa Figueiredo (Vice President)	2010	2023
Pedro Nuno Cardoso Abreu Moreira	2015	2023
Pedro Miguel Rodrigues Duarte	2018	2023
Carlos Alberto Araújo da Costa	2021	2023
Maria Sílvia da Fonseca Vasconcelos da Mota	2018	2023
Carla Maria de Araújo Gonçalves Borges Norte	2021	2023
Clara Sofia Teixeira Gouveia Moura	2021	2023

(*) At the end of their term of office, they remain in office until a new appointment occurs (Article no. 391.3 of the CCC).

18. Distinction between executive and non-executive members and, in what regards non-executive members, identification of members that may be considered independent

Non-executive Board Members

CARLOS MARTINS
President

ARNALDO FIGUEIREDO
Vice President

Member of the
Corporate Governance Committee

JORGE MARTINS
Vice President

Member of the
Risk Committee

SÍLVIA MOTA

Lead Independent Director

CARLA GONÇALVES BORGES

President of the
Ethics and Conduct Committee
President of the
Corporate Governance
Committee

CLARA TEIXEIRA MOURA

President of the
Risk Committee
Member of the
Ethics and Conduct Committee

Executive Board of Directors

PEDRO DUARTE
CEO - President of the Executive Committee

PEDRO MOREIRA
CFO

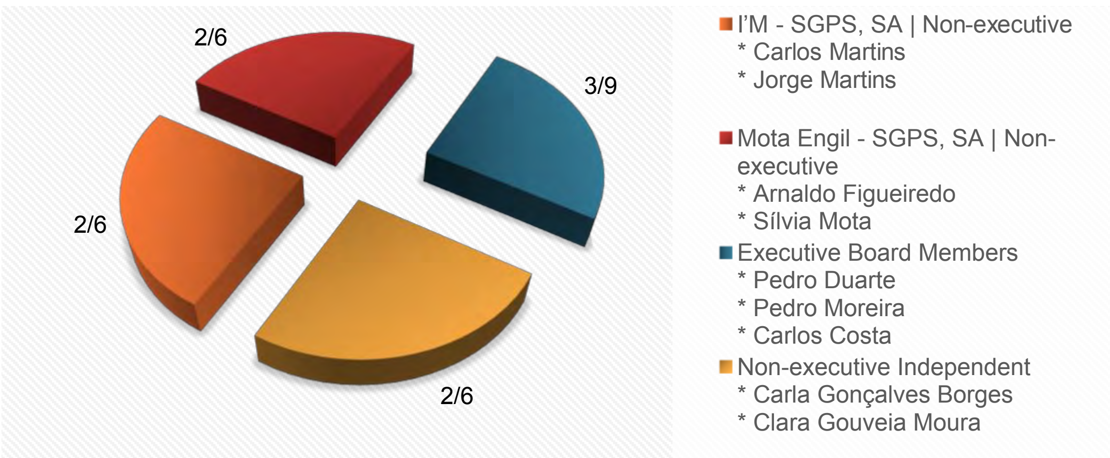
CARLOS COSTA
COO Constructions

NAME OF THE BOARD MEMBER	STATUS (Executive / Non-executive)	INDEPENDENT or NON-INDEPENDENT*
Carlos Manuel Marques Martins *President*	Non-Executive	Non-independent
Jorge Alberto Marques Martins *Vice President*	Non-Executive	Non-independent
Arnaldo José Nunes da Costa Figueiredo *Vice President*	Non-Executive	Non-independent
Pedro Miguel Rodrigues Duarte *CEO*	Executive	-
Pedro Nuno Cardoso Abreu Moreira *CFO*	Executive	-
Carlos Alberto Araújo da Costa	Executive	-
Maria Sílvia da Fonseca Vasconcelos da Mota	Non-Executive	Non-independent
Carla Maria de Araújo Viana Gonçalves Borges Norte *Lead Independent Director*	Non-Executive	Independent
Clara Sofia Teixeira Gouveia Moura	Non-Executive	Independent

*Considering the independence requirements of article 414.5 of the Commercial Companies Code and the independence criterion established in point 18.1 of Annexe I of CMVM Regulation 4/2013 and recommendation III.4 of the Corporate Governance Code of the Portuguese Institute of Corporate Governance (IPCG) (2018 and revised in 2023).

Currently, of the 9 (nine) board members of the Board of Directors, 6 (six) are non-executive board members, representing more than half (66.67%) of the total number of board members, which is an adequate number, particularly considering the shareholder structure of the Company and the complexity of the risks inherent to its activity. The relationship established between the non-executive board members and the reference shareholders makes it possible to define a standard of adequacy for the number of members of the Board of Directors with appointed non-executive functions, and this parity makes it possible to infer the judgement of adequacy of the number of members of the Board of Directors. The non-executive board members are responsible for monitoring and assessing the Company's management, ensuring effective supervision of the activity of the executive board members.

Taking into account the criteria for assessing the independence of the non-executive members of the Board of Directors, set out in the CCC and in the Corporate Governance Code of the Portuguese Institute of Corporate Governance (IPCG), the Board of Directors comprises 2 (two) independent non-executive directors.



Given the size of the Company and its shareholder structure, the number of independent board members is considered appropriate, considering its shareholder structure and the reduced free float. Following Corporate Governance best practices, the Board of Directors has designated the board member Carla Gonçalves Borges as Lead Independent Director, with the purpose of acting, whenever necessary, as an interface between the President of the Board of Directors, who is a non-executive board member and non-independent, and the remaining members, while promoting the coordination of the exercise of the functions of the non-executive board members, both within the Board of Directors and in the respective specialised consultative committees, thus guaranteeing the added conditions for the exercise of their powers in an independent and transparent manner.

19. Professional qualifications of the members of the Board of Directors

The experience and knowledge of the members of the Board of Directors are best described in the resumes in the document attached to this report as Annexe I, which rigorously and specifically attest to their ability to perform the duties entrusted to them.

20. Significant family, professional and business relationships of members of the Board of Directors with shareholders to whom a qualifying holding is attributable

The President of the Board of Directors, Carlos Manuel Marques Martins and the Vice President, Jorge Alberto Marques Martins, are holders of the share capital and voting rights of the reference shareholder I'M SGPS, S.A.. The abovementioned Board Members are brothers.

The Vice President of the Board of Directors, Arnaldo José Nunes da Costa Figueiredo, exercises management positions in Mota-Engil Group companies. Mota-Engil SGPS, S.A., Martifer's other reference shareholder, is the holding company of the aforementioned Group.

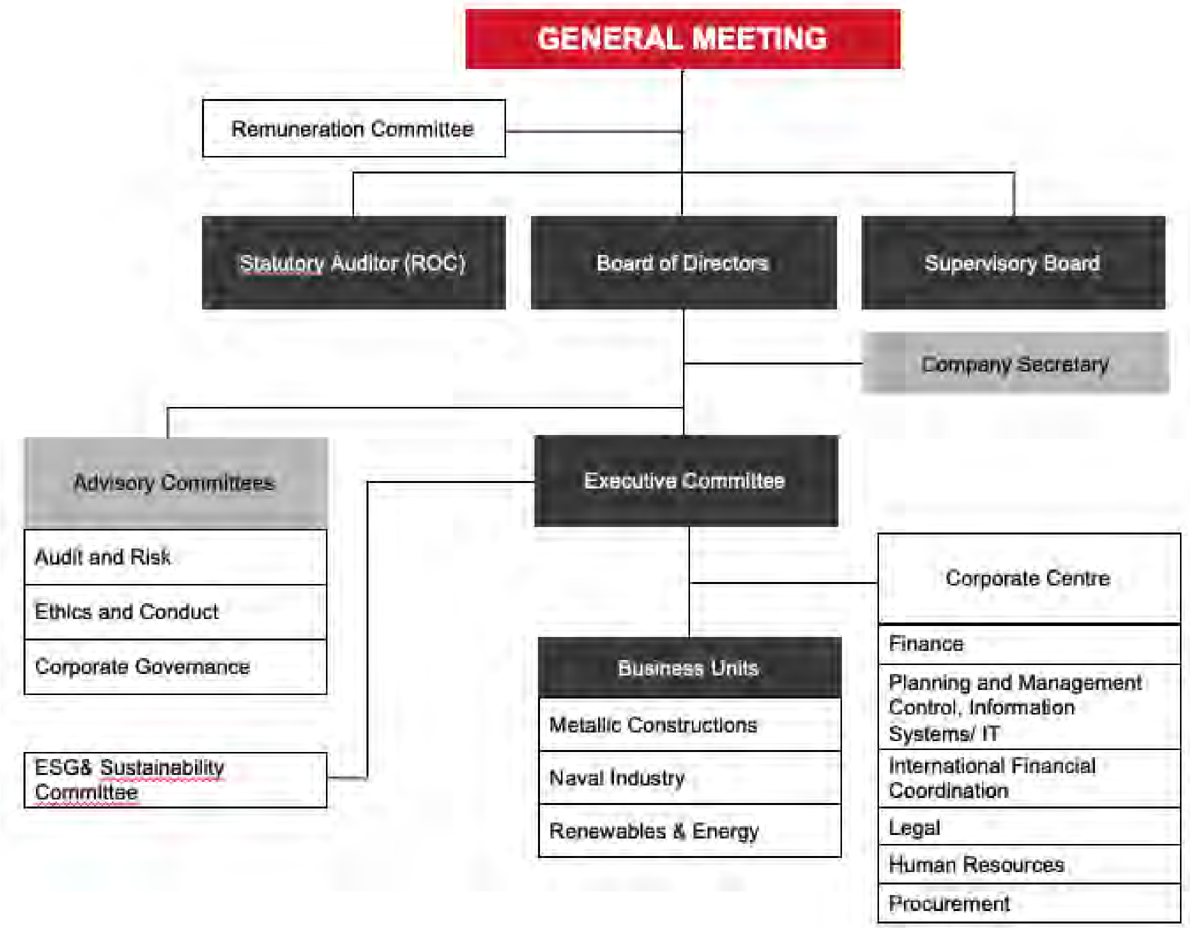
The Member of the Board of Directors Maria Sílvia da Fonseca Vasconcelos da Mota is a shareholder with a qualified holding in Mota-Engil SGPS, S.A., albeit indirectly, and performs management functions in companies of the Mota-Engil Group.

The other board members of the Company do not have any family ties. Therefore, apart from those identified above, and according to the declarations individually provided, there are no other family, professional or commercial relationships, customary and significant, between shareholders with qualified shareholdings greater than 5% of the voting rights and the other members of the Board of Directors.

It should be noted that, at the time of receiving information on the Appointment Lists to be proposed to the General Meeting, the Company sends the members of these lists a questionnaire on professional, personal, integrity and independence data, following the Privacy Policy in force in Martifer Group, in which each member of the proposed lists of corporate bodies declares, among other things, which positions or functions they have held in the last 12 months; whether they hold or have held shares in the Company; whether they are a politically exposed person or a close family member or a person recognised as being closely associated with a politically exposed person or whether they hold any other political or public office; as well as whether they have family or professional relationships with shareholders with a qualifying holding in Martifer's share capital, whereby each declaring member is sent Martifer Group's Code of Ethics and Conduct.

21. Organisational charts or functional maps relating to the distribution of competences between the various corporate bodies, committees and/or departments of the Company, including information on the delegation of competences, in particular with regard to the delegation of the day-to-day management of the Company

21.1 ORGANISATIONAL CHART



21.2 DISTRIBUTION AND DELEGATION OF COMPETENCES BETWEEN THE VARIOUS COMPANY BODIES, COMMITTEES AND/OR DEPARTMENTS

General Meeting

Composition and term of office as described in item 11 of this report.

The President of the Board of the General Meeting is responsible for:

- Convening General Meetings, namely by preparing the notice and disclosing it;
- Receiving requests to include items on the agenda and, if they are approved, disclose them in the same terms;

- Choosing the venue for the General Meeting within national territory, provided that the premises of the head office do not allow the meeting to be held under satisfactory conditions;
- Presiding over the General Meeting, directing and guiding the proceedings, namely: checking attendance and quorum; organising the attendance list; declaring the meeting open; allowing, limiting or refusing the floor; presenting postal votes; counting all votes and announcing the result;
- Authorising the presence at the General Meeting of third parties who are not members of the Company, and the Plenary may revoke this authorisation;
- Suspending the work of the General Assembly;
- Closing the session, drawing up the minutes and signing them.

In case of any impediment, the President of the Board of the General Meeting shall be replaced by the Vice President of the Board of the General Meeting.

The Secretary of the Board of the General Meeting is responsible for:

- Assisting the President of the Board of the General Meeting in conducting the proceedings, in particular in checking attendance and quorum, organising the attendance list and reading out the agenda set out in the notice of meeting and the documents sent to the Board during the meeting;
- Writing down the developments of the meeting for the minutes;
- Counting the votes;
- Drawing up the minutes and signing them.

Statutory Committees

REMUNERATION COMMITTEE

Composition and term of office as described in item 67 of this report.

In accordance with the articles of association, the Remuneration Committee, elected by the shareholders at the General Meeting, is responsible for defining the remuneration policy for the members of the governing bodies and assessing the board members, setting the applicable remuneration, taking into account the duties performed, their performance and the economic situation of the company. It meets whenever necessary. Minutes are taken of all meetings held. All members are independent of the members of the management body, especially the executive members.

Management Bodies

BOARD OF DIRECTORS

Composition and term of office as described in item 17 of this report.

The Board of Directors is responsible for managing and representing the Company's activities. It must be subject to the shareholders' resolutions or the Supervisory Board's interventions by law and the articles of association.

In accordance with the Articles of Association and pursuant to article no. 407.3 of the CCC, day-to-day management powers were delegated to an Executive Committee, positions currently held by Pedro Miguel Rodrigues Duarte (president), Pedro Nuno Cardoso

Abreu Moreira and Carlos Alberto Araújo da Costa (board members). These executive board members are responsible for implementing the strategic decisions taken by the Board of Directors, and for the day-to-day management of the holding Company, as a share holding company, and of its subsidiaries, all within the scope of the powers delegated to it.

Pursuant to Article no. 407.1 of the Portuguese Commercial Companies Code, the Board of Directors also attributed the special position of Company Representative with the Market and CMVM to Board Member Pedro Nuno Cardoso Abreu Moreira.

The executive board members accompanied the activity developed by the Company, ensuring the effective supervision, monitoring and assessment of the activity, in particular through regular meetings of the Board of Directors, without prejudice to the access to any information or documentation that may be requested at any time.

The Board of Directors meets at least 10 times a year, or whenever convened by its president or two (2) of its members.

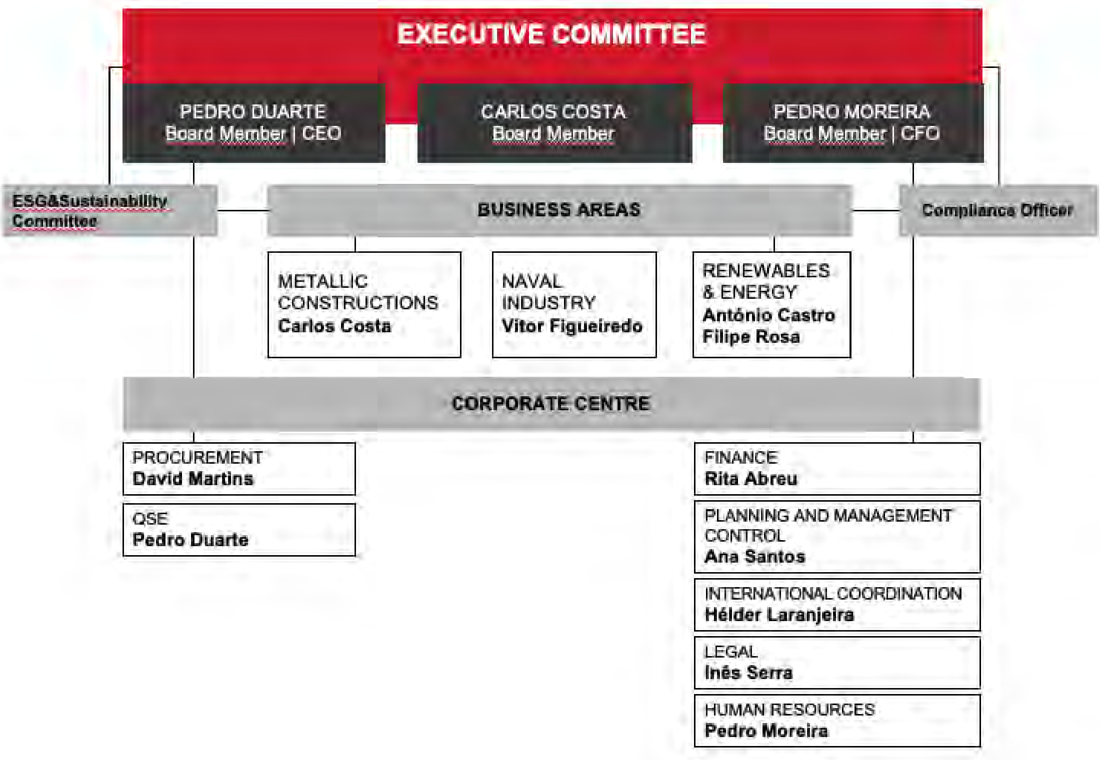
Chronological details of the attendance of the members of the Board of Directors at meetings held in 2023 can be found in item 23 of this report.

EXECUTIVE COMMITTEE

Composition and term of office as described in item 28 and competences as described in item 29, both of this report.

Allocation of positions in the Board of Directors

To optimise management efficiency, the members of the Executive Board shared among themselves during the financial year 2023 the responsibility for direct follow-up of specific areas of the Company's activities, according to the following chart:



On 31 December 2023, concerning the distribution of functions among the members of the Board of Directors, namely within the Executive Committee, the following should be noted:

PEDRO DUARTE	PEDRO MOREIRA	CARLOS COSTA
- Chief Executive Officer (CEO) - Corporate Strategic Planning - Shipbuilding - Strategy - Industrial Maintenance and Energy Transition - Strategy - Industrial Coordination - Procurement - Sustainability - Safety, health, environment and quality (QSE) - Productivity and Digital Transition - Angola - Operation - Mozambique - Operation	- Chief Financial Officer (CFO) - Renewables & Energy - Strategy - Corporate Finance - International Financial Coordination - Investor relations - Legal affairs - Communication - Corporate Planning and Management Control - Information Systems and Technologies - Corporate Risk and Internal Audit - Human Resources - Corporate Secretariat and Compliance	- Construction - Chief Operating Officer (COO) - Commercial - Production - Steel Structures - Production and Manufacture - Façades - France - Operation - United Kingdom - Operation - Romania - Operation - Saudi Arabia - Operation - Project Planning and Management Control

The corporate structure integrates the Business Units and the Corporate Centre as follows:

BUSINESS UNITS AND CORPORATE CENTRE	
Business Units	
METALLIC CONSTRUCTIONS	**Carlos Costa | BM**
Commercial	João Pinheiro
Production - Steel Structures	Alberto Coelho
Production | Manufacturing - Façades	Mário Gonçalves
After Sales	Tiago Mesquita
Industrial Coordination	David Martins
Coordination France	Milton Pereira
Coordination United Kingdom	Daniel Machado
Coordination Romania	Tiago Mesquita
Coordination Saudi Arabia	Marco Henriques
Coordination Angola	João Sousa
Coordination Mozambique	José Jarego
Shipbuilding	**Vítor Figueiredo | BM**
Construction and Engineering (DICE)	Renato Amorim
Repair / Retrofit (DIRC)	Santos Lima
Purchasing and Logistics, Shipyard Management, Maintenance and Handling	Renato Afonso
Commercial	Renato Amorim
Navalria	Vítor Figueiredo
Renewables & Energy	**António Castro | BM** **Filipe Rosa | BM**
Portugal - Operation and Technical Coordination	António Castro Filipe Rosa
Argentina - Operation	Ana Santos
Romania - Operation	Rita Abreu
Poland - Operation	Kamil Tondos
Energy Transition Coordination	Filipe Rosa
Technical-Commercial and Industrial Maintenance Coordination	Filipe Rosa

BUSINESS UNITS AND CORPORATE CENTRE	
Corporate Centre	
Corporate Finance	Rita Abreu
Corporate Planning and Management Control, IS/IT, Communication	Ana Santos
International Economic and Financial Coordination	Hélder Laranjeira
Legal	Inês Serra
Human Resources	Pedro Moreira
Procurement	David Martins
QSE	Sónia Henriques
Corporate Secretariat and Compliance Office	Inês Serra

There are also several dedicated working groups/ committees which ensure the development, communication and sharing of best practices in functions considered critical for the Group, namely:

- **ESG & Sustainability Committee**, to advise the Executive Committee on monitoring the progress of the strategy and initiatives in terms of environment, social responsibility and corporate governance, and on integrating sustainability principles into management, promoting a unified corporate vision in terms of ESG and the use of best market practices, best described in the Sustainability Report (non-financial information annexed to the annual management report).
- **Contract Analysis Committee**, to implement a set of internal control procedures to be adopted when contracting with clients and intra-group contracts, and monitoring compliance with the guiding principles of the Group's contract management and compliance policy, promoting prior and rigorous contractual assessment of commercial, financial, tax and legal risks, based on the assessment of a contract risk matrix;
- **Procedures Uniformisation Working Group**, to reinforce the importance of information technologies in each business unit through the sharing of knowledge between departments and the promotion of new, more efficient solutions;
- **Corporate Simplification Working Group**, to simplify the corporate structure, optimise shared resources in Portugal and abroad;
- **Reduction of External Services and Supplies Working Group**, with the purpose of optimising synergies and finding solutions for cost savings;
- **Disposal of non-core assets Working Group**, to promote the excellence and growth of the business areas, identifying assets that are not relevant to the development of the Group's activities, and their sustainable disposal.

Supervisory Bodies

The company is overseen by a Supervisory Board and a firm of chartered accountants.

Composition, term of office and competences as described in items 30 to 38 of this report.

b) Operation

22. Existence and place where the operating regulations of the Board of Directors can be consulted

The Board of Directors' operating regulations and the Executive Committee's operating regulations were approved by the Board of Directors at its meeting held on 28 July 2021 and are applicable for the 2021-2023 term of office.

Martifer's website - www.martifer.pt (tab Investors, Corporate Governance section, Articles of Association) - discloses the organisation and operating regulations of the Board of Directors in force.

23. Number of meetings held and attendance of each member of the Board of Directors

Under the terms of the regulation currently in force, the Board of Directors meets ordinarily at least ten times a year, preferably every month, and also every time the President or 2 of its members call a meeting, and it may deliberate with the presence or representation of the majority, following the provisions of article no. 10.1 of the Articles of Association and article no. 6.1 of the Board of Directors Regulation. As a result of the above, any 2 board members without delegated powers may call meetings to exercise their powers of supervision, inspection and assessment of the activity of the members to whom the Board of Directors grants delegated powers.

To that end, and to safeguard an independent and informed execution of the competencies of the non-executive directors referred to in the previous paragraph, the following mechanisms and procedures were introduced by the Board of Directors and included in Internal Regulations:

- the obligation to hand over to the Board Members all the information considered necessary or convenient and that is requested by them to the Company or to any of the Directors with delegated powers;
- the response to requests of Board Members with no delegated powers shall be made in an appropriate and timely manner;
- the possibility for any non-executive Board Members to be present at meetings of the Executive Committee so that the non-executive Board Members can exercise the powers assigned to them; and
- the specialised committees with supervisory oversight powers and powers to assess the activity of Board Members with delegated powers must be chaired and a majority of their members must be Board Members without delegated powers;
- the appointment of a *Lead Independent Director*;

During the 2023 financial year, no constraints were detected regarding the management and operations of the Company; therefore, it can be considered that the mechanism that assures the coordination of the work of the non-executive Board Members is safeguarded.

In 2023, the Board of Directors met 22 times. The minutes are drawn up and signed by the board members and the Company Secretary, and they are recorded in the respective minute book. They are also sent to the President of the Supervisory Board, with the knowledge of the members of this supervisory body. During 2023, 11 meetings of the Executive Committee were also held. The minutes are drawn up and signed by the executive board members, by the heads of the business areas invited to attend and by the Company Secretary, and are recorded in the respective minute book.

The meetings of the Board of Directors and the Executive Committee are organised by the Company Secretary, Inês Filipa Serra, who is present at all meetings and whose academic and professional qualifications, particularly in the Legal, ESG and Compliance areas, are of relevant use in supporting the decision-making of the management body.

The attendance rate of each board member at the meetings mentioned above, during the exercise of their respective duties, was as follows:

NAME OF THE BOARD MEMBER	Board of Directors PRESENCE*	Executive Committee PRESENCE *
Carlos Manuel Marques Martins (President)	86.36%	-
Arnaldo José Nunes da Costa Figueiredo (Vice President)	95.45%	-
Jorge Alberto Marques Martins (Vice President)	77.27%	-
Pedro Miguel Rodrigues Duarte	100%	100%
Pedro Nuno Cardoso Abreu Moreira	100%	100%
Carlos Alberto Araújo da Costa	95.45%	100%
Maria Sílvia da Fonseca Vasconcelos da Mota	50%	-
Carla Maria de Araújo Viana Gonçalves Borges Norte	59.09%	-
Clara Sofia Teixeira Gouveia Moura	63.64%	-

Note: If the board member was not present, physically or by electronic means, at a meeting, he/she was, in any case, represented by another board member at the respective meeting, as per the power of attorney respectively issued for that purpose, with no impact on attendance.
(*) Does not include participation by representation.

MEETINGS OF THE BOARD OF DIRECTORS

NAME	11.01.23	08.02.23	08.03.23	27.03.23	11.04.23	19.04.23	05.05.23	09.05.23	10.05.23	29.05.23	06.06.23	07.07.23	19.07.23	28.07.23	04.09.23	13.09.23	09.10.23	13.11.23	27.11.23	12.12.23	13.12.23	14.12.23
Carlos Manuel Marques Martins	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	A	A	A
Arnaldo José Nunes da Costa Figueiredo	P	P	P	P	P	P	P	P	P	P	P	P	P	A	P	P	P	P	P	P	P	P
Jorge Alberto Marques Martins	P	P	P	P	P	P	P	P	P	P	P	P	P	P	R	P	P	P	R	R	R	R
Pedro Miguel Rodrigues Duarte	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Pedro Nuno Cardoso Abreu Moreira	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Carlos Alberto Araújo da Costa	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	A	P	P	P	P	P
Maria Sílvia da Fonseca Vasconcelos da Mota	P	P	P	R	P	P	P	P	P	R	R	A	R	A	R	P	P	P	R	R	R	R
Carla Maria de Araújo Viana Gonçalves Borges Norte	P	P	P	R	P	P	P	P	P	R	R	P	R	P	R	P	P	P	R	R	R	R
Clara Sofia Teixeira Gouveia Moura	P	P	P	R	P	P	P	P	P	R	R	P	R	P	R	P	P	P	R	R	P	R

P = Present (in person or by telematic means); R = Represented; A = Absent;

EXECUTIVE COMMITTEE MEETINGS

NAME	09.01.23	06.02.23	08.03.23	10.04.23	08.05.23	05.06.23	03.07.23	07.09.23	09.10.23	06.11.23	11.12.23
Pedro Miguel Rodrigues Duarte	P	P	P	P	P	P	P	P	P	P	P
Pedro Nuno Cardoso Abreu Moreira	P	P	P	P	P	P	P	P	P	P	P
Carlos Alberto Araújo da Costa	P	P	P	P	P	P	P	P	P	P	P

P = Present (in person or by telematic means); R = Represented; A = Absent;

RISK COMMITTEE MEETINGS

NAME	06.11.23	21.12.23
Clara Sofia Teixeira Gouveia Moura	P	P
Jorge Alberto Marques Martins	P	P
Ana Maria Rodrigues dos Santos	P	P

P = Present (in person or by telematic means); R = Represented; A = Absent;

MEETINGS OF THE CORPORATE GOVERNANCE COMMITTEE

NAME	05.07.23	26.09.23	20.12.23
Carla Maria de Araújo Viana Gonçalves Borges Norte	P	P	P
Arnaldo José Nunes da Costa Figueiredo	P	P	P
Inês Filipa Simões Serra	P	P	P

MEETINGS OF THE ETHICS AND CONDUCT COMMITTEE

NAME	21.06.23	08.09.23	10.10.23	09.11.23	20.12.23
Carla Maria de Araújo Viana Gonçalves Borges Norte	P	P	P	P	P
Clara Sofia Teixeira Gouveia Moura	P	P	P	P	P
Inês Filipa Simões Serra	P	P	P	P	P

P = Present (in person or by telematic means); R = Represented; A = Absent;

24. Competent Corporate Bodies to appraise the performance of the executive board members

By law, the General Assembly makes an annual general assessment of the Company's board of directors (and the supervisory body).

The Company's Remuneration Committee, elected by the Company's General Meeting, promotes, within its sphere of competence, together with the Corporate Governance Committee, the assessment of the performance of the members of the Board of Directors, endeavouring to ensure that the interests of the board members, other governing bodies and managers converge with those of the Company, favouring a long-term perspective. When approving the remuneration of the members of the Board of Directors and other governing bodies representing the shareholders, following the Remuneration Policy approved at the General Meeting, it also carries out the annual performance assessment of the executive Board Members for setting the respective variable remuneration, by verifying the fulfilment of the KPIs, based on the assessment of the non-executive board members, which serves as a proposal for the resolution of this statutory committee. In detail, on 31 December 2023, the Board of Directors included 6 non-executive members, 2 of whom were independent, in order to guarantee effective monitoring and assessment of the activity carried out by the 3 executive members. In the Board of Directors' annual discussion on the monitoring of the fulfilment of Martifer Group's strategic plan, including the different business areas, the inherent self-evaluation of the executive board members is always promoted, as well as their hetero-evaluation by the non-executive board members, based, also, on the work carried out by the existing internal committees, taking into account, not only qualitative aspects, by comparison with the approved plans and budget, but also with the main ongoing projects. This year's assessment is then complemented when the Management Report and the individual and consolidated accounts for the year are approved, particularly to set the respective variable remuneration, which results in a proposal to be presented to the Remuneration Committee.

It is the Company's Corporate Governance Committee - made up of two non-executive members of the Company's Board of Directors and the legal head of the group, chaired by an independent board member who fulfils all the independence and compatibility requirements set out in item 18.1 of Annexe I of CMVM Regulation 4/2013 and Recommendation III.4 of the Corporate Governance Code of the Portuguese Institute of Corporate Governance (IPCG) (2018 - Revised in 2023), which is responsible, among other things, for assessing the performance of the executive board members and the overall performance of the Board of Directors, as well as the various internal committees, an assessment carried out at this Committee’s meeting on 16 September 2023.

25. Predetermined criteria for assessing the performance of the executive board members

The quantitative component of the performance assessment of executive board members comprises a set of Key Performance Indicators (KPI), which are set out in items 69 and 71 below.

The quantitative assessment is, subsequently, weighted with the individual qualitative assessment, which is of a discretionary nature, subject to any necessary adjustments arising from exogenous factors and/or unforeseen conditioning factors.

26. Availability of each member of the Board of Directors, with an indication of the positions held simultaneously in other companies, inside and outside the Group, and other relevant activities carried out by the members of those bodies during the year

The appointment and description of the positions held, as well as the activities carried out by the members of the Board of Directors, are better described in the document attached to this report, Annexe I.

The company considers that all the members of the Board of Directors have shown themselves to be fully available to carry out the duties inherent in the bodies for which they have been elected by the shareholders. On the one hand, consideration was given to the board members’ availability both to participate in the meetings of the bodies they are part of (Board of Directors, Risk Committee, Ethics and Conduct Committee and Corporate Governance Committee), exercising the respective functions of monitoring, assessing and supervising the executive management, and, on the other hand, their total availability to carry out the tasks delegated to them by the Board of Directors in the Executive Committee, with regard to both their respective areas of responsibility and the responsibilities for the management of certain business areas. All the Board Members with executive functions come from long career as employees of the Group, and it is essential to maintain these functions that they do not hold executive positions in other companies outside Martifer Group.

Positions held in other companies outside the Group:

The non-independent non-executive Board Members, those with the largest number of positions held in companies outside Martifer Group, exercise functions in companies belonging to the reference shareholders of the Company or related to them, which does not jeopardise the aforementioned availability. Additionally, the members of the Executive Committee do not exercise executive functions in companies that do not integrate Martifer Group.

Conflicts of interest:

Without prejudice to what is referred to below, this item allows reference to the fact that the Company has a Policy on Related Party Transactions and Conflicts of Interest approved by the Board of Directors available on the Company's website at http://www.martifer.pt/ (tab Investors, section Corporate Governance/Articles of Association and Regulations) where it is established that managers, and in particular members of the Board of Directors, are obliged to (i) communicate the existence of a conflict of interest, even if potential, to their hierarchical superior or, in the case of a member of a collegiate body, to the body in question, under the terms of the respective regulations; and (ii) abstain from interfering or participating in the decision-making process whenever they are in a conflict of interest, and to have this impediment included in the minutes or other written document that documents the decision, without prejudice to the duty to provide the information and clarifications that the body in question and the respective members request from them.

c) Committees within the management or supervisory body and managing Board Members

27. Identification of the Committees created within the Board of Directors and where the operating regulations can be consulted

To meet best practices in Corporate Governance, the Board of Directors has delegated powers to an Executive Committee and appointed 3 specialised committees to enhance its operational effectiveness (as described in 21.1 above).

The Executive Committee, the Corporate Governance Committee, the Ethics and Conduct Committee and the Risk Committee have their own regulations that establish the rules regarding their composition, operation and competences, which can be consulted on the Company's website at http://www.martifer.pt/ (tab Investors, section Corporate Governance/Articles of Association and Regulations).

28. Identification of the members of the Executive Committee

The board members appointed by the Company's Board of Directors to integrate the Executive Committee are:

NAME OF THE BOARD MEMBER	POSITION
Pedro Miguel Rodrigues Duarte	Member of the Board of Directors and President of the Executive Committee (CEO)
Pedro Nuno Cardoso Abreu Moreira	Member of the Board of Directors and Member of the Executive Committee (CFO)
Carlos Alberto Araújo da Costa	Member of the Board of Directors and Member of the Executive Committee

The powers delegated by the Board of Directors on the Executive Committee are listed in Item 21.2 above.

The Executive Committee Regulation may be consulted on the Company's website at http://www.martifer.pt/ (tab Investors, section Corporate Governance/Articles of Association and Regulations).

MARTIFER GROUP

29. Indication of the competences of each of the Committees created and a summary of the activities carried out in the exercise of these competences

Following the Articles of Association and under article no. 407.3 of the CCC, day-to-day management powers were delegated to an Executive Committee, positions currently held by Pedro Miguel Rodrigues Duarte (president), Pedro Nuno Cardoso Abreu Moreira and Carlos Alberto Araújo da Costa (board members).

The said executive board members are responsible for implementing the strategic decisions made by the Board of Directors, as well as for the day-to-day management of the holding company, as a holding company, and of its subsidiaries, all within the scope of the powers delegated to them.

The functions delegated to the Executive Committee include guiding the performance of the various business areas, as well as conducting corporate services, supervising all the business areas, promoting synergies between them, allocating the necessary resources, managing human and financial resources, defining the development of the business areas and supervising the achievement of the objectives of each business area, creating control and monitoring mechanisms (Compliance), thereby establishing policies throughout the entire Company. The Executive Committee also has to exercise the powers that, at any given moment, have been delegated to it by resolution of the Board of Directors, except over matters for which the delegation of powers is forbidden by law or by the Articles of Association.

Under the terms of the resolution of the Board of Directors of 2 June 2021, all the powers necessary or convenient for the pursuit of the corporate object and the exercise of the Company's activity were delegated, of which we highlight the following:

- Approval of operations, and possible issuance of binding instructions to the Boards of Directors of affiliated companies to be carried out by the business units of Martifer Group;
- Issuance of proposals for resolution to be submitted to the Board of Directors concerning matters of exclusive competence:
  - Contracting financing or providing guarantees to affiliated or associated companies and - financial support to companies it controls, in the form of sureties, guarantees or loans;
  - Demerger, merger or termination of Martifer Group companies;
  - Making investments or divestments, whether or not foreseen in the budget, the value of which individually exceeds a minimum of 100 thousand Euros, or which, being individually below 100 thousand Euros, exceeds an accumulated total of 500 thousand Euros in each financial year;
  - Appointment of new coordinating directors;
- Issuance of proposals for deliberation to be submitted to the Board of Directors about matters of non-exclusive competence:
  - Amendment to the Articles of Association of Martifer Group companies;
  - Investments or investment commitments in new business areas and/or geographies;
  - General remuneration, benefits and complements policy;
  - Hiring or salary increases to employees whose annual gross remuneration exceeds 75 thousand Euros;
  - Appointment of any individual person or legal entity to exercise corporate positions in affiliate companies;
  - Client Litigation.
- Approval of transversal policies and standards, instructions or guidelines such as procedure manuals, regulations and service orders;
- Participation in complementary groupings of companies and European economic interest groupings, as well as the signing of consortium and joint venture contracts, except when the aim is to participate in projects involving a turnover not exceeding 20 million Euros;
- Appointment of representatives in the General Meetings of the Company's affiliates and determination of the voting intentions in the meetings;
- Representation of the company in court and outside it, actively or passively, including the submission, opposition and appeal regarding any legal or arbitration proceedings, including also the confession, withdrawal or transaction of any lawsuits and the acceptance of arbitration commitments, except processes relating Clients;
- Hiring workers, defining levels, categories, remuneration conditions and other benefits or supplements, in full compliance with general remuneration policies;

- Exercising disciplinary powers and applying sanctions;
- Appointment of proxies to carry out specific acts or categories of acts, defining the extent of the respective proxies.

The regular meetings of the Executive Committee shall be held monthly and scheduled at the beginning of each financial year. The President of the Executive Committee sends the meeting agendas to the President of the Board of Directors, with the required prior notice, and the minutes of the respective meetings. The executive members provide the non-executive board members and the other members of the corporate bodies with all the necessary clarifications to exercise their powers, either by their own initiative or at their request.

Except for the matters that cannot be delegated by law pursuant to Article no. 407, no. 4 and no. 8 of the CCC, and naturally reserving for itself the discussion and approval of the strategic plan of the Company and the Group and the approval of the annual budget, the Board of Directors has expressly stated that certain matters would be excluded from the powers delegated to Executive Board Members, namely:

I. Approval of the business plans and budgets of Martifer Group companies;
II. Investments or investment commitments in new business areas;
III. Investments and divestments not foreseen in the annual budgets of Martifer Group companies, if the amounts involved are equal to or greater than five million Euros;
IV. Constitution of any liens or charges on the shares of Group companies;
V. Participation in complementary groupings of companies and European economic interest groupings, as well as the signing of consortium and joint venture contracts, the establishment of or participation in any other forms of temporary or permanent association between companies and/or private or public law entities, if the purpose of such is to participate in projects involving a turnover over twenty million Euros;
VI. The appointment of any natural person or legal entity to exercise corporate positions in other companies;
VII. The setting up of the Executive Committee, as well as the appointment of its president and the definition of the matters to be delegated;
VIII. The subscription, acquisition or disposal of shareholdings in any company;
IX. Acquisition and sale of own shares according to and within the limits of the resolution made at the Company's General Meeting.

The delegation of powers will cease with the passing of a resolution by the Board of Directors or, automatically, with the end of the term of office of the Board of Directors that delegated the aforementioned powers. The President of the Board of Directors holds the powers assigned to him by law and the articles of association. Since the President of the Board of Directors is not independent, a coordinator was appointed and designated as Lead Independent Director: the independent director Carla Maria de Araújo Viana Gonçalves Borges Norte, whose leadership already included governance, contractual and ethics and conduct issues.

On 31 December 2023, Pedro Miguel Rodrigues Duarte, as President of the Executive Committee, was the Company's Chief Executive Officer (CEO), Pedro Nuno Cardoso Abreu Moreira, as head of the Company's financial areas, was the Chief Financial Officer (CFO) and Carlos Alberto Araújo da Costa was the Chief Operating Officer (COO) of the metallic constructions area.

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee shall, in accordance with the respective Regulation, be composed of between 2 and 6 members who are also members of the Supervisory Board and/or the Board of Directors but do not exercise executive functions. One of its members may also be a member of the company's staff or its subsidiaries who is not a member of the governing bodies. On 31 December 2023, the Corporate Governance Committee was made up as follows:

CORPORATE GOVERNANCE COMMITTEE	
President	Carla Maria de Araújo Viana Gonçalves Borges Norte (independent board member)
Members	Arnaldo José Nunes da Costa Figueiredo (non-executive board member) Inês Filipa Serra (Corporate Legal Director and Company Secretary)

The Corporate Governance Committee has the power to issue suggestions for improving Martifer Group's governance model, to promote compliance with strict ethical and deontological principles and to observe the standards and best practices of Corporate Governance that have been established and which support diligent, effective, balanced management and promote ethical and responsible conduct, from the perspective of the interests of shareholders and other stakeholders.

In addition to informal meetings and the presence of its members in working groups, the Corporate Governance Committee met formally 3 times in 2023. The Corporate Governance Committee has its own Regulation that establishes the rules regarding its composition, functioning and powers, which can be consulted on the Company's website at http://www.martifer.pt/ (Tab: Investors, Section: Corporate Governance/ Articles of Association and Regulations).

The Corporate Governance Committee has as its main responsibilities and powers:

- to evaluate and develop the Corporate Governance model;
- to reflect on the adopted governance system and check its effectiveness;
- to advise and propose to the competent Company bodies the promotion of measures aimed at improving Governance;
- to ensure the performance evaluation of the Executive Committee and the overall performance of the Board of Directors and the other existing committees.

ETHICS AND CONDUCT COMMITTEE

The Ethics and Conduct Committee is made up of between 3 and 7 members, appointed by the Board of Directors, which appoints 1 president and on 31 December 2023 it had the following composition:

ETHICS AND CONDUCT COMMITTEE	
President	Carla Maria de Araújo Viana Gonçalves Borges Norte (independent board member)
Members	Clara Sofia Teixeira Gouveia Moura (independent board member) Inês Filipa Serra (Corporate Legal Director and Company Secretary)

The Ethics and Conduct Committee has its own regulation that establishes the rules relating to its composition, functioning and powers regarding the elaboration, implementation, monitoring and control of ethics and conduct standards in Martifer Group. The Ethics and Conduct Committee's Regulation can be consulted on the Company's website at http://www.martifer.pt/ (Tab: Investors, Section: Corporate Governance/ Articles of Association and Regulations).

It is also the responsibility of the Ethics and Conduct Committee to constitute and ensure compliance with the policy for the report of irregularities occurring within Martifer Group, where employees can communicate in an adequate, immediate and confidential manner (if requested) and safeguard their professional integrity, information regarding the whistleblowing of irregularities occurring within the Group, establishing and informing the availability of adequate and effective communication channels, in the terms of the applicable legislation.

The Ethics and Conduct Committee coordinates its activity with the Supervisory Board of the Company, taking into account the specific competences of that body, namely under the terms of the CCC. In addition, there is a year-end meeting to consolidate the activities carried out and to structure the annual report with a report of the initiatives, procedures and actions taken, assessments and communications received, as well as to define goals and objectives for the following year.

The Committee meets periodically or whenever it is called by its President, by notice of meeting sent by the President to its members with a minimum notice period of seven business days, which will also indicate the respective agenda; and it draws up minutes of all its formal meetings.

In addition to informal meetings and the presence of its members in working groups, the Ethics and Conduct Committee met formally five times in 2023.

RISK COMMITTEE

The Risk Committee integrates 3 to 6 members who are part of the Board of Directors and/or the Supervisory Board, but mainly do not exercise executive functions. The President of the Company's Board of Directors may not integrate the Risk Committee, but he may participate in the meetings without the right to vote. On 31 December 2023, the Risk Committee included:

RISK COMMITTEE	
President	Clara Sofia Teixeira Gouveia Moura (independent board member)
Members	Jorge Alberto Marques Martins (non-executive board member) Ana Maria Rodrigues dos Santos (Corporate Planning and Management Control Director)

The Risk Committee has its own Regulation that establishes the rules regarding its composition, functioning and powers related to elaborating, implementing and following a risk management system transversal to Martifer Group. The Risk Committee's Regulation can be consulted on the Company's website at http://www.martifer.pt/ (Tab: Investors, Section: Corporate Governance/ Articles of Association and Regulations).

The mission of the Risk Committee is to propose and monitor the implementation of Martifer Group's Risk Management Policy, which aims to establish a strategy for the prevention and management of risk transversal to Martifer Group to reduce the exposure to risk and safeguard the Group's worth and the creation of value for its stakeholders.

The main responsibilities attributed to the Risk Committee are:

- to issue recommendations or opinions on: (a) the definition of a risk policy for Martifer Group; (b) the content, format and methodologies to be considered in investment analysis reports, be they organic or of company acquisitions; and (c) the creation of risk identification, monitoring, control and management systems of a (i) legal and contractual, (ii) financial, (iii) technical and operational, (iv) commercial, (v) environmental, (vi) and political nature and (vii) of any other nature, that the Risk Committee considers relevant;
- to ensure compliance with the guiding principles of Martifer Group's Risk Policy, assisting the Board of Directors with the setting of strategic objectives of the Company in matters of risk assumption;
- to draw up opinions on financing and investment operations that require a prior opinion from the Risk Committee;
- to present to the Board of Directors proposals, suggestions for methodologies for identifying and covering risks that are appropriate and that should be adopted by Martifer Group as measures to improve the risk management model in force and to facilitate the pursuit of the highest corporate objectives;
- to inform the Board of Directors of any situations or occurrences of which it is aware and which, in its opinion, constitute non-compliance with the standards and practices of risk identification, monitoring and control;
- to monitor and analyse the thoughts and guidelines produced on risk management by national and international entities, to possibly use them to improve Martifer Group's risk management model.

In addition to informal meetings and the presence of its members in working groups, the Risk Committee met twice formally in 2023.

Other Committees

The Company has also set up specialised committees to (i) rigorously assess the risks of each operation prior to signing contracts, based on the assessment of a risk matrix (Contract Analysis Committee) and (ii) supervise the Company's key performance indicators in environmental, social and governance matters included in the strategic plan and monitor their degree of achievement (ESG & Sustainability Committee).

III. SUPERVISION

a) Composition

30. Identification of the supervisory body

Martifer Group's supervisory model is based on a Supervisory Board and a Statutory Auditor (ROC). The functional separation between the Supervisory Board and the Statutory Auditor can be understood as a political oversight to be exercised by the Supervisory Board, with the Statutory Auditor taking on the role of auditing and certifying the accounts.

In addition to the competences conferred on it by law, which involve due monitoring, evaluation and opinion on the strategy defined by the Board of Directors and monitoring the effectiveness of the risk management system, the Supervisory Board Regulation has as its duties:

- to monitor the functioning of the Company, compliance with the applicable laws, articles of association and regulations and examine, whenever deemed convenient and at least once a month, the Company's bookkeeping;
- to be represented in the meetings of the Board of Directors whenever it deems appropriate and to examine the periodic situations presented by the Board of Directors during its term of office;
- to request the call of the General Assembly whenever it finds it convenient;
- to issue an opinion on the budget and the strategic plan and an opinion on the annual accounts and other reports and declarations provided for by law;
- to alert the Board of Directors to any matter that should be considered and to give its opinion on any matter submitted to it by that body;
- to assess, whenever it deems it appropriate, the activity of the Board of Directors' delegated committees, namely the Risk Committee, and it may issue an opinion on the Group's risk policy;
- to evaluate the Company's risk control system and periodically verify the adequacy of the level of risk assumed with the objectives set by the Board of Directors, proposing the necessary adjustments;
- to issue an opinion regarding any relevant related party transaction, under the terms set forth in the "Related Party Transactions and Conflicts of Interest Policy", within a maximum of five business days from the receipt of the communication provided for in the Policy mentioned;
- to review, every six months, information provided by the Board of Directors on the results of the internal verification procedure for transactions with related parties.
- to supervise the process of preparation and disclosure of financial information;

For the adequate performance of its duties, the Supervisory Board is summoned to all meetings of the Board of Directors, has access to all items on the respective agendas, participates and requests all management information it deems necessary, and has unrestricted access to the documentation produced by the Company's auditors, being entitled to request from them any information it deems necessary and it is the first recipient of the final reports drawn up by the external auditors.

31. Composition of the Supervisory Board indicating the minimum and maximum statutory number of members, statutory term of office, number of effective members, date of first appointment and date of end of the term of office of each member

The Company's Supervisory Board is composed of three effective members and one alternate member, elected at the General Meeting of 21 May 2021, for the 2021-2023 three-year period, who may be re-elected by the law. The Members of the Supervisory Board can only be elected by the General Meeting; and, in the event of a vacancy in the Supervisory Board, the alternate member shall occupy the vacancy. If another vacancy is to be filled, this vacancy can only be filled by electing a new member at a General Meeting.

The members appointed for the current term of office are:

MEMBER	FIRST APPOINTMENT	END OF CURRENT TERM OF OFFICE
Mária Maria Machado Lapa de Barros Peixoto (Effective) (President)	2018	2023
Américo Agostinho Martins Pereira (Effective)	2015	2023
Luís Filipe Cardoso da Silva (Effective)	2021	2023
Ana Luísa Nabais Aniceto da Fonte (Alternate)	2021	2023

Under the terms of article 414.5 of the CCC, members of the Supervisory Board are considered independent if they are not associated with any specific interest group in the Company, nor are they in any circumstance likely to affect their impartiality in analysing or making decisions, including by virtue of (i) holding or acting in the name of or on behalf of holders of qualifying holdings equal to or greater than 2% of the company's share capital; (ii) having been re-elected for more than two terms of office, either continuously or interspersed.

Most of the current effective members of the Supervisory Board are independent, which is in line with these criteria.

32. Identification of the members of the Supervisory Board

On 31 December 2023, Martifer Group's Supervisory Board was as follows:

SUPERVISORY BOARD	
President	Mária Maria Machado Lapa de Barros Peixoto
Members	Américo Agostinho Martins Pereira Luís Filipe Cardoso da Silva
Alternate	Ana Luísa Nabais Aniceto da Fonte

33. Professional qualifications of each member of the Supervisory Board and other relevant curricular elements

The experience and knowledge of the members currently in office are better described in the curricula in the document attached as Annexe I to this report and attest, in a rigorous and specific manner, their abilities to carry out the functions entrusted to them.

The Company's Supervisory Board is formed by a majority of independent members, among which the president and its elements are subject to the legal and regulatory requirements as to incompatibilities, independence and specialisation in force, namely those laid down in article no. 414-A of the CCC, as well as the independence criterion in article no. 414-5 of the CCC. The members of the Company's Supervisory Board comply with the rules of incompatibility and independence identified above, and on 31 December 2023, its members did not hold Martifer shares, following article no. 447 of the CCC.

b) Functioning

34. Where the functioning regulations can be consulted

The duties of the Supervisory Board are described in its Regulation, which can be consulted on the Company's website http://www.martifer.pt/ (tab Investors, section Corporate Governance/Articles of Association and Regulations).

35. Number of meetings held and attendance of each member of the Supervisory Board

The Supervisory Board meets at least once every quarter, whenever its President decides or whenever any of the members request him/her to schedule a meeting. The President is responsible for calling and running the meetings. Resolutions are passed when the majority of the members in office are present and by a majority of the votes expressed. In 2023, the Supervisory Board met 12 times, with minutes being drawn up of all meetings.

The level of attendance of each member of the Supervisory Board at these meetings during the course of their duties was as follows:

	PRESENCE
Mária Maria Machado Lapa de Barros Peixoto	100%
Luís Filipe Cardoso da Silva	100%
Américo Agostinho Martins Pereira	100%

SUPERVISORY BOARD MEETINGS												
NAME	11.01.23	24.02.23	20.03.23	24.04.23	28.05.23	12.06.23	17.07.23	26.07.23	03.08.23	25.09.23	14.11.23	04.12.23
Mária Maria Machado Lapa de Barros Peixoto	P	P	P	P	P	P	P	P	P	P	P	P
Américo Agostinho Martins Pereira	P	P	P	P	P	P	P	P	P	P	P	P
Luís Filipe Cardoso da Silva	P	P	P	P	P	P	P	P	P	P	P	P

P = Present (in person or by telematic means); R = Represented; A = Absent;

36. Availability of each member of the Supervisory Board with a description of positions held in other companies, in and outside the Group, and other relevant activities carried out

All the members of the Supervisory Board demonstrated, throughout 2023, their full availability for the exercise of their functions, having regularly attended the respective meetings and when their presence was considered convenient, including meetings of the Board of Directors. The President is adequately supported by the remaining members of the Supervisory Board.

Regarding the activities of the members of the Supervisory Board, it should be noted that 2 of the 3 members of the Supervisory Board are Chartered Accountants, and work in various entities, as is best described in the curricula contained in the document attached to this report, providing this body with operational knowledge in the area of the Company's business. Within the scope of the most relevant activities of the members of the Supervisory Board, we refer to the information indicated in Item 33.

c) Competences and positions

37. Description of the procedures and criteria applicable to the intervention of the supervisory body to contract additional services from the external auditor

The Company's External Auditor has been Deloitte & Associados, SROC, SA ("Deloitte") since 2020, and on 31 December 2023, it was in its second term of office (2022-2023). Considering the applicable legal and regulatory framework, the external auditor's election occurred following a process of selecting the Statutory Auditor, which was the responsibility of the Supervisory Board and was carried out equitably, thus continuing in full compliance with the legislation and recommendations then in force.

No services other than statutory and external audits were contracted by Martifer Group companies from the External Auditor and other entities belonging to the same network in 2023. Still, there was a tax consultancy service in Austria, provided by a local firm belonging to the same network as the External Auditor and contracted before the appointment of the External Auditor, as well as two technical training courses related to impairment of non-current assets and discount rates within the scope of IFRS 16. This provision of services was no longer in force on 31 December 2023. It did not take on relevant values, being permitted for public interest entities in that country following European legislation and adaptations made in that country that do not call into question the independence of the External Auditor, following the opinion of the Supervisory Board.

Additionally, any new service to be rendered by Deloitte and its companies (national or international) to Martifer Group is subject to the prior approval of the management of Martifer, of the Supervisory Board and the Deloitte Partner responsible for the Deloitte work at Martifer Group, within the scope of its quality control system.

The Supervisory Board, as part of its duties to oversee the company's operations, is responsible for analysing and assessing the most significant aspects of the relationship with the External Auditor, particularly in terms of the independence of its work, as set out in article 77.11 of the Articles of Association of the Portuguese Institute of Chartered Accountants, approved by Law no. 140/2015 of 7 September, as currently in force. In 2023, the Supervisory Board evaluated the activity provided by the External Auditor, considering that it was performed in a manner consistent with applicable regulations and standards, acting with technical rigour, transparency and urbanity.

In addition, whenever necessary or appropriate in the light of developments in the company's activity or the configuration of the market in general, the Supervisory Board promotes reflection on the suitability of the External Auditor to carry out its duties.

38. Other functions of the supervisory bodies

In addition to the duties described in the previous item, the supervisory body has the powers assigned to it by law and the articles of association, including those relating to monitoring the company's operations, compliance with the laws, articles of association and regulations applicable to it and issuing an opinion on the budget, balance sheet, inventory, strategic plan, risk policy and annual accounts, which it also does by monitoring the discussions held by the Board of Directors in meetings on these matters, thus being able to give its opinion before their approval by the Board of Directors.

This way, the Supervisory Board monitors the company's operations by promoting the participation of its members in meetings of the Board of Directors, as well as periodic meetings with the Statutory Auditor, allowing for an assessment and opinion on the strategy defined by the Board of Directors and monitoring the effectiveness of the risk control system, by monitoring the activities carried out by the Ethics and Conduct Committee within the scope of reporting irregularities and preventing corruption and related offences, among others, the Risk Committee, monitoring the strategic lines and the risk policy defined by the Board of Directors and the Corporate Governance Committee, monitoring the functioning of the Company's governance system and compliance with legal, statutory and regulatory standards, as well as legislative and regulatory developments, namely recommendations of the applicable legal framework and monitoring the annual external assessment of the Executive Follow-up and Monitoring Committee (CEAM - Executive Follow-up and Monitoring Committee).

The Supervisory Board also receives the annual activity reports and plans of all the Board of Directors’ Committees.

The members of the Supervisory Board have access to the information strictly necessary for the performance of their duties and in compliance with the applicable legal limits, in particular through access to documents or the provision of information or clarification from Company employees, for the assessment of the performance of the situation and prospects of the Company and its development - including, in particular, the minutes, the documentation that substantiates the decisions made, the convening notices and the archives of the meetings of the Executive Committee and the Board of Directors - without prejudice to access any other documents or persons whose clarification may be requested.

Therefore, in exercising its powers and fulfilling its duties, and based on its Regulations, the Supervisory Board is responsible for:

- Proposing to the General Meeting the appointment and remuneration of the Company's permanent and alternate Statutory Auditor;
- Supervising the independence of the Statutory Auditor, particularly with regard to the provision of additional services and the scope of the respective services and the audit of the Company's financial statements;
- Examining, whenever it deems it appropriate and on a regular basis, the Company's bookkeeping;
- Monitoring the Company's operations and compliance with the laws, articles of association and regulations applicable to it;
- Being represented at meetings of the Board of Directors whenever it finds it convenient;
- Requesting the call of the General Assembly whenever it sees fit;
- Examining the periodic situations presented by the Board of Directors during its management;
- Issuing a prior opinion on the budget, the balance sheet, the inventory and the annual accounts.

The Audit Board is also responsible for representing the company before the External Auditor:

- Proposing the provider of these services and their remuneration;
- Ensuring that adequate conditions for the provision of services are provided within the company;
- Annually assessing its performance, as well as being the company's interlocutor, being the recipient of the respective reports, simultaneously with the Board of Directors;
- Supervising the independence of the Company's effective and alternate Statutory Auditor, particularly with regard to the provision of additional services, the scope of the respective services and the activity of statutory auditing of the Company's accounts.
- Proposing the remuneration of the Statutory Auditor, ensuring that adequate conditions for the provision of services are provided within the Company, as well as being the Company's main interlocutor and recipient of the respective reports;
- Proposing the dismissal of the External Auditor with just cause.

Finally, Martifer's Supervisory Board is responsible for supervising and evaluating the effectiveness of the risk management system and for monitoring the work of the internal audit, including the functioning of the internal control and risk management systems, which are matters subject to regular monitoring and evaluation by the Supervisory Board within the scope of its functional and legal powers, as is apparent from the minutes of the meetings and the annual report and opinion of the Supervisory Board, which is drawn up based on direct contacts and regular meetings with the departments of the Corporate Centre, including the persons assigned to the internal audit services, as well as based on the meetings held with the specialised committees of the Board of Directors and the reports addressed to it by these committees.

IV. STATUTORY AUDITOR

39. Identifying the statutory auditor and the audit partner representing it

The effective and alternate Statutory Auditor were re-elected for the 2022-2023 biennium at the General Meeting on 25 May 2022, having been appointed:

STATUTORY AUDITOR	
Effective	Deloitte & Associados, SROC S.A
Alternate	João Carlos Henriques Gomes Ferreira (Certified Accountant)

The Statutory Auditor can only be elected at the General Meeting for a term of two (2) years. If a vacancy occurs in the body, it shall be filled by the alternate member, who, should he/she not remain in that function, can only be filled through the election of a new member at a General Meeting. The Statutory Auditor. In 2023, the Company's Statutory Auditor was represented by Nuno Miguel dos Santos Figueiredo.

40. Indication of the number of years the statutory auditor has held consecutive office with the Company and/or Group

Under the terms better described in the previous item, the current Statutory Auditor, Deloitte & Associados, SROC, S.A., was elected for a first term of office at the General Meeting of 24 June 2020 and renewed for the following two-year period (2022-2023) at the General Meeting of 25 May 2022, and has been in office ever since (4 consecutive years).

41. Description of other services provided by the Statutory Auditor to the Company

The Statutory Auditor also provides the company with external auditing services, as described in the following items.

V. EXTERNAL AUDITOR

42. Identification of the external auditor appointed for the purposes of Article 8 and the statutory audit partner who represents it in the fulfilment of these duties, as well as the respective CMVM registration number

The External Auditor is the company Deloitte & Associados, SROC, SA (hereinafter in short only “Deloitte”), currently registered under no. 20161389 in CMVM (the Portuguese Securities Market Commission). Deloitte is represented by Nuno Miguel dos Santos Figueiredo (a Certified Public Accountant).

43. Indication of the number of years in which the external auditor and the respective statutory audit partner have worked consecutively for the Company and/or Group

As described in detail above, the external auditor Deloitte & Associados, SROC, SA has been working for the Company since 2020, as well as its chartered accountant Nuno Miguel dos Santos Figueiredo who represents it in carrying out these duties (4 consecutive years).

44. Rotation policy and schedule of the external auditor and the respective partner that represents the auditor in carrying out such duties

The Supervisory Board conducts an annual assessment of the External Auditor’s work, ensuring compliance with the provisions of article no. 54 of the Articles of Association of the Portuguese Chartered Accountants Association, approved by Law no. 140/2015 of 7 September regarding the rotation of the partner responsible for the execution of the work and the Supervisory Board is also competent to propose their dismissal to the General Meeting on fair grounds, as well as to propose the respective remuneration.

Within this scope, the Supervisory Board is responsible for regularly monitoring the activity carried out by the external auditor, namely by analysing the respective periodic reports and monitoring the execution of the audit and review work, as well as assessing any recommendations for changes in procedures recommended by the external auditor.

The Supervisory Board also has the competence to monitor the independence of the external auditor and to previously approve the hiring of services other than the audit services to the external auditor or any entity related to it or that integrates the same network.

45. Body responsible for assessing the external auditor and the frequency with which this assessment is carried out

In carrying out its duties, the Supervisory Board annually assesses the External Auditor's independence.

In addition, throughout each financial year and whenever necessary or appropriate in the light of developments in the company's activity or the configuration of the market in general, the Supervisory Board reflects on the suitability of the External Auditor to carry out its duties.

46. Identification of non-audit work carried out by the external auditor for the Company and/or for companies in a controlling relationship with it, as well as an indication of the internal procedures for approving the contracting of such services and the reasons for contracting them

In addition to auditing services, tax and accounting consultancy services have been carried out for the company and/or Group companies for foreign companies.

The approval and contracting of the services rendered by the External Auditor, other than the auditing services, was based on the procedures described in Item 37. The contracting of such services occurred due to the lack of internal resources (of the Company). Additionally, any new service to be rendered by Deloitte and its companies (national or international) to Martifer Group is subject to the prior approval of both Martifer’s Board of Directors and the Supervisory Board, as well as of the partner responsible for Deloitte’s work at Martifer Group, within the scope of its quality control system.

Finally, it is important to mention that the Auditor verifies the implementation of remuneration policies and systems and the effectiveness and functioning of internal control mechanisms within the scope of its work. If any deficiency or irregularity is found, it should be reported to the Supervisory Board.

47. Indication of the amount of the annual remuneration paid by the Company and/or legal entities in a control or group relationship to the auditor and other natural persons or legal entities belonging to the same network and breakdown of the services in question

During the 2023 financial year, the amount of annual remuneration paid to auditors and other natural persons or legal entities belonging to the same network, borne by the Company and/or legal entities in a control or group relationship, totalled 253,110 Euros (including expenses and remuneration paid by subsidiaries located abroad). The breakdown of this remuneration is as follows:

OTHER	2023	%	2022	%	2021	%
Legal account audit and audit services	158,330	99.06%	151,475	84.45%	127,975	90.23%
Other reliability assurance services	1,500	0.94%	1,500	0.84%	1,600	1.13%
Tax advisory services abroad	0	0.00%	26,385	14.74%	12,253	8.64%
Other services other than statutory audit	0	0.00%	0	0.00%	0	0.00%
Total	**159,830**	**100.00%**	**179,360**	**100.00%**	**141,828**	**100.00%**

MARTIFER SGPS	2023	%	2022	%	2021	%
Legal account audit and audit services	68,280	73.20%	66,300	100.00%	52,500	100.00%
Other reliability assurance services	0	0.00%	0	0.00%	0	0.00%
Tax consultancy services	0	0.00%	0	0.00%	0	0.00%
Other services other than statutory audit	25,000	26.80%	0	0.00%	0	0.00%
Total	**93,280**	**100.00%**	**66,300**	**100.00%**	**52,500**	**100.00%**
OVERALL TOTAL	**253,110**		**245,660**		**194,328**	

Including individual and consolidated accounts

C. INTERNAL ORGANISATION

I. ARTICLES OF ASSOCIATION

48. Rules applicable to amending the Company's articles of association (Article no. 245-A.1.h)

Martifer's Articles of Association do not provide for special rules applicable to the amendment of the Articles of Association, so the rules set out in the CCC apply. As follows:

- **Constitutive quorum**, the provisions of Article no. 383.2 of the CCC apply. For the General Meeting to decide, on the first call, on amending the articles of association of the Company, shareholders holding at least one-third of the share capital must be present or represented;
- The **deliberative quorum** applies the rule set out in Article no. 386.3 of the CCC via Article no. 18.1 of the Articles of Association, namely that the resolutions to be made at the General Meeting regarding proposals to amend the Articles of Association are made, either on the first call or on the second call, by two-thirds of the votes cast.

II. REPORTING IRREGULARITIES

49. Means and policy for reporting irregularities in the company

Martifer has a Code of Ethics and Conduct, available for consultation at https://www.martifer.pt/pt/investors/corporate-governance/codigo-etica-conduta and handed out at every new employee onboarding session, which formalises the set of rules and guidelines that should guide the decisions and daily actions of the Group and its stakeholders. For a long time now, the Code of Ethics and Conduct has been the instrument that sets out the values that guide Martifer Group's actions, as well as the ethical principles and rules of conduct to which the Group as a whole, and its employees in particular, are subject and assume as intrinsically theirs.

The Code of Ethics and Conduct defines Martifer Group's principles and values, namely the respect for the law, integrity and corporate social responsibility and a set of conduct standards such as non-discrimination and equal opportunities, loyalty in negotiations with suppliers, and the prevention of conflicts of interest, among others.

The Board of Directors guarantees the application of the provisions of the Code of Ethics and Conduct, and the whistleblowing policy has the Group's Ethics and Conduct Committee as the entity responsible for receiving and managing whistleblowing reports, and in particular, its president - an independent non-executive board member, without prejudice to the powers of the Supervisory Board in this area. Additionally to the Supervisory Board, the Ethics and Conduct Committee pursues, applies and handles procedures on complaints about internal irregularities, giving appropriate internal treatment to the complaints and the reporting of irregularities, ensuring a speedy resolution of the reported facts. This internal communication channel is treated confidentially and allows anonymity.

The Company's concern for confidentiality means that only members of the Supervisory Board, members of the Ethics and Conduct Committee and, on a strictly necessary basis, members of the Executive Committee and internal Company members expressly appointed to support the work of the Ethics and Conduct Committee have access to the procedures for reporting irregularities.

This way, Martifer Group aims to guarantee the existence of conditions that allow any employee and/or entity defined by law as a "Whistleblower" to freely communicate his/her concerns in these areas to the Ethics and Conduct Committee and facilitate the early detection of irregular situations that, if practised, are likely to cause damage to Martifer Group, as well as to its Stakeholders.

The communication of irregularities shall be made in writing by email or letter to at least one of the following addresses:

- comissaoeticaeconduta@martifer.com
- Comissão de Ética e de Conduta do Grupo Martifer - Zona Industrial, Apartado 17
  3684-001 Oliveira de Frades

The Company's policy for communicating and reporting irregularities - Ethics and Conduct Code - is published on the Company's website at http://www.martifer.pt/ (tab Investors, section Corporate Governance/Ethics and Conduct), as well as on the Company's intranet.

Martifer's whistleblowing policy covers the entire perimeter of Martifer Group.

In addition, with the entry into force of Law no. 93/2021 of 20 December (hereinafter just the "GDPR"), which transposed Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of European Union Law into the Portuguese legal system, and which established the legal obligation to define and implement a whistleblowing channel for any legal entity that employs 50 (fifty) or more workers, or that carries out certain activities provided for in the aforementioned Directive, Martifer reviewed the various mechanisms for detecting and preventing irregularities.

In this sense, with reference to the two subsidiaries covered by the GDPR, as well as by Decree-Law no. 109-E/2021, of 9 December (henceforth only "GDPR"), namely the companies Martifer - Construções Metalomecânicas S.A. and West Sea - Estaleiros Navais, Unipessoal, Lda., an internal Whistleblowing Channel Regulation has been established, respectively, which allows any Stakeholder to confidentially report any violation of the principles contained in this code, without fear of retaliation.

These regulations are available for consultation at https://martifer.com/multimedia/martifer/pt/1H6fgbx-S-MTC-Regulamentodocanaldedenunciainterna20231102.pdf and https://martifer.com/multimedia/martifer/pt/E7F2tl3krN-WestSea-Regulamentodocanaldedenunciainterna20231102.pdf,where the respective Risk Prevention Plans can also be consulted.

The participation, communication or report of irregularities occurring within Martifer Group is received directly on a dedicated platform, with the possibility of anonymity, or in a mailbox, with exclusive access by the president of the Ethics and Conduct Committee, who is a non-executive and independent member of the Board of Directors. These channels were considered the most appropriate and independent for receiving reports, without prejudice to them being received by post.

Reports addressed directly to the Supervisory Board and all others that fall within the exclusive remit of the Supervisory Board are also immediately communicated by the president to the president of this governing body.

The report must be made in writing in the system, by email or letter, to at least one of the following addresses:

- on the "Whistleblowing Channel" website
- contacto-mtc@martifer.com
- contacto-ws@west-sea.pt

- Comissão de Ética e de Conduta do Grupo Martifer - Zona Industrial, Apartado 17
  3684-001 Oliveira de Frades

The Ethics and Conduct Committee takes into account the guidelines contained in the corruption prevention plans approved within Martifer Group, based on the current applicable legislation - General Whistleblower Protection Regime and GDPR.

The processing of personal data in the context of the Communication of Irregularities or Reports is carried out following the General Whistleblower Protection Regime and Law no. 58/2019 of 8 August and Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 (hereinafter "GDPR"), based on the group's Privacy Policy, to be consulted at https://www.martifer.pt/pt/politica-privacidade.

With regard to conflicts of interest, the policy reflected in the Company's Code of Ethics and Conduct, in the specific case of conflicts of interest, coordinated with the principles of the Policy on Transactions with Related Parties and Conflicts of Interest (to be consulted at https://martifer.com/multimedia/martifer/pt/gl-HVSDb--RegulamentoTransacoes-Grupo-Martifer-Partes-Relacionadas.pdf), determines the immediate communication of the existence of the conflict and the abstention from carrying out any act or making any decision in relation to which the conflict is manifest.

Under the terms of these corporate regulations, all employees who have knowledge or reasonable suspicion of situations that do not comply with the provisions of the Code of Ethics and Conduct of the Company, such as the Managing Members, must report such situations to their superior and, if in doubt as to the existence of a conflict of interest, consult the Ethics and Conduct Committee, which issues the requested Opinions.

In 2023, Martifer's Ethics and Conduct Committee analysed and closed two (2) reports, none of which fell under the provisions of the General Regime for the Prevention of Corruption, categorised under "Employees". Disciplinary enquiries were opened in both cases, and in one of them, a series of social measures were proposed.

III. INTERNAL CONTROL AND RISK MANAGEMENT

50. Persons, bodies or committees responsible for internal audit and/or the implementation of internal control systems

Board of Directors

The Board of Directors defines the risk policy based on analysing and measuring risks, coordinating and developing risk management processes in order to ensure integrated risk management in line with Martifer Group's strategy and objectives. The Board of Directors is, therefore, the body responsible for ensuring the effectiveness of the Company's internal control, risk management and audit systems, fostering a control culture throughout the organisation, based on an internal control system that aims to ensure the efficient and sustainable conduct of business and operations, protection of resources and assets, and compliance with applicable policies, plans, procedures and regulations, as well as in:

- Monitoring and continuous improvement processes, based on the assessment and mitigation of critical risks, ensured by the audit services and by the Risk Committee, in coordination with the corporate and business areas;
- Internal information and communication mechanisms to follow up, monitor and improve the performance of the whole organisation, also ensured by the dedicated committees for ESG & Sustainability; Contractual Analysis and the Compliance Officer and the Ethics and Conduct and Corporate Governance Committees;
- Processes for identifying and responding to risks to pursue the strategic objectives of the Company defined by this body.

Executive Committee

The Executive Committee has the special purpose of ensuring the creation and functioning of procedures relating to the internal control and risk management systems, namely by establishing designated committees and creating specific working groups.

Risk Committee

Martifer Group's Risk Committee, which constitutes a Specialised Committee at the service of the Board of Directors, has as its main attributions the compliance with the guiding principles of the Group's Risk Policy, assisting the Board of Directors in setting the Company's strategic objectives in terms of risk assumption, also issuing recommendations or opinions, amongst others, regarding the definition of a Risk Policy for Martifer Group and the creation of systems to identify, monitor, control and manage risks of a (i) legal and contractual, (ii) financial, (iii) technical-operational, (iv) commercial, (v) environmental, (vi) political and (vii) of any other nature, maintaining close liaison with the Supervisory Board, addressing it the information and reports necessary for the completion of the Supervisory Board's work.

The composition, functioning, duties and powers of the Risk Committee are described in Item 29 above. They can be found in the Risk Committee Regulation, which can be consulted on the Company's website at http://www.martifer.pt/ (Tab: Investor, Section: Corporate Governance/ Articles of Association and Regulations).

Supervisory Board

The evaluation of internal control and of the risk management system is subject to regular analysis and discussion by Martifer's Supervisory Board within its scope of legal competences. There is a strong procedural link between the Board of Directors and the Supervisory Board, with regular information provided by the former to the latter by the Company Secretary. The Supervisory Board is called to all meetings of the Board of Directors in order to participate and have access to decision-making on all policies relating to the identification and management of the main risks.

External audit

Amongst its duties, it assesses the risks to the reliability and integrity of the accounting and financial information and reports these to the Supervisory Board.

Internal audit

Martifer Group has in its organisational structure a department covering the internal audit service whose activities consist in evaluating the effectiveness and efficiency of the internal control system and of the business processes at the level of the entire Group independently and systematically, verifying whether the assets at Martifer Group level are duly recorded and sufficiently protected against possible risks and losses, examining and assessing the rigour, quality and application of operational, accounting and financial controls, promoting effective control at a reasonable cost and proposing measures that are deemed necessary to address any deficiencies in the internal control system.

Corporate Planning and Management Control Department and Consolidation and Reporting Service

The Company also has important departments carrying out a great deal of work in the area of internal audit, such as the Corporate Planning and Management Control Department, which, among other things, also includes the Consolidation and Reporting service which, supported by the company's information systems, produces, monitors and analyses management information, raising questions at the level of each unit. The consolidated financial statements are prepared by Martifer Group's Consolidation and Reporting Department, which ensures consistency in the application of the adopted accounting policies.

It should be noted that the reliability and integrity risks of the accounting and financial information are also evaluated and reported by the activity of the Chartered Accountant and the External Auditor.

Contractual Analysis Committee

Martifer Group's Contractual Analysis Committee, which is a dedicated committee created by the Executive Committee, falls within the scope of internal auditing and has as its main attribution the rigorous gauging of the risks of each operation prior to the signing of contracts based on the evaluation of a risk matrix and the consequent timely and prior negotiation of these contracts with clients, as well as the monitoring of intra-group contracting inherent thereto, in an integrated and transversal manner in Martifer Group, through strict articulation with the structures of the corporate centre.

Under the motto "*to optimise performance, we have to understand how to improve risk management*", the composition of this internal committee is as follows: (i) one representative of the Executive Committee; (ii) two-person management: legal director and director of planning and management control, (iii) members: commercial director; director of international finance; director of finance Portugal; tax; project manager.

ESG & Sustainability Committee and Compliance Officer

Martifer Group's ESG & Sustainability Committee is a dedicated committee created by the Executive Committee with the duties of supervising the Company's key performance indicators in environmental, social and governance matters included in the strategic plan and monitoring their degree of materialisation; proposing sustainability and environmental, social and corporate governance policies and procedures and/or their update; promoting the alignment of the Company's strategy with the sustainable development goals (https://www.ods.en/) of the United Nations and World Business Council for Sustainable Development (WBCSD); promoting the implementation of sustainability measures within the Group in line with the best market practices and supervising their implementation; promoting, guiding and supervising the Company's objectives, action plans and practices in matters of health, safety and prevention of risks at work, and promoting and supervising the fulfilment and correct application of the corporate governance and compliance principles and standards in force, promoting and requesting the exchange of information necessary for this purpose, in partnership with the Compliance Officer appointed by the Company, who assists the Group's Regulatory Compliance Officer.

The composition of this committee is as follows: (i) a representative of the Executive Committee; (ii) bicephalous management: director of planning and management control and head of communication for Martifer Group, (iii) members: legal director/compliance officer; a representative from each of the 3 business areas.

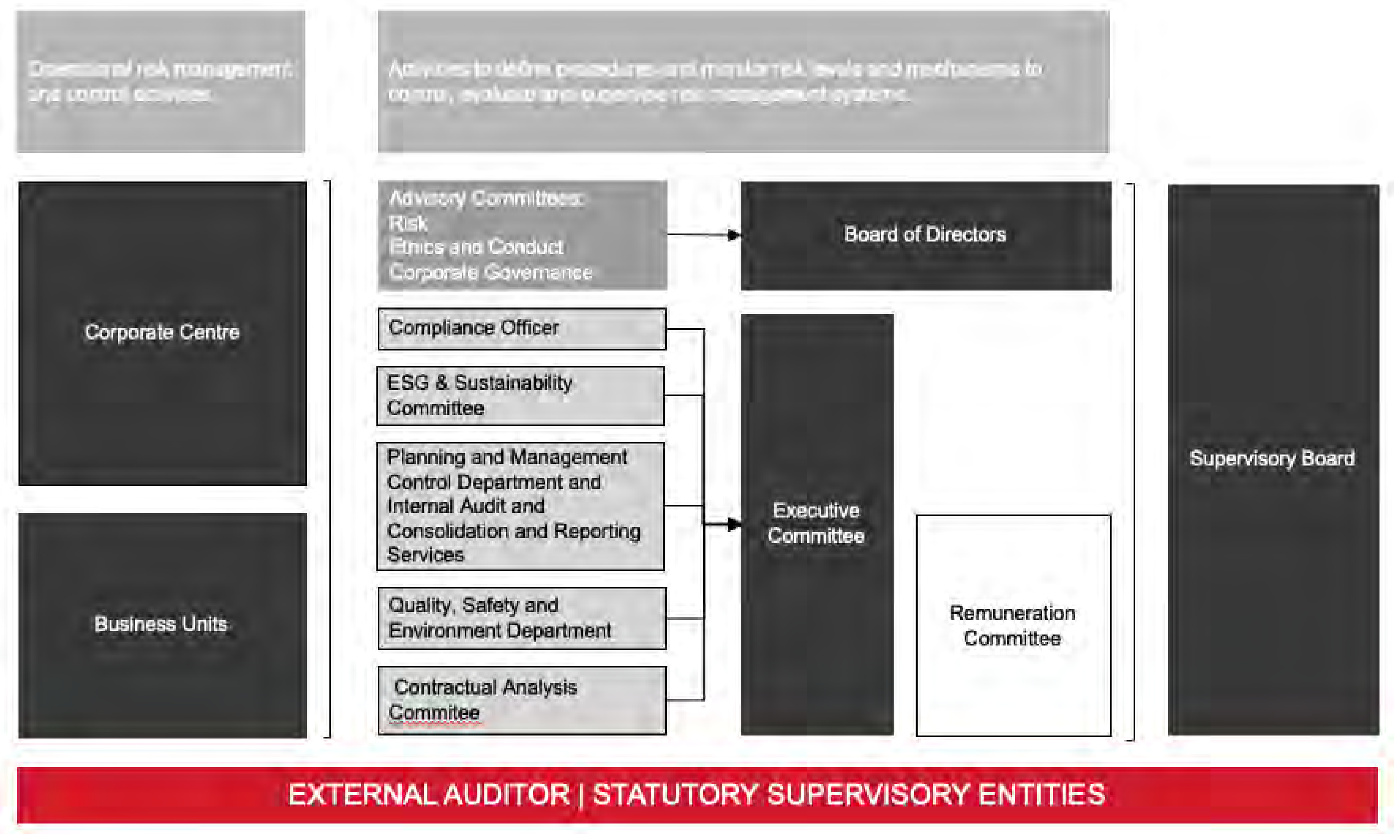
It is also worth mentioning the existence of a Code of Ethics and Conduct and a system for reporting irregularities, which increase Martifer Group's control culture.

Business Areas

Each Martifer business area implements the internal controls and risk management specific to that area as part of its responsibility in corporate or functional processes. Those responsible participate in specific risk management teams or work groups, take part in ESG & Sustainability Committee meetings, and attend ordinary Executive Committee meetings on a monthly basis.

51. Explanation of hierarchical and/or functional dependence on other Company bodies or committees, including an organisational chart

With regard to the hierarchical and/or functional dependency relationships between the governing bodies and departments responsible for implementing and monitoring the internal control systems and better described in the previous item:



52. Existence of other functional areas with competences in risk control

We believe that this issue has already been explained in detail in the previous item, so we refer you to the explanation of this item there.

53. Identification and description of the main types of risks (financial, operational and legal) to which the Company is exposed in the course of its activity

Risk management at Martifer Group is based on the permanent identification and analysis of the exposure to different types of risks inherent to its activities (metallic constructions, naval industry and renewables & energy), in the various countries where it operates, and that are transversal to the whole Company - financial risks; currency exchange rate risks, interest rate risk, liquidity risks, credit risks, operational risks and legal risks, among others - and in the adoption of strategies to maximise profitability.

The Strategic Plan is the guiding document for the Group's strategic lines, and its preparation and discussion by the Board of Directors, and the issue of a prior opinion by the Supervisory Board, are always supported by a risk matrix transversal to Martifer's activities, setting out the assumptions and targets to be achieved.

A separate chapter of the Management Report, which is considered an integral part of this report, describes in detail the main risks to which Martifer Group is exposed in conducting its business (Chapter 8 of the Annual Report), and how the Company believes they can be mitigated.

Without prejudice to what is best stated in the Annual Report referred to above, Martifer uses its risk taxonomy as a tool to support risk management, which systematises Martifer's main risks, as illustrated below:

FINANCIAL RISKS

A) PRICE

B) EXCHANGE RATE

C) INTEREST RATE

D) LIQUIDITY

E) CREDIT

OPERATIONAL RISKS

A) METALLIC CONSTRUCTIONS

Client risk | Supplier risk | Market risk | Lack of human capital risk

B) NAVAL INDUSTRY

Innovation risk | Client risk | Supplier risk | Competition risk | Lack of human capital risk

C) RENEWABLES

Productivity risk

LEGAL AND COMPLIANCE RISKS

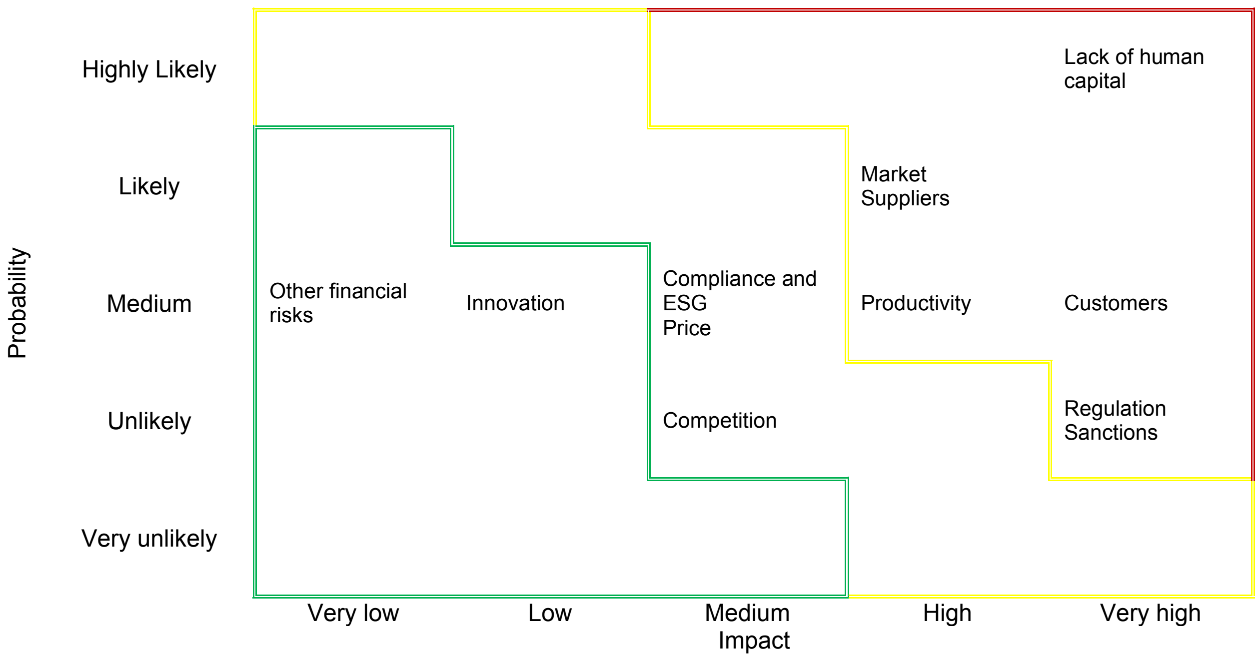
A) REGULATION

B) SANCTIONS

C) COMPLIANCE AND ESG

D) REPUTATIONAL RISKS

The probability of these risks occurring, and their respective impact can be measured by calculating a reference value that assesses the critical level of the risk. To do this, the degree of probability is assessed on a scale of 1 to 5, where 1 represents (very unlikely) and 5 (very likely), and the degree of impact is assessed on a scale of 1 (very low) to 5 (very high). The product of these two factors makes it possible to measure the risk. The impact is assessed in the dimensions that allow relevant consequences to be measured, such as financial results.

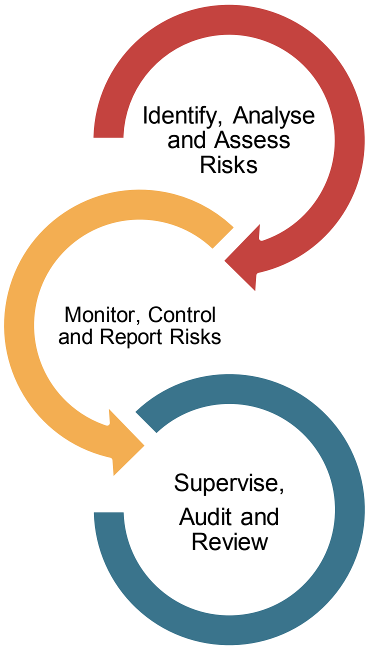


54. Description of the process for identifying, assessing, monitoring, controlling and managing risks

RISK MANAGEMENT SYSTEMS

Risk Management, supported by the Group's risk taxonomy, is one of the components of Martifer Group's culture. It is present in all management processes and represents a responsibility for all managers and employees at different levels of the organisation.

The risk policy is defined by the Board of Directors based on analysing and measuring risks, which also coordinates and develops risk management processes to ensure integrated risk management in line with the Group's strategy and objectives, a continuous process of risk assessment, being an integral part of the normal decision-making and management processes and underpinning the strategic guidelines.



Risk management comprises the processes of identifying current and potential risks, analysing their possible impact on the organisation's strategic objectives and predicting the likelihood of their occurrence to determine the best way to manage exposure to these risks and is based on a transversal process that is consistent with the particularities of the various business areas, structured around five main phases (Identification, Analysis, Assessment, Monitoring and Supervision), always contextualised in the circumstances of each of the company's activities and always supported by communication between all the bodies, committees and departments with transversal responsibility for risk management at the different levels of the organisation.

At the same time, the Company continues to implement internal control and risk management procedures in line with international standards to strengthen integrated risk management, establishing a strategy for risk prevention and management transversal to the group to reduce exposure to risk and safeguard the Company's value.

The procedure is characterised by the identification of risks in each of the business areas and in generic contracting with clients, accompanied, in parallel, by the formalisation of an assessment, management, prevention and risk mitigation process to be carried out by the Board of Directors of the Company, supported by the Risk Committee and the other members of the specialised committees of the Board of Directors, the designated committees of the Executive Committee, the Corporate Centre and External Audit.

All these risks are duly identified and assessed, monitored and reviewed, and different structures within the company are responsible for managing and/or mitigating them.

Risk management at Martifer Group begins at the level of the operating companies, with the identification, measurement and analysis of the different risks to which they are subject, with particular emphasis on operational and market risks, seeking to estimate the probability of occurrence of the various factors that determine them and their potential impact on the business of the company or activity in question.

Without prejudice to the definition of the risk strategy by Martifer's Board of Directors, the managers responsible for operational activities are also responsible for implementing the risk control mechanisms, which are subject to the scrutiny of the competent Financial, Tax and Legal departments.

Risk identification is a responsibility that is transversal to the different levels of the organisation. Templates have been created to identify and categorise the main risks of each Business Area, as well as of new risks that arise as the activities are developed, including:

(i) economic and business risks, (ii) financial risks, and (iii) legal and compliance risks.

The Company's Risk Committee is also responsible for assessing and issuing opinions, which are submitted to the Board of Directors, among others, on new Group investments above a certain amount and on new geographical areas of operation.

The holding company periodically evaluates these mechanisms' efficiency in compliance with a plan for auditing financial and information systems, processes and conformity with approved procedures. This audit plan is prepared and developed annually, based on a prior assessment of business risks, and the Company's Supervisory Board supervises the mechanisms and assessments of the internal audit service within the scope of its functional powers.

The Planning and Management Control Department promotes and supports the integration of risk management into companies' management planning and control process.

The Risk Committee and the ESG & Sustainability Committee together with the *Compliance Officer* promote procedures, evaluation and monitoring of risks in a globalised manner.

The Contractual Analysis Committee is responsible for promoting the prior and rigorous contractual assessment of commercial, financial, tax and legal risks based on evaluating a risk matrix submitted to the Executive Committee.

It is the Holding's objective to obtain an integrated view of the risks which the Group faces in each of its different activities or business areas and ensure the consistency of the resultant risk profile with the Group's overall strategy and, in particular, what it believes to be, given its capital structure, an acceptable risk level. In this sense, the operations with the greatest relevance and impact on the Group, as well as those of a financial nature, are directly evaluated and validated by the Financial, Tax and Legal departments at the corporate centre level, following the risk policies and strategies established by the Board and based on a risk matrix implemented for this purpose.

The tasks of preparing and approving the Company's Strategic Plan by the Board of Directors motivate the overall annual review of the Risk Management System, considering the need to assess the various risk indicators, which motivates the implementation of updates and improvements integrated into the system itself.

At the end of each year, the Quality, Safety and Environment Department carries out a global analysis of the management system. It presents it to the Company and its employees, which is seen as continuous improvement.

55. Main elements of the internal control and risk management systems implemented by the Company concerning the financial information disclosure process (article no. 245-A.1.m)

About the disclosure of financial information, the Group promotes close cooperation among all bodies, departments and other participants in the process so that (i) the financial information is prepared in accordance with the legal requirements in force and follows the best practices of transparency, relevance and reliability, (ii) its verification is effective, whether by internal analysis or by analysis of the supervisory bodies and External Auditor, (iii) its approval is carried out by the competent corporate body and its public disclosure complies with all the legal requirements and recommendations, namely those of CMVM.

In the financial information disclosure process, we highlight:

- The use of accounting principles is explained in the Notes to the Financial Statements;
- The financial information is analysed by the managers of the respective business areas in order to monitor and control the budget permanently;
- The accounting records and the preparation of the financial statements are carried out by the Finance, Accounting and Planning and Management Control Departments, which ensure control over the recording of business process transactions and the balances of assets, liabilities and equity accounts;

- The consolidated financial statements are prepared every six months by the Consolidation and Reporting Department and validated by the Planning and Management Control;
- The Management Report is prepared by the competent internal departments, with additional input and review from the various business and support areas. The Statutory Auditor also reviews the content of this report and its conformity with the supporting financial information;
- The Group's financial statements are prepared under the supervision of the Group's executive Board Members. The documents that make up the annual report are sent to the Board of Directors for review and approval. After approval, the documents are sent to the External Auditor, who issues the Legal Certification of Accounts and the External Audit Report;
- The Statutory Auditor carries out an annual audit following the International Standards on Auditing (ISA) and other technical and ethical guidelines and standards of the Portuguese Chartered Accountants Association.

The tasks carried out during 2023 by the Supervisory Board within this scope were, above all, directed at supervising the adequacy of the process of preparing and disclosing financial information and ensuring that internal and external audits were able to develop their activity independently and objectively.

In turn, to issue the Legal Accounts Certificate and the Audit Report, the Statutory Auditor assessed the internal control mechanisms of the main business processes of the Group companies with effects on financial reporting.

IV. INVESTOR SUPPORT

56. Service responsible for investor support, composition, functions, information provided by these services and contact details

Martifer Group has always privileged permanent contact with the capital market, seeking to guarantee permanent access to information about the Group in a continued and consistent manner, be it through the disclosure of periodic financial information or through contacts with institutional investors, namely by participating in road shows and conferences, or through permanent contact with financial analysts.

Shareholders and investors can obtain all the relevant information on the Group at Martifer’s website http://www.martifer.pt/, particularly on the INVESTORS page, where information of a corporate and financial nature can be found. Shareholders and investors may also use the Investor Relations Office, which permanently ensures contact with the market and a regular flow of relevant information between the company, investors, shareholders, analysts, and the general public.

The Corporate Communication Department is responsible for investor support.

Responsible for the Corporate Centre: CFO

Coordinating Director: Ana Santos

Department: Sandra Cruz

The Institutional Communication Department takes on all the functions of the **Investor Relations Office**. It aims to guarantee that the market, shareholders, investors, analysts and journalists are informed about Martifer Group in a continuous, timely and balanced manner.

Investor Relations Office - contact information:

Martifer SGPS, Apartado 17
3684-001 Oliveira de Frades, Portugal
Telephone: +351 232 767 700
Fax: +351 232 767 750
Email: investor.relations@martifer.pt

The Investor Relations Office's primary function is to ensure compliance with Martifer's legal and regulatory reporting obligations to the authorities and the market. It acts as an interlocutor between the Board of Directors and the financial markets in general and responds to requests for information from investors (institutional and private), financial analysts, and other agents.

Also noteworthy is the disclosure of information that falls within the "disclosure of material information" framework, the provision of half-yearly and annual information on the Group's activity and results, and the preparation of annual reports and accounts.

In carrying out its duties, this department maintains a constant flow of communication with other departments and directorates (e.g. Legal and Compliance, Consolidation, Management Control, Tax, Finance).

The Investor Relations Office, therefore, provides the following information through its various disclosure channels:

DISCLOSURE OF INFORMATION	In person (Headquarters)	Website	E-mail Telephone	CMVM website
The company name, registered office and other elements mentioned in article 171 of the CCC	●	●	●	●
Articles of Association	●	●	●	●
Code of Ethics and Conduct | Regulation on the Whistleblowing Channel and How to Report Irregularities	●	●	●	
Identity of company corporate bodies and market relations representative	●	●	●	●
Regulations on the operation of corporate bodies and policies	●	●	●	
Gender Equality Plan	●	●	●	●
Composition of the Investor Relations Office, its functions and means of access	●	●	●	●
Remuneration policy and annual reports	●	●		●
Calendar of corporate events	●	●		
Management reports and accounting documents required by law, including the report on corporate governance structures and practices	●	●		●
Preparatory information and calls for General Meetings	●	●	●	●
Proposals submitted for discussion and voting at the General Meeting, resolutions passed and respective minutes	●	●	●	●
Template for non-in-person voting	●	●	●	●
Template of power of attorney to represent shareholders at General Meetings	●	●	●	●
Information on the company's activities	●	●		
Main financial and activity indicators	●	●		

DISCLOSURE OF INFORMATION				
	In person (Headquarters)	Website	E-mail Telephone	CMVM website
Disclosures: results, material information, qualifying holdings in the Company's share capital	●	●	●	●
Clarification of questions	●	●	●	

57. Market relations representative

In relation to the Securities Code, the Market Relations Officer is currently Pedro Nuno Cardoso Abreu Moreira, whose contact details are:

Pedro Nuno Cardoso Abreu Moreira
Martifer SGPS, Apartado 17
3684-001 Oliveira de Frades, Portugal
Telephone: +351 232 767 700
Fax: +351 232 767 750
E-mail: investor.relations@martifer.com

58. Information on the proportion and response time to requests for information received during the year or pending from previous years

- The number of requests for information to the Investor Relations Office was similar to previous years. Information requests were mostly made by institutional investors, but some were made by small investors, journalists and financial institutions.
- The registered requests for information were placed via e-mail and telephone, and in the majority of cases, an immediate response was given when the information was public.
- The Market Relations Office aims to minimise the request response time, and when an immediate response is not possible, it shall not exceed 24 hours, except for exceptional circumstances.

V. WEBSITE

59. Address(es)

Martifer Group has a website - http://www.martifer.pt/ - with a wide range of information about the Group.

60. Where the information on the company name, public company status, registered office and other information mentioned in article no. 171 of the CCC is

The information contained in article no. 171 of the CCC can be found on Martifer's website https://www.martifer.pt/pt/politica-privacidade, in section: "Terms of Use"

61. Where the Articles of Association and operating regulations of the bodies and/or committees are

The Articles of Association and operating regulations of the bodies and/or committees can be found on Martifer's website at https://www.martifer.pt/pt/investors/corporate-governance/estatutos

62. Where the information is made available on the identity of the members of the governing bodies, the market relations representative, the Investor Relations Office or equivalent structure, their functions and means of access

The identity of the members of the governing bodies and the representative for market relations can be found on Martifer's website at https://www.martifer.pt/pt/investors/corporate-governance/orgaos-sociais and the contact details of the Market Relations Office, its functions and means of access to the market can be found on Martifer's website at https://www.martifer.pt/pt/investors/gabinete-investidores.

63. Where the financial statements are made available, which must be accessible for at least five years, as well as the half-yearly calendar of company events, published at the beginning of each semester, including, among others, meetings of the General Meeting, disclosure of annual, half-yearly and, if applicable, quarterly accounts

The financial statements for at least ten years are available on Martifer's website athttps://www.martifer.pt/pt/investors/kit-investidor.

The financial statements for at least ten years are available on Martifer's website in the calendar of corporate events https://www.martifer.com/pt/investors/agenda.

64. Where the notice convening the General Meeting and all the preparatory and subsequent information relating to it is published.

The notice convening the General Meeting and all preparatory and subsequent information relating to it are

published on Martifer's website at https://www.martifer.pt/pt/investors/corporate-governance/assembleias-gerais.

65. Where the historical archive is made available with the resolutions passed at the Company's General Meetings, the share capital represented and the voting results, with reference to the previous three years

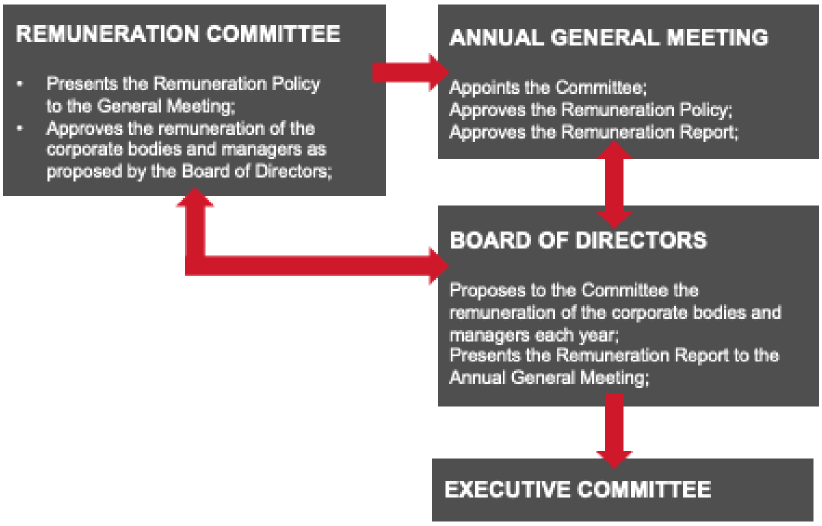
The historical record of previous years with the resolutions passed at general meetings, the share capital represented and the voting results are available on Martifer's websitehttps://www.martifer.pt/pt/investors/corporate-governance/assembleias-gerais.

D. REMUNERATION

I. Competence to determine

66. Competence to determine the remuneration of governing bodies, members of the executive committee and Company directors

In accordance with article no. 20 of the Articles of Association, the remuneration of the corporate bodies is set by the shareholders gathered at a General Meeting or by a Remuneration Committee appointed by it.



Under this latter possibility, the company's shareholders decided at the General Meeting on 21 May 2021 to appoint a Remuneration Committee for the 2021-2023 term of office, whose role is to define the remuneration policy for members of the governing bodies, setting the applicable remuneration, taking into account the duties performed, the performance achieved and the Company's economic situation. The Remuneration Committee has as its main powers:

- To define the Remuneration Policy of the Company's corporate bodies, especially the executive members of the Board of Directors, also establishing the criteria for determining the variable component of the remuneration;
- To determine the various components of the fixed and variable remuneration, possible benefits and complements, as well as the value of the annual remuneration to be paid to the members of the Company's corporate bodies, including maximum amounts due to termination of service;
- To monitor the performance of the executive members of the Board of Directors to determine the variable remuneration;
- To monitor the performance of the non-executive members of the Board of Directors;

The remuneration of the other managers of the Company is determined by the respective administration, following the principles of the remuneration policy submitted by the Remuneration Committee approved by the shareholders in a General Meeting, where at least one of their representatives is present. On the other hand, it is also the responsibility of this committee to confirm annually the correct application of the remuneration policy (fixed and variable) approved for the members of the managing bodies and other members of the Company's committees.

Finally, it should be noted that the External Auditor is responsible for verifying the application of the policy described and the remuneration systems of the corporate bodies, as well as reporting any non-compliance detected to the Supervisory Board.

II. Remuneration Committee

67. Composition of the remuneration committee, including identification of the natural persons or legal entities hired to support it and a statement on the independence of each of the members and advisors

The composition of the Remuneration Committee elected at the General Meeting on 21 May 2021, whose term of office is for three years (2021-2023), is as follows:

REMUNERATION COMMITTEE		FIRST APPOINTMENT	END OF CURRENT APPOINTMENT
President	Carlos António Vasconcelos Mota dos Santos	2021	2023
Members	José Pedro Matos Marques Sampaio de Freitas	2021	2023
	Júlia Maria Rodrigues de Matos Nogueirinha	2012	2023

Carlos António Vasconcelos Mota dos Santos (executive member of the Board of Directors of Mota-Engil, SGPS, S.A.), José Pedro Matos Marques Sampaio de Freitas (member of the Board of Directors of various companies of the Mota-Engil Group) and Júlia Maria Rodrigues de Matos Nogueirinha (secretary of the Board of the General Meeting of I'M SGPS, S.A.), are part of the Remuneration Committee, having been elected for these functions by the General Meeting, under the joint proposal of the two shareholders I'M SGPS, S.A. and Mota-Engil, SGPS, SA. The Company believes that the technical knowledge and independence of the Remuneration Committee is ensured by the professional training and experience of these members in particular and by the fact that they are independent of the executive members of the Company's administrative body.

None of the members of the Remuneration Committee are members of the Company's management body, nor do they have any relation to the members of the Board of Directors that may affect their impartiality in performing their duties. On the other hand, in their roles in other Companies, they do not have the autonomy to make decisions that may conflict with the Company's interests.

Under the terms of the Company's Articles of Association (specifically article no. 10.8) and the Company's regulations, which naturally also apply to the Remuneration Committee, including the Code of Ethics and Conduct and the Policy on transactions with related parties and conflicts of interest, members who are or identify themselves as being in a situation of conflict of interest must refrain from discussing, voting, making decisions, participating in or exerting any influence on any decision-making process directly related to the conflict of interest situation, without prejudice to providing the necessary information or clarification.

There are no people hired to sit on the Remuneration Committee.

The Remuneration Committee occasionally requests, if necessary, specialised information and technical data from internal company departments (namely the human resources department, the planning and management control department, the legal department and the corporate secretariat), including, among others, relating to the functional structure, the Group's results and the members and activities of the governing bodies. The information requested and received by the Remuneration Committee aims to gather information and technical data to enable the Group's remuneration policy to be defined and implemented. The requested information is provided free of charge.

Although it is within its free capacity and independent judgment to hire natural persons or legal entities to carry out the duties entrusted to it, this was not necessary in the 2023 financial year. Whenever such a need arises, the Remuneration Committee shall take into account, in particular, the respective curriculum and client portfolio, so that the consultancy firm chosen offers guarantees of independence and a conflict of interest check is carried out to confirm that such entity is not currently providing any other services to the company or other companies in a control or group relationship with it, without the express authorisation of the Committee.

The Remuneration Committee met twice in 2023, and the minutes of those meetings were prepared.

68. Remuneration committee members' knowledge and experience of remuneration policy

The Company considers that all members of the Remuneration Committee are totally suitable for the excellent performance of their functions due to their academic background and professional experience and to the positions they have held in large-sized, listed companies. Additionally, whenever necessary, the Remuneration Committee is assisted by specialised resources, internal or external to the Company, to support its deliberations on remuneration policy matters.

The experience and knowledge of the remuneration committee members is best described in their curricula information in the document attached to this report and attest to their ability to fulfil the duties entrusted to them.

III. Remuneration structure

69. Description of the remuneration policy of the management and supervisory bodies

The remuneration of the members of the Company's Board of Directors and Supervisory Board is determined, under the terms of the articles of association, by the Remuneration Committee, which submits to the appreciation of the General Meeting a document containing the Remuneration Policy, with the general guidelines to be observed in the concrete fixing of the amounts to be attributed to the members of the various corporate bodies, under the terms of articles 26-A and following ones of the CVM.

At the Company's General Meeting held on 21 May 2021, the Remuneration Policy for the management and supervisory bodies drawn up by the Remuneration Committee was analysed and submitted for approval and it is available on the Company's website at https://www.martifer.com/pt/investors/corporate-governance/remuneracoes.

In general terms, the Remuneration Policy for the management and supervisory bodies aims to closely follow the provisions of the CCC, the CVM, the recommendations of the Corporate Governance Code that apply to it and the special regime enshrined in the Company's statutory rules.

In the context of a significant legislative change, the Remuneration Committee conducted in 2021 a careful analysis and review of the basic principles that are at the heart of the Remuneration Policy for the Company's Corporate Bodies, with the primary objective of strengthening the values, skills, capacities and conduct, for the Company's interest, culture, sustainability and long-term strategy, based on the following general principles:

1. Attract, motivate and retain the best professionals for the functions to be performed in the Company and guarantee stable conditions for the performance of the respective functions by the members of the elected governing bodies;
2. Adequately remunerate, under market conditions, the activity developed, the results obtained and the know-how of the various business areas within the framework of the respective competences and responsibilities inherent to the positions held;
3. Reward increased efficiency and productivity and the creation of long-term value for shareholders through the definition and implementation of an incentive system linked to the achievement of quantifiable objectives from an economic, financial and operational point of view, defined taking into account a sustainable growth of results and discouraging excessive risk-taking;
4. Reward the environmental sustainability and energy efficiency of relevant activities of the Company and the Group;

The Remuneration Policy in force materialises the fundamental principles set out above in the following general guidelines to be observed by the Remuneration Committee when determining the remuneration of each member of the governing bodies:

a) Duties carried out, the degree of complexity inherent to the position, the responsibilities specifically assigned, the time spent and the added value that the product of the work contributes to the Company and the Group. There are also other functions carried out in other subsidiary companies that should not be excluded from consideration in terms of, on the one hand, an increase in the responsibilities attributed and, on the other, an additional source of income. To this extent, one cannot fail to differentiate the remuneration established for the Company's executive and non-executive board members, as well as the remuneration itself among the board members of each category, weighing the evaluation elements mentioned above.

b) Alignment of the interests of the members of the management body with the interests of the company - Performance assessment: To ensure the effective alignment of the interests of the members of the management body with those of the

Company, the Remuneration Committee will not fail to seek to adopt a policy that rewards the board members for the Company's long-term performance and the creation of value for shareholders.

c) Economic position of the Company Under careful consideration, the size of the Company and the inevitable management complexity associated with it are clearly relevant aspects in determining the Company's economic situation in a broad sense. A higher level of complexity necessarily corresponds to a higher remuneration. Still, the remuneration will have to be adjusted considering other criteria characterising the Company's economic situation (of a financial nature, human resources, etc.). The Remuneration Committee considers the current and future economic situation of the Company, prioritising the company's interests in the long term, the real growth of the company and the creation of value for its shareholders.

d) General Market Criteria for Equivalent Situations: Market laws apply transversally to the Company and the Group employees. The members of the corporate bodies are no exception. Respect for market practices will allow the maintenance of professionals with a level of performance appropriate to the complexity of their duties and responsibilities.

According to this organisational model of the Company and of the Group and based on the principles adopted and reinforced in the meantime, the Remuneration Committee considered the dimensions described below in the Remuneration Policy approved on 21 May 2021, to take effect from that date on:

Non-Executive Board Members

- The remuneration of non-executive board members shall consist exclusively of a fixed component.
- The remuneration of non-executive non-independent members of the Board of Directors corresponds, when awarded, to a fixed monthly retribution, paid 14 times a year.
- The remuneration of independent non-executive members of the Board of Directors corresponds to a pre-set amount for each participation in ordinary meetings; this remuneration is also attributable to non-independent non-executive members of the Board of Directors without any particular functions.
- The remuneration of the non-executive members of the Board of Directors may be differentiated due to special representative duties of the Company and/or as a result of a particular responsibility assigned by the Board of Directors or within the framework of committees set up by this body, either existing or to be created;
- The remuneration of non-executive members of the Board of Directors does not include any component whose value depends on the performance of the Company or of its value nor any additional benefits.

Executive Board Members

- The remuneration of executive board members comprises two components: one fixed and one variable, with the variable part of the remuneration not exceeding 5% (five per cent) of the profits for the financial year.
- The fixed remuneration component corresponds to a predetermined monthly payment, paid 14 times a year.
- The variable component of the remuneration is determined according to the fulfilment of certain economic, financial, operational and sustainability Key Performance Indicators (KPIs), to create a competitive remuneration framework and implement an incentive system that ensures that the interests of the executive board members are aligned with those of the Company and its stakeholders, from a long-term economic and financial sustainability perspective.
- In its structure, the variable remuneration component incorporates control mechanisms, considering the connection with individual and collective performance, to prevent and dissuade excessive risk-taking behaviour. This objective is further ensured by the fact that each KPI is limited to a maximum value.
- The variable remuneration may comprise two components (annual variable remuneration and three-year variable remuneration) if so decided by the Remuneration Committee.
- This variable remuneration component is calculated annually by the Remuneration Committee, following the proposal of the Board of Directors (or any special committee created for this purpose), after the Company's results have been approved.

Other benefits

- Although the Company does not have a pension plan in force, the Remuneration Policy allows the setting up of such a plan or the choice of equivalent financial products to encourage savings in the medium and long term, giving the members of the Board of Directors the possibility of receiving such a fixed benefit through the payment of an amount to be borne by the Company.
- Executive board members are provided with health and personal accident insurance, in line with the Group's general policy applied to other employees, whose terms and values align with market practices.

Supervisory Board and Statutory Auditor

- The remuneration of the Company's Supervisory Board members is set by the Remuneration Committee based on national and international market practices to carry out the respective supervisory activity in line with the interests of the Company and its stakeholders.
- The remuneration of the Company's Supervisory Board members is exclusively composed of a fixed component. The remuneration of the members of the Supervisory Board does not include any component whose value depends on the performance of the Company or its value nor any additional benefits.
- The remuneration of the Statutory Auditor remunerates the work of review and legal certification of the Company's accounts under the supervision of the Supervisory Board and is contracted under normal market conditions.

General Meeting

- The remuneration of the members of the Board of the General Meeting comprises only a fixed component, which consists of a pre-set amount for participation in each meeting, being lower for second and subsequent meetings held during the same year. The predetermined amount is set differently for the President, Vice President and Secretary of the Board, based on the Company's situation and market practices.

70. Information on how remuneration is structured to align the interests of the members of the management body with the long-term interests of the Company, as well as how it is based on performance assessment and discourages excessive risk-taking

As results from Item 69 above, the Group’s Remuneration Policy aims to promote the convergence of the board members’ interests and those of the other corporate bodies and the managers with the interests of the Company, namely in the creation of value for the shareholder and the real growth of the company, privileging a long-term perspective.

Hence, the Committee structured the components of the remuneration of the Management bodies so as to reward their performance in achieving high and, simultaneously, sustained growth, while discouraging excessive risk-taking. Additional determining factors include the Company’s economic situation and general market conditions practised for equivalent positions.

The setting of fixed and variable remuneration components and the dependence of the calculation of the variable remuneration on a structure of qualitative and quantitative dimensions relevant to the business and KPIs, the setting of the variable component being based on the degree of achievement of quantitative objectives set out in the business plans/ budgets approved by the Board of directors, determine that management performance is carried out taking into account the interests of the Company and its stakeholders, not only in the short term but also in the medium and long term.

The general remuneration policy guidelines observed by the Remuneration Committee in 2023 were those set out in the Remuneration Policy approved by the shareholders at the General Meeting on 21 May 2021, which is currently in force.

71. Reference, if applicable, to the existence of a variable remuneration component and information on the possible impact of the performance appraisal on this component

Under the terms of the Remuneration Policy in force, described in items 69 and 70 above, the remuneration of the executive board members will be comprised of a fixed part and, when awarded, a variable part and the determination of all remuneration, including in particular the variable component of the remuneration of board members with executive duties, is made based on a performance assessment based on the effective fulfilment of objectives and targets, measured by the performance of qualitative and quantitative indicators (KPIs).

At the beginning of each term of office, objectives are set for the following three-year period, and the degree of achievement of collective and individual KPIs is calculated annually, and, if necessary, the final three-year assessment is carried out at the end of each three-year period. The variable remuneration of executive board members may comprise two components: an annual variable remuneration and a three-yearly variable remuneration.

The process of attributing variable remuneration to the executive members of the Board of Directors shall follow the Criteria for Allocating and Calculating Variable Remuneration established in the Remuneration Policy, where the Performance Indicators for determining variable remuneration are as follows:

- Collective KPIs - with a weight of 90%
  - Financial KPIs - with a weight of 70%

    e.g. Turnover, EBITDA, EVA - Economic Value Added/Economic Profit, Net Profit and/or Budget fulfilment.
  - Strategic KPIs - with a weight of 20%

    e.g. Operational Efficiency, Productivity, Sustainability and Environmental Performance, Human Resources/Learning and Development;
- Individual KPIs - with a weight of 10%

As a reference for determining the performance of the indicators, the values of the strategic and business plans/ budgets approved by the Board of Directors are used. They are compared at the end of each period, with the results effectively obtained. The determination of the annual and tri-annual (if attributable) variable remuneration, respectively, may consider adjustments that may be necessary due to exogenous factors and/or unforeseen constraints.

No contracts were signed in 2023, either with the Company or with third parties, which have the effect of mitigating the risk inherent in the variability of the remuneration set by the Company for the members of the board of directors.

72. Deferral of payment of the variable component of remuneration, mentioning the deferral period

In accordance with the Remuneration Policy in force, there is the possibility of deferring the three-year variable remuneration for a period of three years. However, based on the Remuneration Policy in force, the Remuneration Committee has structured the remuneration of the members of the management body in such a way as to ensure the continuation of the company's positive performance in the long term without defining any deferral period for the time being.

73. Criteria on which the attribution of variable remuneration in shares is based, as well as the holding of these shares by executive board members, the possible signing of contracts relating to these shares, namely hedging or risk transfer contracts, the respective limit, and their relation to the value of the total annual remuneration.

During the 2023 financial year, the Company did not implement or allocate any share and/or stock option plan, and, therefore, no variable remuneration in shares was allocated to board members, nor were any criteria established for the maintenance of these shares by executive board members.

74. The criteria where the allocation of variable remuneration on options is based on and details of the deferral period and the exercise price

The Company does not have, or plans to have, any remuneration measure in force that gives rise to the award of rights to stock options.

75. Main parameters and foundations of any system of annual bonuses and any other non-cash benefits

The Company has not implemented any system of annual bonuses or non-cash benefits other than those set out in Item no. 69 above "Other Benefits".

76. Main characteristics of the supplementary pension or early retirement schemes for board members and the date on which they were approved by the General Meeting, in individual terms

The Company does not have a supplementary pension or early retirement scheme in force that benefits the members of the management and supervisory bodies and other managers within the meaning of article 29-R(3) of the CVM.

IV. Disclosure of Remuneration

77. Indication of the annual amount of remuneration earned, as a whole and individually, by the members of the Company's management bodies from the Company, including fixed and variable remuneration and, with regard to the latter, reference to the different components that gave rise to it.

In 2023, the total gross amount paid by the Company to the members of the Board of Directors was 2,050,158 Euros, corresponding to 1,910,158 Euros in fixed remuneration and 140,000 Euros in variable remuneration, the latter being paid exclusively to the executive members of the Board of Directors.

Total remuneration, broken down by the different gross remuneration components paid in 2023, individually, to the members of the Board of Directors (Article no. 26-G.2.a of the CVM), as well as the respective proportion:

BOARD MEMBER	POSITION	FIXED REMUNERATION	OTHER FIXED REMUNERATION	VARIABLE REMUNERATION (**)	ATTENDANCE VOUCHERS	PROPORTION OF REMUNERATION FR| VR (%)	TOTAL (€)
EXECUTIVE BOARD MEMBERS:							
Pedro Miguel Rodrigues Duarte	President	112,000	197,288	60,000	-	84 | 16	369,288
Pedro Nuno Cardoso Abreu Moreira	Member	105,000	157,035	30,000	-	90 | 10	292,035
Carlos Alberto Araújo da Costa (*)	Member	98,000	115,265	50,000	-	81 | 19	263,265
NON-EXECUTIVE							
Carlos Manuel Marques Martins	President	70,000	382,506	-	-	100 | 0	452,506
Arnaldo Nunes da Costa Figueiredo	Vice President	-	75,490	-	-	100 | 0	75,490
Jorge Alberto Marques Martins	Vice President	56,000	396,573	-	-	100 | 0	452,573
Maria Sílvia Vasconcelos da Mota	Member	-	-	-	45,000	100 | 0	45,000
Carla Gonçalves Borges Norte	Member	-	-	-	50,000	100 | 0	50,000
Clara Sofia Teixeira Gouveia Moura	Member	-	-	-	50,000	100 | 0	50,000
Total							**2,050,158**

Notes: Gross remuneration paid individually to members of the Board of Directors. Figures in Euros and rounded percentages.

(*) Executive Board Member of MARTIFER SGPS, SA - Fixed annual remuneration paid by Martifer Group companies (Article 2.1.g of Decree-Law no. 158/2009 of 13 July) for performing executive duties at this subsidiary.
(**) Annual variable remuneration awarded and paid in 2023, following the performance assessment in 2022.

The tables below detail, in accordance with Article 26-G(2) of CVM, the annual variations of the gross remuneration paid individually by the Company and by the companies mentioned in item 78, to the members of the Board of Directors, as well as of the average remuneration paid to full-time equivalent employees of the Company, in the last five financial periods, and the performance indicators verified:

BOARD MEMBERS	COMPONENT	YEAR					
NON-EXECUTIVE		2018	2019	2020	2021	2022	2023
Carlos Manuel Marques Martins	Fixed Remuneration	166,603[1]	95,200	160,596	70,000	70,000	70,000
	Other Fixed Remuneration	-	-	-	130,851	332,159	197,288
	Total	166,603	95,200	160,596	200,851	402,159	369,288
	Variation in %	**- 30**	**- 42.9**	**68.7**	**25.1**	**100.2**	**- 8.2**
Arnaldo Nunes da Costa Figueiredo	Fixed Remuneration	-	-	-	-	-	-
	Other Fixed Remuneration	-	-	-	322,093	100,654	75,490
	Total	-	-	-	322,093	100,654	75,490
	Variation in %	**-**	**-**	**-**	**-**	**- 68.8**	**- 25**
Jorge Alberto Marques Martins	Fixed Remuneration	83,856[2]	-	134,266	56,000	56,000	56,000
	Other Fixed Remuneration	-	-	-	144,939	464,654	396,573
	Total	83,856	-	134,266	200,939	520,516	452,573
	Variation in %	**- 0.8**	**-**	**-**	**49,7**	**159**	**- 13.1**
Maria Sílvia Vasconcelos da Mota	Fixed Remuneration	15,000	15,000	20,000	30,000	50,000	-
	Other Fixed Remuneration	-	-	-	-		-
	Total	15,000	15,000	20,000	30,000	50,000	45,000
	Variation in %	**-**	**0**	**33,3**	**50**	**66,7**	**- 10**
Carla Gonçalves Borges Norte	Fixed Remuneration	-	-	-	25,000[3]	50,000	50,000
	Other Fixed Remuneration	-	-	-	-	-	-
	Total	-	-	-	25,000	50,000	50,000
	Variation in %	**-**	**-**	**-**	**-**	**100**	**0**
Clara Teixeira Gouveia Moura	Fixed Remuneration	-	-	-	25,000[3]	50,000	50,000
	Other Fixed Remuneration	-	-	-	-	-	-
	Total	-	-	-	25,000	50,000	50,000
	Variation in %	**-**	**-**	**-**	**-**	**100**	**0**

(1) Remuneration paid includes performance of executive duties until 18 May 2018.
(2) Remuneration paid includes amounts paid by other companies in a control or group relationship with the Company.
(3) Remuneration paid after appointment on 21 May 2021.

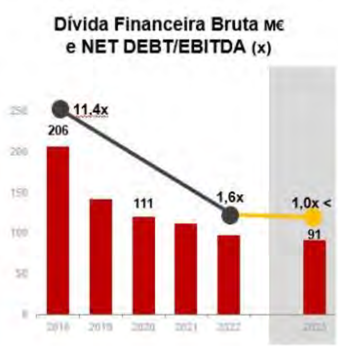
BOARD MEMBERS	COMPONENT	YEAR					
EXECUTIVE		2018	2019	2020	2021	2022	2023
Pedro Miguel Rodrigues Duarte	Fixed Remuneration	96,167	176,000	252,000	98,000	110,000	112,000
	Variable remuneration	-	-	-	-	60,000	60,000
	Other Fixed Remuneration	-	-	-	166,077	196,882	197,288
	Total	96,167	176,000	252,000	264,077	366,882	369,288
	Variation in %	**-**	**83**	**43.1**	**4.8**	**38.9**	**0.7**
Pedro Nuno Cardoso Abreu Moreira	Fixed Remuneration	135,781	169,000	234,999	98,000	104,000	105,000
	Variable remuneration	-	-	-	-	50,000	30,000
	Other Fixed Remuneration	-	-	-	148,968	156,621	157,035
	Total	135,781	169,000	234,999	246,968	310,621	291,035
	Variation in %	**7.2**	**24.5**	**39.1**	**5.1**	**25.8**	**- 6.3**
Carlos Alberto Araújo da Costa	Fixed Remuneration	-	-	-	91,000	97,000	98,000
	Variable remuneration	-	-	-	-	40,000	50,000
	Other Fixed Remuneration	-	-	-	89582	114,892	115,265
	Total	-	-	-	180,582[1]	251,892[1]	263,265
	Variation in %	**-**	**-**	**-**	**-**	**39.5**	**4.5**

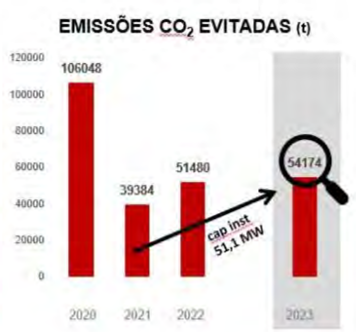
[1] Annual remuneration paid by other companies in a control or group relationship with the Company.

EMPLOYEES[1]		2018	2019	2020	2021	2022	2023
Total Remuneration	Average Remuneration/Year (€) [2]	19,770	19,900	19,157	21,133	23,461	25,335
	Variation in %	**7.5**	**0.7**	**- 3.7**	**10.3**	**11.0**	**8**

[1] Includes the employees of Portuguese and foreign companies in a control or group relationship with the Company.
[2] The average remuneration of full-time employees, i.e., those in full-time employment and working throughout the year, excluding social security and other expenses.

GROUP PERFORMANCE		2018	2019	2020	2021	2022	2023
Performance Indicators	EBITDA (M€)	15.2	28.9	19.4	25.8	25.8	34.1
	Net Debt/ EBITDA (x)	11.4	3.7	3.9	2.7	1.6	1.0
	GVA (M€)	48.0	55.0	55.0	57.3	66.4	60
	Avoided CO_2 emissions (t)	-	-	106,048	39,384	51,480	54,174





78. Any amounts paid by other companies in a control or group relationship or subject to common control

The remuneration of the members of the Company's management bodies includes, as a rule, positions held in the management bodies of Martifer Group companies[7], except for the executive board member responsible for the metallic constructions business area. Thus, a total gross amount of 213,268 Euros was paid to Board Members by companies in a control or group relationship or which are subject to common control during the 2023 financial year, and the gross remuneration amounts paid individually are broken down in the first table in item 77 above, in accordance with Article no. 26-G.2 of the CVM.

79. Remuneration paid in the form of profit-sharing and/or bonus payments and the reasons why such bonuses and/or profit-sharing were granted

In the financial year 2022, no sum by way of remuneration was paid to the Board Members in the form of profit sharing and/or bonus payments (other than the variable remuneration referred to in Items no. 77 and 78 above, defined pursuant to the remuneration policy in force - Item no. 69).

80. Compensation paid or owed to former executive board members in relation to the termination of their duties during the financial year

During 2023, no compensation was paid to any former executive board member regarding contract termination, nor is it owed.

81. Indication of the annual amount of remuneration received, aggregated and individually, by the members of the Company's supervisory body

NAME	FIXED REMUNERATION (€)
PRESIDENT:	
Mária Maria Machado Lapa de Barros Peixoto	4,800
MEMBERS	
Américo Agostinho Martins Pereira	4,800
Luís Filipe Cardoso da Silva	-
Ana Luísa Nabais Aniceto da Fonte[(1)]	-
Total	**9,600**

[(1)] Alternate
Note: Value in Euros.

SUPERVISORY BOARD		2018	2019	2020	2021	2022	2023
Mária Maria Machado Lapa de Barros Peixoto	Fixed Remuneration	2,952	4,800	4,800	4,800	4,800	4,800
	Variation in %	**-**	**62,6**	**0**	**0**	**0**	**0**
Américo Agostinho Martins Pereira	Fixed Remuneration	4,800	4,800	4,800	4,800	4,800	4,800
	Variation in %	**0**	**0**	**0**	**0**	**0**	**0**

[7] The term "Group" was understood to mean as indicated in Article no. 2.1.g of Decree-Law no. 158/2009 of 13 July, following Article no. 26-G.2.d of the CVM.

MARTIFER GROUP

EXTERNAL AUDITOR - ANNUAL REMUNERATION RECEIVED IN 2023

Amount of the annual remuneration paid by the Company and/or legal persons in a control or group relationship to the auditor and other natural or legal persons belonging to the same network and breakdown of the services in question

OTHER GROUP COMPANIES	2023	%
Legal account audit and audit services	158,330	99.06%
Other reliability assurance services	1,500	0.94%
Tax advisory services abroad	0	0.00%
Other services other than statutory audit	0	0.00%
Total	**159,830**	**100.00%**

MT SGPS	2023	%
Legal account audit and audit services	68,280	73.20%
Other reliability assurance services	0	0.00%
Tax consultancy services	0	0.00%
Other services other than statutory audit	25,000	26.80%
Total	**93,280**	**100.00%**
OVERALL TOTAL	**253,110**	

** Including individual and consolidated accounts

EXTERNAL AUDITOR - VARIATION OF THE ANNUAL REMUNERATION EARNED IN THE LAST FIVE FINANCIAL PERIODS

OTHER GROUP COMPANIES	2018	2019	2020	2021	2022	2023
Remuneration	197,250	131,947	164,631	141,828	179,360	159,830
Variation in %	**15.6**	**- 33.1**	**24.8**	**-13.9**	**26.5**	**-10.8**
MARTIFER SGPS	2018	2019	2020	2021	2022	2023
Remuneration	48,200	78,200	41,000	52,500	66,300	93,280
Variation in %	**- 0.9**	**62.2**	**- 47.6**	**28.0**	**26.3**	**40.7**
OVERALL TOTAL	**245,450**	**210,147**	**205,631**	**194,328**	**245,660**	**253,110**

82. Details of the remuneration in the year in question to the President of the Board of the General Meeting

NAME	FIXED REMUNERATION (€)
PRESIDENT:	
José Joaquim Neiva Nunes de Oliveira	1,200
VICE PRESIDENT:	
Ana Sofia Pinto Rijo Andrade	-
SECRETARY:	
Luís Neiva de Oliveira Nunes de Oliveira	400
Total	**1,600**

Note: Value in Euros.

V. Agreements with remuneration implications

83. Contractual limitations on the compensation payable for the unfair dismissal of a board member and its relationship with the variable component of remuneration

The Company has not established or agreed to any contractual limitation on the compensation that may be due to a Board member of the Company in the event of dismissal without just cause. Any amounts due will be in accordance with the applicable law. On the other hand, no legal instrument entered into with board members obliges the Company to pay any indemnity or compensation beyond what is legally required, and this establishment is the Remuneration Committee’s responsibility.

84. Reference to the existence and description, with indication of the amounts involved, of agreements between the Company and the members of the board of directors and managers, within the meaning of article 29-R(3) of the Portuguese Securities Code, providing for compensation in the event of resignation, dismissal without just cause or termination of the employment relationship following a change in the control of the Company (article 29-H(1,k) of CVM)

The Company is not a party to any agreement with the holders of the management body or managers, pursuant to Article 29-R(3) of the CVM, that provides for compensation in the event of resignation, dismissal without just cause or termination of the employment relationship following a change of control of the Company.

VI. Share or stock option plans

85. Identification of the plan and its recipients.

At the moment, Martifer Group does not have any active share allocation or stock option plan.

86. Characteristics of the plan (allocation conditions, clauses on the non-transfer of shares, criteria on share-pricing and the exercising option price, the period during which the options may be exercised, characteristics of the shares or options to be allocated, the existence of incentives to purchase and/or exercise options)

The Company does not have any active share allocation or stock option plan.

87. Option rights granted for the acquisition of shares ('stock options') of which the beneficiaries are company employees

The Company does not have any active share allocation or stock option plan.

88. Control mechanisms for possible employee participation in the share capital insofar as the voting rights are not directly exercised by them (article 29-H(1,e) of CVM)

In the Company, there are no such control mechanisms.

E. TRANSACTIONS WITH RELATED PARTIES

I. Control mechanisms and procedures

89. Mechanisms implemented by the Company for the purpose of controlling transactions with related parties (*for this purpose, reference is made to the concept resulting from IAS 24*)

As a result of the changes introduced by Law no. 50/2020 of 25 August, in addition to the mechanism set out in Article no. 10.8 of the Company's Articles of Association, to adopt best practices by the Company, the Board of Directors approved, following a favourable prior opinion from the Supervisory Board, an internal mechanism regulating conflicts of interest and business operations between related parties, namely the Policy on Transactions with Related Parties and Conflicts of Interest, available for consultation on Martifer's website, www.martifer.com.

Considering from the outset that all transactions carried out by the Company and its subsidiaries with related parties are conducted in the ordinary course of business and under normal market conditions and that, should such transactions be material, their execution depends on the prior opinion of the Supervisory Board, the following control principles and responsibility matrix have been established:

Related Parties: the shareholders with a qualified holding in the Company's share capital or of an entity of Martifer Group, calculated in terms of article no. 20 of CVM, members of corporate bodies of other managers responsible for the management, a person who exercises significant influence and associated persons who are expected to influence or be influenced by the person in question in their business activities with the Company;

Relevant Transactions: any business deal or legal act that implies the transfer of resources, services or obligations between a Martifer Group entity and its related party, regardless of the payment of a price, which are included in the following situations:

1. financial investments, financing, shareholder loans and provision of guarantees over 2.5 million Euros, except in the case of operations developed under pre-existing contractual conditions that have been subject to a prior opinion of the Supervisory Board;
2. acquisition or disposal of shareholdings or other assets;
3. acquisition, sale, marketing or supply of products and services that are not performed within the scope of normal business or under normal market conditions for an economic value over 2.5 million Euros, except in the case of

operations developed within the framework of pre-existing contractual conditions that have been subject to prior opinion of the Supervisory Board;

4. transactions that, not being included in any of the previously defined materiality criteria, are not carried out under normal business activity or market conditions;

5. transactions that, not being included in any of the previously defined materiality criteria, are considered relevant for this purpose by the Board of Directors or the Executive Committee, due to their nature or special susceptibility to conflict of interest situations.

All other related party transactions are verified *a posteriori* and periodically by the Supervisory Board.

PERSON RESPONSIBLE	RESPONSIBILITY
Boards of Directors; CEO; CFO Heads of Business Units	- submit proposals for material transactions with related parties to the Company Secretary; - send to the Company Secretary, before the end of the semester, detailed information on transactions with related parties;
Company Secretary	- submit a proposal for a material transaction with a related party for the prior opinion of the Supervisory Board; - provide information to the Supervisory Board on the relevant transaction under consideration; - inform the proposer and the Board of Directors of the decision of the Supervisory Board; - provide information to the Supervisory Board on related party transactions for the respective semester;
Boards of Directors	- approve and, if necessary, justify the maintenance of a relevant transaction proposal with a related party with a prior unfavourable opinion from the Supervisory Board.
Investor Relations	- make, if necessary, the disclosure in the Information Disclosure System

90. Indication of transactions that were subject to control in the reference year

In 2023, no related party transactions susceptible to prior control by the Supervisory Board were carried out.

91. Description of the procedures and criteria applicable to the supervisory body's intervention for the prior assessment of business operations to be carried out between the Company and holders of qualifying holdings or entities with which they are in any relationship, under the terms of article no. 20 of the Securities Code

The Supervisory Board follows the legally defined procedures or criteria necessary to characterise the relevant level of significance of business deals between the Company and the holders of qualifying holdings or entities with which they have any relationship under the terms of article 20 of the CVM, from which point the intervention of the supervisory body is required under the terms of the law and the policy on transactions with related parties under the terms better described in item 89 above. It should also be noted that in addition to the procedures established in the aforementioned policy for prior control by the Supervisory Board, the Company Secretary summons the Supervisory Board to meetings of the Board of Directors and provides the Supervisory Board with information on transactions with related parties that are not subject to prior control every six months.

II. Business transaction elements

92. Indication of where, within the financial statements, the information on business transactions with related parties is available, in accordance with IAS 24, or alternatively a reproduction of this information

Business transactions with related parties are described in Note 41 to the consolidated financial statements in the Annual Report.

CORPORATE GOVERNANCE REPORT

PART II
Corporate Governance Assessment

PART II

Corporate Governance Assessment

1. Identification of the adopted Corporate Governance Code

Martifer, as an issuer of shares admitted to trading on a regulated market, is subject to the provisions of the CVM and the Regulation of the Portuguese Securities Market Committee (hereinafter "CMVM") no. 4/2013 of 18 July, also governed by the recommendations in the Corporate Governance Code of the Portuguese Institute of Corporate Governance (IPCG 2018 - revision 2023), available on the website www.cgov.pt.

Martifer has not voluntarily adhered to any other Corporate Governance Code.

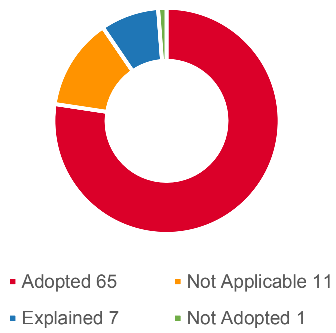
This report has been prepared and complies, pursuant to Article 4(2) of CMVM Regulation No. 4/2013, with the model in the Annexe to the said Regulation, regarding the Corporate Governance Code of the Portuguese Institute of Corporate Governance IPCG (2018 - Revision 2023), currently in force.

2. Analysis of compliance with the adopted Corporate Governance Code

In matters of corporate governance and as an issuer of shares admitted to trading on a regulated market, Martifer has been promoting the implementation and adoption of the best corporate governance practices, including those in the Corporate Governance Code of the Portuguese Institute of Corporate Governance (IPCG) in force, guiding its policy by high standards of conduct, ethics and social responsibility, which are intended to be transversal to the Group.

It is an objective of the Board of Directors to implement integrated and effective management that allows the Company to create value, promoting and guaranteeing the legitimate interests of shareholders, clients, suppliers, employees, the capital market and the community itself, always promoting transparency in the relationship with investors and the market.

Martifer considers that, notwithstanding the lack of full compliance with the recommendations contained in the Corporate Governance Code of the Portuguese Corporate Governance Institute (IPCG), as explained in detail in the following chapters of this report, the degree of adoption of the recommendations is quite vast and thorough and intends to integrate, as a factor for improvement, the assessment carried out annually to each of Martifer's governance report by the Executive Commission for the Accompaniment and Monitoring (CEAM).



Of the 84 sub-recommendations of the Corporate Governance Code of the Portuguese Institute of Corporate Governance (IPCG) in force, the company has complied with 72 of the 73 considered applicable. Under the terms and for the purposes of Article 29-H.1.n of the CVM, the recommendations are listed in the table below, with an indication of their adoption or justification for non-adoption or non-application, in a logic of *comply or explain*, accompanied by a reference to the text of the report where the form of their adoption is described in more detail:

IPCG RECOMMENDATIONS	ADOPTION *Comply or Explain*	REMISSION
I COMPANY'S RELATIONSHIP WITH SHAREHOLDERS, INTERESTED PARTIES AND THE COMMUNITY AT LARGE		**REFERENCE ITEMS**
I.1. The company specifies in what terms its strategy seeks to ensure the fulfilment of its long-term objectives and what are the main contributions resulting herefrom for the community at large.	**Adopted**	21; 29; 50 to 55 Sustainability Report (non-financial information annexed to the annual report) [I.1.(1) and (2)]
I.2. The company identifies the main policies and measures adopted with regard to the fulfilment of its environmental and social objectives.	**Adopted**	21; Sustainability Report (Non-financial information annexed to the Annual Report) [I.2.(1) and (2)]
II COMPOSITION AND FUNCTIONING OF THE CORPORATE BODIES		**REFERENCE ITEMS**
II.1. INFORMATION		
II.1.1. The company establishes mechanisms to adequately and rigorously ensure the timely circulation or disclosure of the information required to its bodies, the company secretary, shareholders, investors, financial analysts, other stakeholders and the market at large.	**Adopted**	15; 21 to 23; 54 to 65
II.2. DIVERSITY IN THE COMPOSITION AND FUNCTIONING OF THE CORPORATE BODIES		
II.2.1. Companies establish, previously and abstractly, criteria and requirements regarding the profile of the members of the corporate bodies that are adequate to the function to be performed, considering, notably, individual attributes (such as competence, independence, integrity, availability and experience), and diversity requirements (with particular attention to equality between men and women), that may contribute to the improvement of the performance of the body and of the balance in its composition.	**Adopted**	11; 15 to 19; 31 to 33 and 36; 67; 68 and Annexe I
II.2.2. The management and supervisory bodies and their internal committees are governed by regulations – notably regarding the exercise of their powers, chairmanship, the frequency of meetings, operation and the duties framework of their members – fully disclosed on the website of the company, whereby minutes of the respective meetings shall be drawn up.	**Adopted**	22 [II.2.2(1)] 23 [II.2.2(4)] 27 [II.2.2(3)] 29 [II.2.2(6)] 34 [II.2.2(2)] 35 [II.2.2(5)]
II.2.3. The composition and number of meetings for each year of the management and supervisory bodies and of their internal committees are disclosed on the website of the company.	**Adopted**	23; 35 [II.2.3(2)] 62 [II.2.3(1)]
II.2.4. The companies adopt a whistle-blowing policy that specifies the main rules and procedures to be followed for each communication and an internal reporting channel that also includes access for nonemployees, as set forth in the applicable law	**Adopted**	49 [II.2.4(1) e (2)]
II.2.5. The companies have specialised committees for matters of corporate governance, remuneration, appointments of members of the corporate bodies and performance assessment, separately or cumulatively. If the Remuneration Committee provided for in Article 399 of the Portuguese Commercial Companies Code has been set up, the present Recommendation can be complied with by assigning to said committee, if not prohibited by law, powers in the above matters.	**Adopted** *As to the Corporate Governance Committee* **Adopted** *As to the Remuneration Committee, elected under the terms of article no. 399 of the CCC* **Not Adopted** *As to the Appointment Committee* **Adopted** *As to the Corporate Governance Committee is the body competent to carry out the Performance Assessment of the members of the company's bodies*	21 [II.2.5(1) e (2)] 24; 29 [II.2.5(4)]
II.3. RELATIONS BETWEEN CORPORATE BODIES		

IPCG RECOMMENDATIONS	ADOPTION *Comply or Explain*	REMISSION
II.3.1. The Articles of Association or equivalent means adopted by the company set out the mechanisms to ensure that, within the limits of the applicable laws, the members of the management and supervisory bodies have permanent access to all necessary information to assess the performance, situation and development prospects of the company, including, specifically, the minutes of the meetings, the documentation supporting the decisions taken, the convening notices and the archive of the meetings of the executive management body, without prejudice to access to any other documents or persons who may be requested to provide clarification.	**Adopted**	15; 21; 23; 29; 35; 38; 55 and 91
II.3.2. Each body and committee of the company ensures, in a timely and adequate manner, the interorganic flow of information required for the exercise of the legal and statutory powers of each of the other bodies and committees.	**Adopted**	15, 21; 23; 29; 35; 38 and 91
II.4. CONFLICTS OF INTEREST		
II.4.1. By internal regulation or an equivalent hereof, the members of the management and supervisory bodies and of the internal committees shall be obliged to inform the respective body or committee whenever there are any facts that may constitute or give rise to a conflict between their interests and the interest of the company.	**Adopted**	10; 15; 18; 20; 21; 26 and 29; 38, 49; 67 and 89
II.4.2. The company adopts procedures to ensure that the conflicted member does not interfere in the decision-making process, without prejudice to the duty to provide information and clarification requested by the body, committee or respective members.	**Adopted**	10; 15; 20; 26; 38; 67 and 89
II.5. TRANSACTIONS WITH RELATED PARTIES		
II.5.1. The management body discloses, in the corporate governance report or by other publicly available means, the internal procedure for verification of transactions with related parties.	**Adopted**	89 and 91
III SHAREHOLDERS AND GENERAL MEETING		REFERENCE ITEMS
III.1. The company does not set an excessively large number of shares to be entitled to one vote and informs in the corporate governance report of its choice whenever each share does not carry one vote.	**Adopted** *As to adopting the principle that each share corresponds to one vote* **Not Applicable** *As to the adoption of the first sub-recommendation*	12 [II.1.(1)]
III.2. The company that has issued special plural voting rights shares identifies, in its corporate governance report, the matters that, pursuant to the company's Articles of Association, are excluded from the scope of plural voting.	**Not Applicable** *Since the Company has not issued shares with special plural voting rights*	12
III.3. The company does not adopt mechanisms that hinder the passing of resolutions by its shareholders, specifically fixing a quorum for resolutions greater than that foreseen by law.	**Adopted** *Explain* *The company establishes the rule of a simple majority of votes cast to approve company resolutions, except when the CCC or the articles of association provide otherwise. Martifer, therefore, believes that it adopts this recommendation since the only provision of the articles of association that establishes a quorum higher than that provided for in the CCC relates to resolutions on the dismissal of directors without just cause, justified by the need to protect the Company's interests, particularly to mitigate the risk of the Company incurring an obligation to indemnify. In fact, given the seriousness and impact of unfair dismissal of directors, the aim is to avoid the occurrence of an unfair dismissal resolution with the approval of a*	14

IPCG RECOMMENDATIONS	ADOPTION *Comply or Explain*	REMISSION
	mere majority of shareholders instead of a resolution based on grounds approved by a more significant and representative majority of shareholders. Martifer believes that this is the model that best defends the company's interests.	
III.4. The company implements adequate means for shareholders to participate in the general meeting without being present in person, in proportion to its size.	**Adopted** *Explain* *Given the concentration of the capital structure and the lack of requests or expressions of interest from shareholders or investors, the company believes that there is currently no justification for providing means for non-face-to-face participation, as the underlying objectives are already materially achieved with postal voting and the costs and administrative burden of installing an additional system are not insignificant.*	12
III.5. The company also implements adequate means for the exercise of voting rights without being present in person, including by correspondence and electronically.	**Adopted** *Explain* *The articles of association allow postal voting, without any restriction, on all matters subject to shareholder scrutiny. As the articles of association do not allow the possibility of exercising postal votes by electronic means, the Company has adopted a flexible position regarding the acceptance of documentation relating to the exercise of postal or proxy votes that are sent electronically. On the other hand, up until the present date, the Company has received no request or manifestation of interest from any shareholder or investor as to the availability of electronic voting, as a result of which Martifer considers that the correspondence voting system in place, as foreseen in the Articles of Association, totally safeguards all of Shareholders' access to participation in the decisions submitted for resolution.*	12
III.6. The Articles of Association of the company that provide for the restriction of the number of votes that may be held or exercised by one single shareholder, either individually or jointly with other shareholders, shall also foresee that, at least every five years, the general meeting shall resolve on the amendment or maintenance of such statutory provision – without quorum requirements greater than that provided for by law – and that in said resolution, all votes issued are to be counted, without applying said restriction.	**Not Applicable.** *The articles of association do not provide for such limitation*	13
III.7. The company does not adopt any measures that require payments or the assumption of costs by the company in the event of change of control or change in the composition of the management body and which are likely to damage the economic interest in the transfer of shares and the free assessment by shareholders of the performance of the Directors.	**Adopted**	4 and 5
IV MANAGEMENT		REFERENCE ITEMS
IV.1. MANAGEMENT BODY AND EXECUTIVE DIRECTORS		
IV.1.1. The management body ensures that the company acts in accordance with its object and does not delegate powers, notably with regard to: i) definition of the corporate strategy and main policies of the company; ii) organisation and coordination of the corporate structure; iii) matters that shall be considered strategic due to the amounts, risk and particular characteristics involved.	**Adopted**	29 [IV.1.1.(1),(2) and (3)]

IPCG RECOMMENDATIONS	ADOPTION *Comply or Explain*	REMISSION
IV.1.2. The management body approves, by means of regulations or through an equivalent mechanism, the performance regime for executive directors applicable to the exercise of executive functions by them in entities outside the group.	**Adopted** *Explain* Martifer considers the recommendation to have been adopted since, although there is no specific regime in the formalised internal regulations, the executive board members are appointed based on their professional experience as employees of the group, on the assumption that they will provide the company with professionalised management, thus implying an *ab initio* prohibition on them exercising executive functions in other companies outside Martifer Group.	26
IV.2. MANAGEMENT BODY AND NON-EXECUTIVE DIRECTORS		
IV.2.1. Notwithstanding the legal duties of the chairman of the board of directors, if the latter is not independent, the independent directors – or, if there are not enough independent directors, the nonexecutive directors – shall appoint a coordinator among themselves to, in particular (i) act, whenever necessary, as interlocutor with the chairman of the board of directors and with the other directors, (ii) ensure that they have all the conditions and means required to carry out their duties, and (iii) coordinate their performance assessment by the administration body as provided for in Recommendation VI.1.1.; alternatively, the company may establish another equivalent mechanism to ensure such coordination.	**Adopted**	18
IV.2.2. The number of non-executive members of the management body shall be adequate to the size of the company and the complexity of the risks inherent to its activity, but sufficient to ensure the efficient performance of the tasks entrusted to them, whereby the formulation of this adequacy judgement shall be included in the corporate governance report.	**Adopted**	18
IV.2.3. The number of non-executive directors is greater than the number of executive directors.	**Adopted**	18
IV.2.4. The number of non-executive directors that meet the independence requirements is plural and is not less than one third of the total number of non-executive directors. For the purposes of the present Recommendation, a person is deemed independent when not associated to any specific interest group in the company, nor in any circumstances liable to affect his/her impartiality of analysis or decision, in particular in virtue of: i. Having carried out, continuously or intermittently, functions in any corporate body of the company for more than twelve years, with this period being counted regardless of whether or not it coincides with the end of the mandate; ii. Having been an employee of the company or of a company that is controlled by or in a group relationship with the company in the last three years; iii. iii. Having, in the last three years, provided services or established a significant business relationship with the company or with a company that is controlled by or in a group relationship with the company, either directly or as a partner, director, manager or officer of a legal person; iv. Being the beneficiary of remuneration paid by the company or by a company that is controlled by or in a group relationship with the company, in addition to remuneration stemming from the performance of the functions of director; v. Living in a non-marital partnership or being a spouse, relative or kin in a direct line and up to and including the 3rd degree, in a collateral line, of directors of the company, of directors of a legal person owning a qualifying stake in the company or of natural persons owning, directly or indirectly, a qualifying stake; vi. Being a holder of a qualifying stake or representative of a shareholder that is holder of a qualifying stake.	**Adopted**	18

IPCG RECOMMENDATIONS	ADOPTION *Comply or Explain*	REMISSION
IV.2.5. The provisions of paragraph (i) of the previous Recommendation do not prevent the qualification of a new Director as independent if, between the end of his/her functions in any corporate body and his/her new appointment, at least three years have elapsed (cooling-off period).	**Not Applicable.** There are no directors under these conditions, so the recommendation is not applicable.	18
V SUPERVISION		REFERENCE ITEMS
V.1. With due regard for the competences conferred to it by law, the supervisory body takes cognisance of the strategic guidelines and evaluates and renders an opinion on the risk policy, prior to its final approval by the administration body.	**Adopted**	15; 30 [V.1.(1)] 38 [V.1.(2)]
V.2. The number of members of the supervisory body and of the financial matters committee should be adequate in relation to the size of the company and the complexity of the risks inherent to its activity, but sufficient to ensure the efficiency of the tasks entrusted to them, and this adequacy judgement should be included in the corporate governance report.	**Adopted** *As to the adequacy of the number of members of the supervisory body* **Not Applicable.** *Given the adoption of the Latin monist model of governance*	31 [V.2.(1)] 15 [V.2.(2)]
VI PERFORMANCE ASSESSMENT, REMUNERATION AND APPOINTMENTS		REFERENCE ITEMS
VI.1. ANNUAL PERFORMANCE ASSESSMENT		
VI.1.1. The management body – or committee with relevant powers, composed of a majority of non-executive members – evaluates its performance on an annual basis, as well as the performance of the executive committee, of the executive directors and of the company committees, taking into account the compliance with the strategic plan of the company and of the budget, the risk management, its internal functioning and the contribution of each member to that end, and the relationship between the bodies and committees of the company.	**Adopted**	24; 66; 67 to 69 [VI.1.(1);(2) and (3)]
VI.2. REMUNERATIONS		
VI.2.1. The company constitutes a remuneration committee, whose composition shall ensure its independence from the board of directors, whereby it may be the remuneration committee appointed pursuant to Article 399 of the Portuguese Commercial Companies Code.	**Adopted**	67
VI.2.2. The remuneration of the members of the management and supervisory bodies and of the company committees is established by the remuneration committee or by the general meeting, upon proposal of such committee.	**Adopted**	66
VI.2.3. The company discloses in the corporate governance report, or in the remuneration report, the termination of office of any member of a body or committee of the company, indicating the amounts of all costs related to the termination of office borne by the company, for any reason, during the financial year in question.	**Adopted** *Explain* Martifer considers the recommendation to have been adopted, since it identifies in its annual Corporate Governance Report the composition, duration and term of office of the governing bodies and refers to any terminations of office that have occurred in the meantime, as well as identifying the amounts due and the costs borne by the Company for the disclosure of remuneration, both in the annual Corporate Governance Report and in a separate report.	17; 31; 31; 67; 69 to 88
VI.2.4. In order to provide information or clarification to shareholders, the president or another member of the remuneration committee shall be present at the annual general meeting and at any other general meeting	**Adopted**	66

IPCG RECOMMENDATIONS	ADOPTION *Comply or Explain*	REMISSION
at which the agenda includes a matter related to the remuneration of the members of bodies and committees of the company, or if such presence has been requested by shareholders.		
VI.2.5. Within the budget constraints of the company, the remuneration committee may freely decide to hire, on behalf of the company, consultancy services that are necessary or convenient for the performance of its duties.	**Adopted**	67
VI.2.6. The remuneration committee ensures that such services are provided independently.	**Adopted**	67
VI.2.7. The providers of said services are not hired by the company itself or by any company controlled by or in group relationship with the company, for the provision of any other services related to the competencies of the remuneration committee, without the express authorisation of the committee.	**Adopted**	67
VI.2.8. In view of the alignment of interests between the company and the executive directors, a part of their remuneration has a variable nature that reflects the sustained performance of the company and does not encourage excessive risk-taking.	**Adopted**	69; 71 and 79
VI.2.9. A significant part of the variable component is partially deferred over time, for a period of no less than three years, and is linked to the confirmation of the sustainability of performance, in terms defined in the remuneration policy of the company.	**Adopted** *Explain* Martifer considers this recommendation as accepted since, based on the Remuneration Policy in force, approved on 21 May 2021, the Remuneration Committee structured the (variable) remuneration of the members of the management body based on a periodic evaluation of the Company's performance based on KPI's, so that there is a continuation of the positive performance of the Company in the long term, without however defining, at least for the time being, any deferment period for the payment of the variable remuneration.	69 and 72
VI.2.10. When the variable remuneration includes options or other instruments directly or indirectly subject to share value, the start of the exercise period is deferred for a period of no less than three years.	**Not Applicable.** There are no plans in force to award stock options or other instruments that are directly or indirectly dependent on the value of the shares.	85 to 88
VI.2.11. The remuneration of non-executive directors does not include any component whose value depends on the performance of the company or of its value.	**Adopted**	69 and 77
VI.3. APPOINTMENTS		
VI.3.1. The company promotes, in the terms it deems adequate, but in a manner susceptible of demonstration, that the proposals for the appointment of members of the corporate bodies are accompanied by grounds regarding the suitability of each of the candidates for the function to be performed.	**Not Applicable.** Since the 2023 revision of the Corporate Governance Code of the Portuguese Institute of Corporate Governance IPCG (2018), there has not yet been a General Meeting to elect new governing body members.	
VI.3.2. The committee for the appointment of members of corporate bodies includes a majority of independent directors.	**Not Applicable.** Considering that the General Meeting has the power to appoint governing bodies, the Board of Directors has not appointed a committee to deal with issues relating to appointing governing body members.	
VI.3.3. Unless it is not justified by the size of the company, the task of monitoring and supporting the appointments of senior managers shall be assigned to an appointment committee.	**Not Applicable.** The General Meeting did not set up an Appointments Committee, nor did the Board of Directors appoint any committee for this purpose, and in the case of management bodies, given the definition of management staff set out at the bottom of principle VI.3.A. of the Portuguese Corporate Governance Code (revised in 2023), at Martifer	

IPCG RECOMMENDATIONS	ADOPTION *Comply or Explain*	REMISSION
	only the members of the Board of Directors and the Supervisory Board are considered to be management staff, assessed under the terms described in this Report.	
VI.3.4. The committee for the appointment of senior management provides its terms of reference and promotes, to the extent of its powers, the adoption of transparent selection processes that include effective mechanisms for identifying potential candidates, and that for selection those are proposed who present the greatest merit, are best suited for the requirements of the position and promote, within the organisation, an adequate diversity including regarding gender equality.	**Not Applicable.** Considering its inapplicability to the previous recommendation, it is not applicable here either.	
VII INTERNAL CONTROL		REFERENCE ITEMS
VII.1. The management body discusses and approves the strategic plan and risk policy of the company, which includes setting limits in matters of risk-taking.	**Adopted**	29; 38; 53 to 54
VII.2. The company has a specialised committee or a committee composed of specialists in risk matters, which reports regularly to the management body.	**Adopted**	29
VII.3. The supervisory body is organised internally, implementing periodic control mechanisms and procedures, in order to ensure that the risks effectively incurred by the company are consistent with the objectives set by the administration body.	**Adopted**	38; 50 to 55
VII.4. The internal control system, comprising the risk management, compliance, and internal audit functions, is structured in terms that are adequate to the size of the company and the complexity of the risks inherent to its activity, whereby the supervisory body shall assess it and, within the ambit of its duty to monitor the effectiveness of this system, propose any adjustments that may be deemed necessary.	**Adopted**	29; 30; 50 to 55
VII.5. The company establishes procedures of supervision, periodic assessment and adjustment of the internal control system, including an annual assessment of the degree of internal compliance and performance of such system, as well as the prospects for changing the previously defined risk framework.	**Adopted**	50 to 55
VII.6. Based on its risk policy, the company sets up a risk management function, identifying (i) the main risks to which it is subject in the operation of its business, (ii) the probability of their occurrence and respective impact, (iii) the instruments and measures to be adopted in order to mitigate such risks, and (iv) the monitoring procedures, aimed at following them up.	**Adopted**	53 [VII.6.(1) and (2)] Annual Report - Chapter 08 [VII.6.(3)] 54 [VII.6.(4)]
VII.7. The company establishes processes to collect and process data related to the environmental and social sustainability in order to alert the management body to risks that the company may be incurring and propose strategies for their mitigation.	**Adopted**	21; 50 to 55; Sustainability Report (Non-financial information annexed to the Annual Report)
VII.8. The company reports on how climate change is considered within the organisation and how it takes into account the analysis of climate risk in the decision-making processes.	**Adopted**	Sustainability Report (Non-financial information annexed to the Annual Management Report)
VII.9. The company informs in the corporate governance report on the manner in which artificial intelligence mechanisms have been used as a decision-making tool by the corporate bodies.	**Not Applicable.** The company does not use artificial intelligence mechanisms as a decision-making tool for its governing bodies	
VII.10. The supervisory body pronounces on the work plans and resources allocated to the services of the internal control system, including the risk management, compliance, and internal audit functions, and may propose adjustments as deemed necessary.	**Adopted**	29; 35; 38 to 50

MARTIFER GROUP

IPCG RECOMMENDATIONS	ADOPTION *Comply or Explain*	REMISSION
VII.11. The supervisory body is the addressee of reports made by the internal control services, including the risk management, compliance, and internal audit functions, at least when matters related to accountability, identification or resolution of conflicts of interest and detection of potential irregularities are concerned.	**Adopted**	29; 35; 38 to 50
VIII INFORMATION AND STATUTORY AUDIT OF ACCOUNTS		REFERENCE ITEMS
VIII.1. INFORMATION		
VIII.1.1. The regulations of the supervisory body requires that the supervisory body monitors the suitability of the process of preparation and disclosure of information by the management body, including the appropriateness of accounting policies, estimates, judgements, relevant disclosures and their consistent application from financial year to financial year, in a duly documented and reported manner.	**Adopted** *Explain* For some time now, the Company has issued a single annual report covering all financial information, and the Supervisory Board issues an overall opinion, thus covering the entire process of preparing and disclosing the accounts. Furthermore, the operating regulations of this supervisory body clearly mention as competences and duties, among others, the following: to analyse, whenever it deems it appropriate and at least once a month, the company's bookkeeping; to monitor the company's operation, compliance with the laws, articles of association and regulations applicable to it; to be represented at meetings of the Board of Directors whenever it considers it appropriate; to examine the periodic situations presented by the Board of Directors during its term of office; to issue an opinion on the budget; to issue an opinion on the annual financial statements and other reports and statements provided for by law; draw the attention of the Board of Directors to any matter that should be considered and give its opinion on any matter submitted to it by that Body; assess, whenever it deems it appropriate, the activity of the delegated Committees of the Board of Directors, namely the Risk Committee; assess the Company's risk control system and periodically verify the adequacy of the level of risk assumed with the objectives set by the Board of Directors, proposing the necessary adjustments; issue an opinion on any relevant transaction with a related party, under the terms set out in the "Policy on transactions with related parties and conflicts of interest", within a maximum of 5 (five) working days from receipt of the communication provided for in the said Policy; assess, every six months, information provided by the Board of Directors on the results of the internal procedure for verifying transactions with related parties.	34 and 38
VIII.2. STATUTORY AUDIT AND SUPERVISION		
VIII.2.1. By means of regulation, the supervisory body defines, in accordance with the applicable legal regime, the supervisory procedures to ensure the independence of the statutory auditor.	**Adopted**	34, 37 and 38
VIII.2.2. The supervisory body is the main interlocutor of the statutory auditor within the company and the first addressee of the respective reports, and is competent, namely, for proposing the respective remuneration and ensuring that adequate conditions for the provision of the services are in place within the company.	**Adopted**	34, 37 and 38
VIII.2.3. The supervisory body annually evaluates the work carried out by the statutory auditor, its independence and suitability for the exercise of its functions and shall propose to the competent body its dismissal or termination of the contract for the provision of its services whenever there is just cause to do so.	**Adopted**	38

3. Other information

Besides the information and explanations presented in the present report, no additional relevant elements or information should be presented to provide a proper understanding of the model and the governance practices adopted by Martifer Group.

Oliveira de Frades, 12 April 2024

The Board of Directors

Carlos Manuel Marques Martins
(President)

Arnaldo José Nunes da Costa Figueiredo
(Vice President)

Jorge Alberto Marques Martins
(Vice President)

Pedro Miguel Rodrigues Duarte
(Member of the Board of Directors)

Pedro Nuno Cardoso Abreu Moreira
(Member of the Board of Directors)

Carlos Alberto Araújo da Costa
(Member of the Board of Directors)

Maria Sílvia da Fonseca Vasconcelos da Mota
(Member of the Board of Directors)

Carla Maria de Araújo Viana Gonçalves Borges Norte
(Member of the Board of Directors)

Clara Sofia Teixeira Gouveia Moura
(Member of the Board of Directors)

Part II

CORPORATE GOVERNANCE REPORT

Annexes

ANNEXE I

Professional qualifications and positions held and activities carried out in other companies by members of the management and supervisory bodies and the Remuneration Committee

BOARD OF DIRECTORS

Carlos Manuel Marques Martins		
	Chairman of the Martifer Group since May 2004, he is one of the founding shareholders of Martifer Group in 1990, having started his professional career in 1987 at Carvalho & Nogueira, Lda. as Production Director in the iron sector. He has a degree in Mechanical Engineering from FEUP - University of Porto Engineering Faculty.	
Position	President	
Status	Non-independent Non-Executive	Election
Appointments to Martifer Group companies	Martifer SGPS, S.A. - President of the BoD Martifer Construcciones PERÚ, S.A. - Board Member	2004 2013
Positions in other companies outside the Group	I'M SGPS, S.A. - President of the BoD Almina Holding, S.A. - President of the BoD Estia SGPS, S.A. - President of the BoD Tavira Gran Plaza, S.A. - President of the BoD Promodois - Investimentos Imobiliários, S.A. - President of the BoD Promovinte - Investimentos Imobiliários, S.A. - President of the BoD The Visitor View, S.A. - President of the BoD Black and Blue Investimentos, S.A. - President of the BoD Nutre SGPS, S.A. - President of the BoD CITIDY - Sol. Urb. Sustentáveis, S.A. - President of the BoD Enable Energy, S.A. - President of the BoD PCI - Parque de Ciência e Inovação, S.A. - member of the board of directors (on behalf of I'M - SGPS, S.A.) White and Green Natural, S.A. - Board Member Solarealize, S.A. - Board Member Estia RO S.R.L. - Board Member Mamaia Investments S.R.L. - Board Member Office Building Vacaresti SRL - member of the board of directors Martiwise, Lda. - manager Promoquinze - Investimentos Imobiliários, Lda. - manager Loftmoments - Investimentos Imobiliários, Unipessoal, Lda. - manager Promodoze - Real Estate Investments, Lda. - manager Goodasset, Lda. - manager Eloquent Margin, Lda. - manager Detalhes Urbanos – Promoção Imobiliária S.A. - sole board member	2006 2008 2005 2010 2018 2018 2017 2020 2021 2023 2023 2010 2019 2020 2007 2019 2011 2014 2018 2018 2018 2018 2020 2018

Arnaldo José Nunes da Costa Figueiredo

	He holds a degree in Civil Engineering from the Faculty of Engineering of the University of Porto (FEUP) since 1977. He has served as Chairman of the Board of Directors of Mota-Engil, Engenharia e Construção, SA and of the Board of Directors of MEITS - Mota-Engil, imobiliária e turismo, S.A.; Manager of Mota Internacional, Lda.; Chairman of the Board of the General Meeting of Maprel-Nelas, Indústria de Pré-Fabricados em Betão, S.A.; Member of the Board of the General Meeting of Paviterra, SARL; Chairman of the Remuneration Committee (representing Mota-Engil, Engenharia e Construção, S. A.) of Ferrovias e Construções, S.A.; Aurimove - Sociedade Imobiliária, S.A.; Nortedomus - Sociedade Imobiliária, S.A.; and Planinova - Sociedade Imobiliária, S.A..	
Position	Vice President	
Status	Non-independent Non-Executive	Election
Appointments to Martifer Group companies	Martifer SGPS, S.A. - Board Member	2010
Positions in other companies outside the Group	Mota-Engil, Indústria e Inovação, SGPS, S.A. - President of the BoD Mota-Engil Central Europe Ceská Republika AS – President of the BoD AEM - Associação de Empresas Emitentes de Valores Cotados em Mercado - general council PROFORUM - Associação para o Desenvolvimento da Engenharia – manager and general council Mota-Engil Capital, S.A. - member of the remuneration committee Mota-Engil Next, SGPS, S.A. - member of the remuneration committee Boavista Futebol Clube - president of the general council	2011

Jorge Alberto Marques Martins

	He is one of the founding shareholders of Martifer Group, having started his professional activity in 1987 at SOCARPOR - Sociedade de Cargas Portuárias (Douro and Leixões), Lda., as assistant to the Financial Director. He graduated in Economics at FEP - School of Economics and Management of the University of Porto and holds an MBA from the Portuguese Catholic University (UCP).	
Position	Vice President	
Status	Non-independent Non-Executive	Election
Appointments to Martifer Group companies	Martifer SGPS, S.A. - Board Member	2004
Positions in other companies outside the Group	I'M SGPS, S.A. - Board Member Estia SGPS, S.A. - Board Member Tavira Gran Plaza, S.A. - Board Member Almina Holding, S.A. - Board Member Promovinte - Investimentos Imobiliários, S.A. - Board Member Promodois - Investimentos Imobiliários, S.A. - Board Member Nutre SGPS, S.A. - Board Member Promoquinze – Investimentos Imobiliários, Lda – manager Martiwise, Lda. - manager Loftmoments - Investimentos Imobiliários, Unipessoal, Lda. - manager Promodoze - Real Estate Investments, Lda. - manager	2006 2005 2010 2018 2018 2018 2018 2018 2018 2018 2018

Pedro Miguel Rodrigues Duarte		
	He holds a degree in Mechanical Engineering from the Faculty of Science and Technology of the University of Coimbra (FCTUC) since 1999. He participated in the Advanced Management Programme by Kellog School of Management/Portuguese Catholic University in 2016. In 2000, he started working at Grupo Visabeira (Visabeira Indústria) and then at PSA Group - Peugeot Citröen. He has extensive international experience, initially working in Eastern Europe for Martifer Group. Firstly, in Poland, where he was responsible for the implementation and start-up of the local industrial plant and then as coordinating director of industrial structures in Poland and Romania, where he lived between 2004 and 2010. Between 2010 and 2013, he held the position of COO of Martifer Group in the area of Metallic Constructions Africa, as a member of the Board of Directors in various companies of the Group, in particular Martifer Construction Maroc SARL AU (Morocco); Martifer-Amal S.A. (Mozambique) and Construções Metálicas Angola S.A. (Angola), together with the position of member of the Board of Directors of Martifer - Construções Metalomecânicas, S.A. (Portugal). Also in 2010, he became head of the Martifer Group's Naval Industry area, and since then has been a member of the Board of Directors of Navalria - Docas, Construções e Reparações Navais, S.A. (Aveiro Shipyard, Portugal) and then as a member of the Management Board of West Sea - Estaleiros Navais, Unipessoal, Lda. (Viana do Castelo Shipyard, Portugal).	
Position	Executive Board Member	
Status	CEO	Election
Appointments to Martifer Group companies	Martifer SGPS, S.A. - member of the board of directors and president of the executive committee Martifer Metallic Constructions, SGPS, S.A. - President of the BoD Martifer Construções Metalomecânicas, S.A. - President of the BoD Martifer Renewables SGPS, S.A. - President of the BoD Martifer Renewables, S.A. - President of the BoD Navalria - Docas, Construções e Reparações Navais, S.A. - President of the BoD Martifer Construções Metálicas Angola, S.A. - President of the BoD Martifer Renewables Operation & Maintenance Sp. z o.o. - President of the BoD Martifer - Visabeira, S.A. (MZ) - Board Member Cedilhas ao Vento - S.A. - Board Member West Sea - Estaleiros Navais, Unipessoal, Lda. - manager Volume Cintilante – Unipessoal, Lda. - manager Volumevistoso – Lda. - manager Martifer Renewables, SA (Poland) - member of the supervisory board	2018 2011 2011 2018 2018 2011 2018 2019 2018 2019 2013 2020 2020

Pedro Nuno Cardoso Abreu Moreira		
	He graduated in Economics from FEP - School of Economics and Management of the University of Porto (1999). He completed the Advanced Management Programme at Porto Business School and the In-Company Executive Training Programme at AESE Business School. He has extensive international experience, initially in corporate finance coordination roles in Mota-Engil Group's operations in Central Europe, Africa and Latin America. Between 2008 and 2014, he lived in Warsaw and Budapest and held various management positions in Mota-Engil Group in its Central European operations in Real Estate, PPP/PFI, M&A and Corporate Development. During this period, he was a member of the Board of Directors in several companies of the Group, namely Mota-Engil Central Europe SA (Poland), Mota-Engil Real Estate Management (real estate holding - Central Europe), Mota-Engil CE CZ (Czech Republic Mota-Engil CE Slovakia (Slovakia), Mota-Engil Magyar (Hungary), Mota Engil CE RO (Romania), Mota-Engil Brand Management (Netherlands), Mota-Engil Brand Development (Ireland).	
Position	Executive Board Member	
Status	CFO	Election
Appointments to Martifer Group companies	Martifer SGPS, S.A. - Board Member Martifer Metallic Constructions, SGPS, S.A. - Board Member Martifer Construções Metalomecânicas, S.A. - Board Member Martifer Renewables SGPS, S.A. - Board Member Martifer Renewables, S.A. - Board Member Navalria - Docas, Construções e Reparações Navais, S.A. - Board Member Liszki Green Park Sp. Z o.o. - Board Member M-City Gliwice Sp. Z o.o. - Board Member Wind Farm Bukowsko sp. z o.o. - Board Member Wind Farm Jawornik sp. Z o.o. - Board Member Wind Farm Piersno sp. z o.o. - Board Member Wind Farm Markowa sp. z o.o. - Board Member Wind Farm Oborniki Śląskie sp. z o. o. - Board Member PV SOL 1 sp. z o.o. - Board Member PV SOL 2 sp. z o.o. - Board Member PV SOL 3 sp. z o.o. - Board Member PV SOL 4 sp. z o.o. - Board Member PV SOL 5 sp. z o.o. - Board Member PV SOL 6 sp. z o.o. - Board Member Martifer Renewables, SA (Poland) - board member Martifer Renewables Operation & Maintenance Sp. z o.o. - Board Member Cedilhas ao Vento - S.A. - Board Member Wind Farm Piastowo sp. z o.o. - Board Member PV SOL 8 sp. z o.o. - Board Member Wind Farm Goraj sp. z o.o. - Board Member West Sea - Estaleiros Navais, Unipessoal, Lda. - manager Volume Cintilante – Unipessoal, Lda. - manager Volumevistoso – Lda. - manager	2015 2015 2014 2015 2018 2014 2018 2014 2014 2014 2014 2014 2014 2014 2014 2014 2014 2014 2014 2018 2019 2019 2020 2022 2022 2015 2020 2020
Positions in other companies outside the Group	AEM - Associação de Empresas Emitentes de Valores Cotados em Mercado - general council	

Carlos Alberto Araújo da Costa		
	He has a degree in Civil Engineering from FEUP - University of Porto Engineering Faculty (1995). He completed the Management Updating Programme - CIDEP - Portuguese Catholic University (UCP) in 2001 and the Business Management Programme at AESE Business School. He participated in the Advanced Management Programme by Kellog School of Management/Portuguese Catholic University in 2018. He has vast experience initially as a project designer in TECNUS - Técnicos de Urbanismo e Salubridade between 1993 and 1995 and as a member of the Management, Coordination and Technical Supervision team in Cinclus - Planning and Project Management, S.A.. He joined Martifer Group in 1998 as Commercial Director of Martifer Construções Metalomecânicas, S.A., and in 2005 he took up a management position in this Group company. After an international experience between 2012 and 2014 as the Chief Operating Officer (COO) of Martifer Construções Metálicas, Ltda. in Brazil, he returned to Portugal to assume in 2018 the responsibility for all the metallic constructions activity of Martifer Group, a position he has held since then.	
Position	Executive Board Member	
Status	COO Metallic Constructions	Election
Appointments to Martifer Group companies	Martifer SGPS, S.A. - Board Member Martifer Constructions SAS – President of the BoD Martifer UK Limited - President of the BoD Saudi Martifer Constructions Co. - President of the BoD MT Construction Maroc SARL Martifer Metallic Constructions, SGPS, S.A. - Board Member Martifer Construções Metalomecânicas, S.A. - Board Member Martifer Construcciones Metalicas España S.A. - Board Member Martifer Romania S.R.L. - Board Member	2021 2016 2016 2019 2015 2006 2008 2017 2018

Maria Sílvia da Fonseca Vasconcelos da Mota		
	She has a degree in Civil Engineering from the School of Engineering of the University of Porto and began her professional career in various operational areas of Mota-Engil Group. She later left her responsibilities at Mota-Engil Group and took on the role of General and Financial Director at the family holding company. In 2016, she returned to the Mota-Engil Group, where she is currently a member of the Board of Directors of several companies, including Mota Gestão Participações, SGPS, S.A. and Mota-Engil, Engenharia e Construção, S.A., accumulating the position of Chairman of EMERGE - Mota-Engil Real Estate Developers.	
Position	Member of the Board of Directors	
Status	Non-independent Non-Executive	Election
Appointments to Martifer Group companies	Martifer SGPS, S.A. - Board Member	2018
Positions in other companies outside the Group	AMGP Agricultura, S.A. - President of the BoD	2022
	Dourowood – Entidade de Gestão Florestal, S.A. - President of the BoD	2020
	Emerge – Mota-Engil Real Estate Developers, S.A. - President of the BoD	2021
	Mamaland Company, S.A. - President of the BoD	2023
	Motawood – Entidade de Gestão Florestal, S.A. - President of the BoD	2020
	ME Real Estate – Mota-Engil Real Estate Portugal, S.A. - President of the BoD	2023
	Mota Gestão Concessões, S.A. - President of the BoD	2023
	Mota-Engil Energia, S.A. - President of the BoD	2023
	Mota-Engil Next, S.A. - President of the BoD	2023
	Mota-Engil Next Investments, SGPS, S.A. - President of the BoD	2022
	Mota-Engil Real Estate, SGPS, S.A. - President of the BoD	2022
	Luso Global Mining, S.A. - Board Member	2023
	Mota Gestão e Participações – Soc. Gestora de Part. Sociais, S.A. - Board Member	2017
	Oriental HUB – Reconversão e Exploração do Antigo Matadouro Industrial do Porto, S.A. - Board Member	2018 2019
	Sociedade Agrícola Moura Basto, S.A. - Board Member	2017
	Swipe News, S.A. - Board Member	2021
	Turalgo – Soc.de Promoção Imob. e Turística do Algarve, S.A. - Board Member	2021
	Corgimobil – Empresa Imobiliária das Corgas, Lda. - manager	2022
	EDGAGRPT, Lda. - manager	2022
	Freixo Magnum, Lda. - manager	2013
	Imogera, Lda. - manager	2021
	Meresol I – Real Estate, Lda. - manager	2021
	Meresol II – Real Estate, Lda. - manager	2022
	Mota-Engil Real Estate Ajuda, Sociedade Unipessoal, Lda. - manager	2022
	Mota-Engil Real Estate Alverca, Sociedade Unipessoal, Lda. - manager	2022
	Mota-Engil Real Estate Aurora, Sociedade Unipessoal, Lda. - manager	2022
	Mota-Engil Real Estate Freixieiro, Sociedade Unipessoal, Lda. - manager	2022
	Mota-Engil Real Estate Grijó, Sociedade Unipessoal, Lda. - manager	2022
	Mota-Engil Real Estate Moagem, Sociedade Unipessoal, Lda. - manager	
	Obol XI. Ingatlanhasznosítási Beruházó És Szolgáltató Korlátolt Felelősségű Társaság - member of the supervisory board	

Carla Maria de Araújo Viana Gonçalves Borges Norte		
	Member of the Board of Directors and Independent member since 21 May 2021. She has been a lawyer since 2005 and graduated from the Law Faculty of the Nova University of Lisbon (FDUNL) in 2003. She was a PhD student at the same faculty on the 6th Doctoral and Master's Degree Programme in Law (1st and 2nd Stages), having also completed various post-graduate courses, in particular the Post-Graduate course in Arbitration at FDUNL and the Post-Graduate course in Sports Law at the Portuguese Catholic University. She has been a professor of the University Extension Course in Arbitration at FDUNL since 2010 and participates as a guest professor in postgraduate courses and other courses in different law faculties in Lisbon. She participates as a speaker in conferences, symposiums, and round tables on arbitration issues, having published several articles, mainly in the area of arbitration and civil procedure, civil law, and company law. She currently holds positions as Member of the Board of the Commercial Arbitration Centre of the Portuguese Chamber of Commerce and Industry since 2019; Assistant to the Coordination of the NOVA University Civil Procedure Academy since 2019; Member of the Steering Committee of the Portuguese Chapter of the Club Español del Arbitraje (CEA) since 2018; and Member of the Management Committee of Concórdia - Conciliation, Conflict Mediation and Arbitration Centre since 2016.	
Position	Member of the Board of Directors	
Status	LID – Lead Independent Director Independent and Non-Executive	Election
Appointments to Martifer Group companies	Martifer SGPS, S.A. - Board Member	2021

Clara Sofia Teixeira Gouveia Moura		
	Member of the Board of Directors and Independent member since 21 May 2021. She holds a Master's Degree and PhD in Electrotechnical Engineering and Computer Engineering from the Faculty of Engineering of the University of Porto, respectively, in 2008 and 2015. She is a member of the Centre for Energy Systems of INESC TEC - Institute for Systems and Computer Engineering, Technology and Science (Porto), where she is a Senior Researcher. She is currently responsible for the area of EMS/DMS and network automation. She is in charge of defining strategic action guidelines and raising funds in Portugal and Europe. She also integrates the Scientific Council of INESC TEC and the Portuguese National Committee of CIGRE. Since 2015, she has been managing research and consultancy projects involving relevant national and international companies. Her work is dedicated to the specification, development, and validation of energy management solutions that consider integrating distributed resources (energy storage, dispersed generation, controllable load, and electric vehicles) and solutions for the digitalisation of the distribution network. She has also published articles in international scientific journals, books and international conference minutes.	
Position	Member of the Board of Directors	
Status	Independent Non-Executive	Election
Appointments to Martifer Group companies	Martifer SGPS, S.A. - Board Member	2021

SUPERVISORY BOARD

Mária Maria Machado Lapa de Barros Peixoto

She has a degree in Economics from FEP - School of Economics and Management of the University of Porto (1993).
She has been a Certified Accountant since 2006, and she is registered in the Portuguese Chartered Accountants Association as no. 1259.
Between 2012 and 2014, she was a member of the Advisory Board of the Northern Regional Section of the Portuguese Institute of Chartered Accountants; between 2014 and 2017, she was assistant to the Director of the Northern Regional Section of the Portuguese Chartered Accountants Association and is currently a member of the Board of Governors of the Portuguese Chartered Accountants Association.
She was a Supervisory Board of Martifer SGPS, S.A. member between May 2018 and May 2021.

Position	Chairman of the Supervisory Board	Election
Status	Independent	2021

Américo Agostinho Martins Pereira

He holds a degree in Accounting Audit, with Superior Specialised Studies in Audit.
He is a Statutory Auditor, registered in the Chartered Accountants Association as no. 887 since April 1994, initially individually and since March 2013 as a partner in the company M.PEREIRA & Members, SROC, LDA..
Between 1998 and 2005, he was secretary of the Board of the General Meeting of the Chartered Accountants Association. In the latter year, he was a trainee supervisor of the Traineeship Committee of the Chartered Accountants Association. Having always worked at the Institute of Statutory Auditors between January 2018 and January 2021, he held the position of President of the Disciplinary Board of this professional institute. Since 1985, he has taken part in lectures and training courses, having been a professor of Accounting and Tax between 1995 and 1997 at the Professional School of Commerce of Aveiro.
He was President of the Supervisory Board of Martifer SGPS, S.A., between May 2015 and May 2018 and has been a member of that Board since May 2018.

Position	Member of the Supervisory Board	Election
Status	Non-independent	2018

Luís Filipe Cardoso da Silva

He has a degree in Economics from FEP - School of Economics and Management of the University of Porto (1989). He began his professional career as an administrative and financial manager in 1989 at Plásticos e Perfis Decorativos DURSIL, having joined Sonae Group as head of the group's management control. In 1992, he assumed the same position at Mota & Companhia, S.A., which later became Mota-Engil Group, where, between 2000 and 2006, he held the position of director of management control. In 2006, he became a member of various boards of directors of companies of the Mota-Engil Group. Since 2010, he has been a member of the Board of Directors and representative for Capital Market Relations, as well as a member of the Audit, Investment and Risk Committee of Mota-Engil, SGPS, SA. He was the winner of the European Counsel Awards 2011 in the area of Corporate Tax.

Position	Member of the Supervisory Board	Election
Status	Non-independent	2021

Ana Luísa Nabais Aniceto da Fonte

She has a degree in Business Administration and Management from the Portuguese Catholic University (UCP) (2001), with advanced studies in Tax from the same university (2003). She is a Statutory Auditor, registered in the Portuguese Chartered

Accountants Association as no. 1672 since April 2014, initially individually and since March 2018 as a partner in the company ANA FONTE & ASSOCIADOS, SROC, LDA. Between 2001 and 2016, she held Audit duties at PricewaterhouseCoopers, Ernst & Young and Grant Thornton. She is a trainer in the Portuguese Chartered Accountants Association, having, between 2011 and 2020, collaborated with the Technical Department and as a teacher of the auditing module of the Preparation Course for Statutory Auditors. Between 2018 and 2020, she also collaborated as co-adjutant of the director of the Northern Regional Services of the Portuguese Chartered Accountants Association. She has been a professor of Audit at the Portuguese Catholic University since 2016, in the Master's in Audit and Tax and, since 2017, in Audit of the Degree in Management.		
Position	Alternate to the Supervisory Board	Election
Status	Independent	2021

MARTIFER GROUP

BOARD OF THE GENERAL MEETING		
José Joaquim Neiva Nunes de Oliveira		
Holder of a Law degree from the Portuguese Catholic University (Porto). Since 2005, he has been a lawyer mainly in civil law, obligations, commercial companies and mergers and acquisitions. He was also a lawyer in Macau from August 2006 to September 2009. He is a Partner at SPCA - Sociedade de Advogados, SP RL. He was Director of the Legal Department of Martifer SGPS, S.A. between July 2011 and December 2014 and was the Company Secretary from July 2011 and in the term of office from 2012 to 2014. He was President and Secretary of the Board of the General Meeting in several companies within and outside Martifer Group until the end of 2014. He has been President of the Board of the General Meeting of Martifer SGPS, S.A. since May 2015.		
Position	President of the Board of the General Meeting	Election
Status	Independent	2015
Ana Sofia Pinto Rijo Andrade		
She has a degree in Law from the Portuguese Catholic University (Porto) and a post-graduate degree in European Union Customs Law from the University of Valencia Law School. She has been practising law since 2012 and is currently an Associate Lawyer at SPCA - Sociedade de Advogados, SP, RL, having been a Trainee Lawyer and Associate Lawyer at Miranda, Correia, Amendoeira, Sociedade de Advogados until 2014. She is focused primarily on Customs Law and International Trade.		
Position	Vice President of the Board of the General Meeting	Election
Status	Independent	2018
Luís Neiva de Oliveira Nunes de Oliveira		
He graduated in Law from the Portuguese Catholic University (Porto) and has a post-graduate degree in European Studies and Labour Law from the Faculty of Law of the University of Coimbra. He has been a lawyer since 2011, primarily in civil, labour, public, obligations and corporate law. He is a Partner at SPCA - Sociedade de Advogados, SP RL. He has been secretary of the Board of the General Meeting of Martifer SGPS, S.A., since May 2015.		
Position	Secretary of the Board of the General Meeting	Election
Status	Independent	2015

REMUNERATION COMMITTEE		
Carlos António Vasconcelos Mota dos Santos		
He has a degree in Civil Engineering from FEUP - University of Porto Engineering Faculty and a Master's in Business Administration from the University of Porto. He began his professional career at Mota-Engil, Engenharia e Construção, S.A., in 2006, where he worked as an Assistant to the Board of Directors. In March 2008 he joined the Board of Directors of Mota-Engil, Engenharia e Construção, S.A. Between March 2011 and May 2012, he also served on the Senior and Supervisory Board of Mota-Engil, Angola, S.A. From August 2012 to July 2013, he was Vice President of the Board of Directors of Mota-Engil, Engenharia e Construção, SA, and then President of the Board of Directors of that company until February 2016. From February 2019, he was Vice President of the Executive Committee of Mota-Engil, SGPS, SA. He is currently President of the Board of Directors and CEO of the Executive Committee of Mota-Engil, SGPS, SA, and President of Mota-Engil América Latina.		
Position	President of the Remuneration Committee	Election
Status	Independent	2021
Positions in other companies outside the Group	Mota-Engil, SGPS, S.A. - President of the BoD Mota-Engil Latam Portugal, S.A. - President of the BoD Empresa Construtora do Brasil, S.A. (Brazil) - Vice President of the BoD António de Lago Cerqueira, S.A. - Board Member Mota Gestão e Participações, Soc. Gestora de Participações Sociais, S.A. - Board Member Valorsul – Valorização e Tratamento de Resíduos Sólidos das Regiões de Lisboa e do Oeste, S.A. - Board Member Sociedade Agrícola Moura Basto, S.A. - Board Member Hygeia – Edifícios Hospitalares, SGPS, S.A. - Board Member Dourowood – Entidade de Gestão Florestal, S.A. - Board Member Motawood – Entidade de Gestão Florestal, S.A. - Board Member Sem Par – Sociedade Imobiliária e Turística, S.A. - Board Member Mota Gestão Concessões, SGPS, S.A. - Board Member Kepler, SGPS, Lda. - manager Portuscale Trading, Lda. - manager Morada Certa – Sociedade Imobiliária, Lda. - manager Motadossantoswood – Entidade de Gestão Florestal, Lda. - manager Cuore – Investments 4 Life, Lda. - manager CAVMS – Gestão de Participações Sociais, SGPS, Unipessoal, Lda. - manager Emerge – Mota-Engil Real Estate Developers, S.A. - Member of the Remuneration Committee Mota-Engil, Ambiente e Serviços, SGPS, S.A. - Member of the Remuneration Committee Mota-Engil Next, S.A. - Member of the Remuneration Committee Hygeia – Edifícios Hospitalares, SGPS, S.A. - Member of the Remuneration Committee Oriental Hub – Reconversão e Exploração do Antigo Matadouro Industrial do Porto, S.A. - Member of the Remuneration Committee Mota-Engil Europa, S.A. - Member of the Remuneration Committee Mota-Engil Indústria e Inovação, SGPS, S.A. - Member of the Remuneration Committee Mota-Engil Railway Engineering, S.A. - Member of the Remuneration Committee Mota-Engil Engenharia e Construção, S.A. - Member of the Remuneration Committee Mota-Engil Engenharia e Construção África, S.A. - Member of the Remuneration Committee Mota-Engil Global Serviços Partilhados, Administrativos e Técnicos, S.A. Empresa Geral do Fomento, S.A. - Member of the Remuneration Committee Mota-Engil Central Europe Management, SGPS, S.A. - Member of the Remuneration Committee Mota-Engil Concessões, S.A. - Member of the Remuneration Committee Suma – Serviços Urbanos e Meio Ambiente, S.A. - Member of the Remuneration Committee Suma Tratamento, S.A. - Member of the Remuneration Committee Largo do Paço - Investimentos Turísticos e Imobiliários, S.A. - Member of the Remuneration Committee	

	Mota-Engil Next Investments, SGPS, S.A. - Member of the Remuneration Committee Mota-Engil, SGPS, S.A. - member of the Remuneration Committee Mota-Engil, SGPS, S.A. - President of the Executive Committee Suma Tratamento, S.A. - president of the general council Ambiente da Suma – Serviços Urbanos e Meio Ambiente, S.A. - cs*****++++ member Mota-Engil Central Europe, S.A. (Poland) - member of the Supervisory Board Mota-Engil Central Europe Ceská Republika, A.S. - member of the Supervisory Board Mota-Engil Magyarország Beruházási És Építőipari Zártkörűen Működő Részvénytársaság - member of the Supervisory Board Mota-Engil Indústria e Inovação, SGPS, S.A. - president of the board of the General Meeting Member of the Board of Trustees of the Manuel António da Mota Foundation

José Pedro Matos Marques Sampaio de Freitas

He has a degree in Economics from Portuguese Catholic University (Porto). Currently, and for at least five years, he holds (and held) positions in various governing bodies of several companies of the Mota-Engil Group, including as a member of Remuneration Committees.

Position	Member of the Remuneration Committee	Election
Status	Independent	2021
Positions in other companies outside the Group	DI Investimentos, S.A. - President of the BoD Hygeia – Edifícios Hospitalares, SGPS, S.A. - President of the BoD Lineas Investimentos, SGPS, S.A. - President of the BoD Lineas – Concessões de Transportes, SGPS, S.A. - President of the BoD Mota-Engil Ativ – Gestão e Manutenção de Ativos, S.A. - President of the BoD Mota-Engil Capital, S.A. - President of the BoD Mota-Engil Concessões, S.A. - President of the BoD Mota-Engil Mediação de Seguros, S.A. - President of the BoD Mota-Engil Renewing, S.A. - President of the BoD Operadora DI – Operação e Manutenção Rodoviária, S.A. - President of the BoD SCP Financial Investments, S.A. - President of the BoD SDI – Subconcessionária do Douro Interior, S.A. - President of the BoD Fundação da Juventude – vice president of the BoD Largo do Paço – Investimentos Turísticos e Imobiliários, S.A. - Board Member Lusoponte – Concessionária para a Travessia do Tejo, S.A. - Board Member Botelho, Silva & Abreu, Lda. - manager Kepler, SGPS, Lda. - manager Lineas – Serviços de Administração e Gestão, Lda. - manager Operadora DI – Operação e Manutenção Rodoviária, S.A. - member of the Remuneration Committee SDI – Subconcessionária do Douro Interior, S.A. - member of the Remuneration Committee IET - Instituto Empresarial do Tâmega - pag Member of the AEP General Council AIP Trustee	

Júlia Maria Rodrigues de Matos Nogueirinha

She holds a degree in Law from the Faculty of Law of the University of Coimbra and has been registered at the Portuguese Bar Association since 2002. She is currently Secretary of the Board of the General Meeting of I'M SGPS, S.A., having held positions in several corporate bodies of various companies.

Position	Member of the Remuneration Committee	Election
Status	Independent	2012

ANNEXE II

STATEMENT REFERRED TO IN ARTICLE no. 29-G(1, C) OF THE PORTUGUESE SECURITIES CODE

Article no. 29-G(1,c) of the Portuguese Securities Code provides that each person responsible for issuers must make several declarations set out therein. In the case of the Company, a standard declaration was adopted with the following content:

Dear Shareholders,

Under the terms of paragraph c) of number 1 of Article no. 29-G of the Portuguese Securities Code, we hereby inform you that to the best of our knowledge

(i) the information contained in the sole management report faithfully describes the evolution of the business, performance and position of Martifer SGPS, S.A., and of the companies included in its consolidation perimeter, containing a description of the main risks and uncertainties it faces; and

(ii) the information contained in the separate and consolidated financial statements, as well as their annexes, was prepared following the applicable accounting standards, i.e., in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, giving a true and fair view of the financial position, the financial performance and the cash flows of Martifer, SGPS, S.A. and the companies included in the consolidation perimeter.

The independent statement with that text was signed only by the members of the board of directors, as only the members of the corporate bodies were considered to be included within the concept of "persons responsible for the issuer". Under the terms of the aforementioned legal provision, the subscribers and their positions are indicated by name:

NAME	POSITION
Carlos Manuel Marques Martins	President of the Board of Directors
Jorge Alberto Marques Martins	Vice President of the Board of Directors
Arnaldo Nunes da Costa Figueiredo	Vice President of the Board of Directors
Pedro Miguel Rodrigues Duarte	Member of the Board of Directors
Pedro Nuno Cardoso Abreu Moreira	Member of the Board of Directors
Carlos Alberto Araújo da Costa	Member of the Board of Directors
Maria Sílvia da Fonseca Vasconcelos da Mota	Member of the Board of Directors
Carla Maria de Araújo Viana Gonçalves Borges Norte	Member of the Board of Directors
Clara Sofia Teixeira Gouveia Moura	Member of the Board of Directors

SUSTAINABILITY REPORT

ON THE REPORT

Welcome to Martifer Group's 2023 Sustainability Report. In this document, we share our purpose on the road to a more sustainable future, highlighting our commitments and challenges in relation to the environmental, social, economic and governance dimensions.

This report has been prepared based on the Global Reporting Initiative Standards (GRI Standards) and in alignment with the Sustainable Development Goals of the United Nations 2030 agenda.

At Martifer Group, sustainability mirrors who we are and what we do. We know that our actions have a significant impact on the environment and on future generations. As such, we are committed to promoting responsible practices that create value not only for our shareholders but also for our people, clients, and other partners.

Throughout this report, we tell you how our year was in the environmental, social and governance dimensions, what we did and how we did it, demonstrating our efforts to integrate sustainability into all areas of our business.

We are aware that the road to sustainability is continuous and challenging. However, we believe that through innovation and with the cooperation of all of the teams, we can overcome these challenges and create a positive impact in the medium and long term.

It is the Group's objective and commitment, through the ESG & Sustainability Committee, to continuously improve the information reported, creating systems and processes to control better the indicators and present greater detail in the information reported.

The 2023 Sustainability Report is published in Portuguese and English, as part of the 2023 Annual Report and also individually. It can also be consulted as an individual document on the Group's website at www.martifer.com/pt/investors/publicacoes.

This report refers to the activities carried out during 2023 (1 January to 31 December 2023) in line with the 2023 Annual Report and is published annually. The Group's activities are included.
The data presented has not been subject to independent external verification.

For any further clarifications, please contact:

Martifer Group
Corporate Communication Zona Industrial, Apartado 17 3684-001 Oliveira de Frades comunicacao@martifer.com

CONTENTS

MARTIFER GROUP | 04
Message from the Board of Directors
Creating Value
Highlights
Business areas Awards

ENVIRONMENTAL VALUE | 24
Carbon Neutrality
Quality, safety and environment
Environmental performance

SOCIAL VALUE | 48
Employees and work environment
Support and benefits
Training and development
Dialogue and organisational climate
Citizenship and social responsibility
Equality between women and men Safety

GOVERNANCE AND ECONOMIC VALUE | 88
Highlights
Organisational culture
Governance model
Communication and transparency
Corruption and human rights
Risks

ANNEXES | 04
European taxonomy of environmentally sustainable activities
GRI Table


MARTIFER

01 MARTIFER GROUP

DEAR SHAREHOLDERS,

In 2023, we saw an increase in some of the concerns we had identified in 2022, which could have an impact on the future:

1. Climate change is accentuated every year by natural disasters on the planet;

2. The geopolitical crisis marked by war in different parts of the world;

3. Social instability has led to an increase in poverty and a lack of resources to obtain primary health care, accentuating an unprecedented migration crisis.

Despite the aforementioned difficulties, Martifer Group had a year (2023) that exceeded our best expectations, both in terms of operating results and in capacity to win new contracts, making our order book the best ever:

• We won the largest steel structures contract ever - HS2 (High-speed railway) project in the UK - 80 M€;

• We won one of the largest façade projects ever - the Edden office tower in Paris - 23 M€;

• We started work on a new product, in this case, an ethylene storage tank, a project of considerable complexity and needing to be executed differently, for the client TGE in Belgium - 24 M€;

• We signed Martifer Group's biggest contract ever for the construction of 6 ocean patrol vessels for the Portuguese Navy - 300 M€;

• We signed the biggest individual contract for the construction of a Luxury cruise vessel for a Japanese shipowner - 103 M€. In a country that is among the 7 most developed in the world, which we have become accustomed to recognising as leaders in technology and engineering capacity, we should be proud to be

MESSAGE FROM THE BOARD OF DIRECTORS

entrusted with a project as distinctive as this one;

• In the development phase, we have reached more than 300 MW in wind and solar renewable energy projects in Portugal, Poland and Romania, on a path that is increasingly going hand in hand with the sustainability goals that have been guiding all our decisions, namely reducing CO_2 emissions by around 50% by 2025;

• We have established an agreement with Enercon, which will allow Martifer to produce the highest number of wind towers ever for a single company;

• We achieved record turnover in the Ship Repair and Retrofit segment at our West Sea and Navalria shipyards;

• And, last December, we began what will be the Group's biggest investment in the last 10 years: the construction of a new dry dock in our shipyard in Viana do Castelo, a project estimated to cost 24 M€.

The next few years will be challenging, so we will be looking forward with renewed ambition to updating the Strategic Plan up to 2030, with the aim of Sustainable and Sustained Value Creation and balancing the weight of the Business Units in Turnover.

No less important will be ensuring that, by 2030, the focus and strategic coherence, mutual help and cohesion of the teams will last consistently and for a long time.

And for the Group's sustainability, it will also be crucial to consolidate some of the main pillars of success of recent years:

• Operational efficiency, planning and productivity;

• The Group's export profile, optimising its industrial capacity;

• Organisational culture, good working environment, balance between personal and professional life;

• Governance;

• Social Responsibility;

• Safety and work conditions;

• Environmental Performance and Energy Transition

Martifer Group is stronger, more dynamic and better prepared for the future. This is only possible because we have highly competent people who are willing to learn and have an enormous capacity to adapt. We know that only with everyone's commitment will we be able to improve efficiency and strengthen resilience, performance and well-being in the long term.

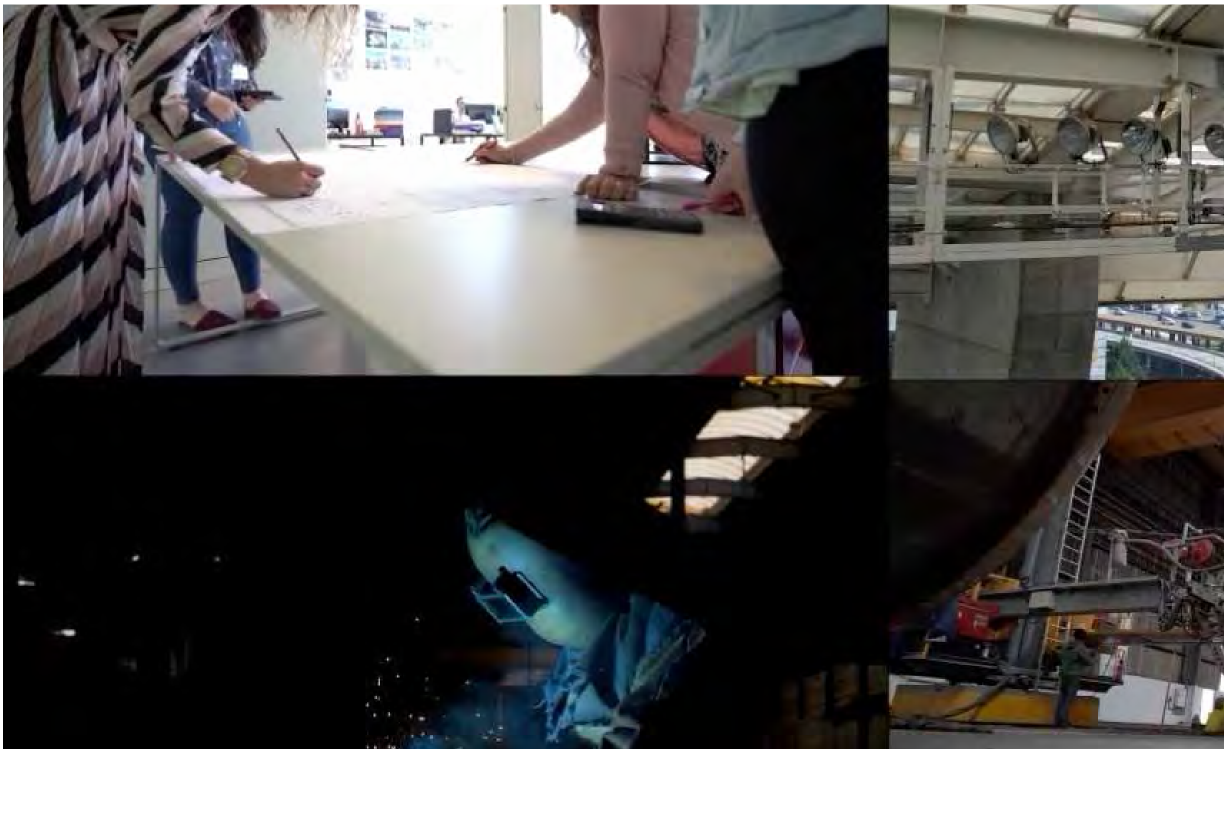
We would like to thank all our stakeholders for the trust they have shown in Martifer Group in the past and continue to show every day.

SUSTAINABLE AND SUSTAINED VALUE CREATION

Sustainable and sustained creation of value as a purpose recognises the importance of balancing economic and governance interests with social and environmental ones in the long term. It focuses on generating value in a holistic way, taking into account the positive and negative impacts on all stakeholders, as well as the responsible use of natural resources.

In the economic sphere, the sustainable creation of value involves developing business models that are financially viable in the long term, guaranteeing productivity and continuity of operations. This is only possible through operational efficiency, innovation and the identification of market opportunities that are aligned with the principles of sustainability. However, sustainability goes beyond the financial domain. Social issues, such as respect for human rights, the promotion of diversity and inclusion, and improving working conditions for employees are fundamental. A company that creates sustainable value is concerned about the well-being of its people, business partners and the communities in which it operates, contributing to local social and economic development.

Environmentally, it is essential to minimise the environmental impact of the company's operations by reducing the consumption of natural resources, mitigating the emission of greenhouse



CREATING VALUE

gases and other pollutants, and adopting conscious production and consumption practices. Organisations that are oriented towards creating value in a sustainable way consider the preservation of natural resources for future generations to be a priority.

The sustainable and sustained value creation also requires an ongoing commitment to ethics, transparency and corporate responsibility. This means communicating transparently with the various stakeholders about the impacts of operations and taking responsibility for any damage caused to the environment or society.

Only in this way can we build a lasting legacy that contributes to a more just, equitable and environmentally healthy world. It is an imperative for companies of the 21st century, whose purpose is not only financial success but also the well-being of people and the planet.

We look to the future with responsibility but also optimism and the will to do more and better. The Group is increasingly stronger, more dynamic, and better prepared for the future. This is only possible because we have highly competent people who are willing to learn and reinvent themselves, who have an enormous capacity for adaptation, and these are fundamental skills for the challenges of the coming years.




OBJECTIVES

CLEAN PRODUCTION

Maintain a positive or neutral balance in "net zero emissions"
Increase renewable capacity in operation: target 80/100 MW

INNOVATION AND DIGITAL TRANSFORMATION

Implementation of the Smart Factory project in our industrial facilities
Improve IT infrastructures so as not to have any significant cybersecurity failure

CIRCULAR ECONOMY

Reduce waste
Maintain or increase the percentage of waste for recovery
Efficient and sustainable water management in the shipyards
Improve resource management: Operational excellence and circularity

SUSTAINABLE CONSUMPTION

Maintain or increase renewable energy consumption through the collective self-consumption project (UPAC)
Promote good collective practices regarding environmental protection

DIVERSITY AND WELL-BEING

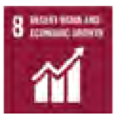
Improve prevention and safety: severity and frequency
Improve workplace conditions
Respect, protect and guarantee human rights
Balance personal and professional time

EQUALITY

Increasing gender diversity and promote work/life balance
Maintain or increase the number of women in the corporate bodies
Promote diversity, equity and inclusion

RESULTS
SUSTAINABLE PARTNERS

Conscious, value-creating business
Transparency and ethics as key principles
Integrate sustainability into the Group's culture
Stimulate the relationship and communication with the different stakeholders
ESG-compliant suppliers

2023	SDG
CO2 Emissions (scope 1): 8,018 t Installed capacity 51.1 MW | Avoided CO2 emissions: 133,280 t	
Implementation of the Smart Factory project, with increased operational efficiency	
20% less waste produced in tonnes per million € invoiced. Over 90% of waste was sent for recovery, for the 11th consecutive year Implementation of actions to reduce water consumption and wastewater production Implementation of the Smart Factory project, with a reduction in the use of resources	
Collective self-consumption, with 30% of consumption from renewable energy Awareness-raising sessions and training through various internal actions	
11% less frequency in the number of accidents at work compared to 2022 Improve conditions in the workplace Promoting personal/professional life balance through various internal actions.	
Implementation of the Equality Plan Invest in our people: 25% more training hours compared to 2022	
Positive results Adoption of the best corporate governance practices	

MARTIFER IS THE 66TH MOST VALUABLE BRAND IN PORTUGAL IN 2023

Martifer is one of the 100 most valuable Portuguese brands of 2023, according to a study by the consultant OnStrategy.

The Consultant presented the results of the study of the "100 most valuable Portuguese brands 2023", developed using the Royalty Relief methodology in accordance with ISO 20671 (strategy and strength assessment) and ISO 10668 (financial assessment) standards, in which all the brands audited and assessed have public information on their annual financial results and brand strength indicators.

The study's methodology covers the following items:

1. Calculation of the brand strength and energy index (emotional relationship with stakeholders, reputation, experience and results of activity in the market).

2. Calculation of the business's revenue forecast - sales and provision of services (future revenues over an explicit five-year period based on the trends of historical revenues, market growth estimates, competitive forces and analysts' projections).

3. Calculation of the royalty rate (review of comparable licence agreements, analysis of margins and sources of value in the different industries, definition of the average royalty rate interval for the activity sector).

4. Calculation of the discount rate (discount rate to calculate the net present value of the future earnings associated with the brand, accounting for the time value and the associated risk).

5. Calculation of the economic value of the brand (net present value of royalties after tax).

METALLIC CONSTRUCTIONS
HS2 – HIGH SPEED 2

Martifer Metallic Constructions won the contract to supply and assemble a metallic structure for railway viaducts in Birmingham included in the High Speed 2 (HS2) project - a new high-speed railway line that will link London to the North of England. High Speed 2 is the largest infrastructure construction project in the UK and across Europe and the most important economic and social regeneration project of recent decades, with a unique contribution to carbon neutrality. HS2 will have more than 17 kilometres of viaducts and bridges, which will include more than 500 connecting structures and more than 50 main viaducts spanning valleys, rivers, roads and river plains.

The contract has an estimated value of 68 M€ and the deadline for the project is 47 months. Martifer Metallic Constructions started manufacturing the first parts at the beginning of 2024.

The majority of the metallic structure will be manufactured at the Group's industrial centre in Oliveira de Frades, allowing Martifer Group to strengthen its exports.

High Speed 2 is one of the biggest contracts ever awarded to Martifer Metallic Constructions. This award is a demonstration of confidence in national engineering and in Martifer Group's capacity.

NAVAL INDUSTRY
LUXURY CRUISE SHIP RYOBI

West Sea signed a contract with the Japanese Group Ryobi Holdings for the construction of a luxury cruise ship, worth around 100 M€, scheduled for delivery in 2027 and to be entirely built in Viana do Castelo.

This luxurious cruise ship, which will operate mainly in Japan and Southeast Asia, has a capacity of around 100 to 150 passengers. A ship with a size and concept that will allow every passenger to feel like they are the owners of a mega-yacht, where they can enjoy private comfort and the personal touch of hospitality.

This Ryobi vessel, which will begin to be built at West Sea's Viana do Castelo shipyard in the coming weeks, will have an overall length of approximately 110-120 metres, a beam of 19 metres and a draught of around 5 metres.

The choice of West Sea for the construction of Ryobi's first luxury cruise ship is both a satisfaction and a source of pride for the Viana do Castelo shipyard due to the international recognition of its excellence and ability to execute a project of this scale, supported by the experience and know-how that the company has developed over the last few years. This contract award is part of the ongoing Strategic Plan, enabling the sustainable development of the business and the strengthening of Martifer Group's export profile in markets with differentiated added value, says Martifer Group's management.

RENEWABLES & ENERGY
HYBRIDISATION OF THE BABADAG WIND FARM

The Babadag Wind project was developed and built by Martifer Renewables in 2012 and has since been operated by Martifer's subsidiary in Romania, Eviva Nalbant. The wind farm has a capacity of 42 MW, with 20 Suzlon turbines of 2.1 MW each, and produces around 85,000 MWh a year, equivalent to the consumption of 30,000 dwellings.

After 10 years of successful operation, and with the country becoming increasingly attractive for renewable energy projects, Martifer Renewables & Energy decided to take on a new challenge: hybridise the Babadag wind farm with a solar project on the plot of the wind farm.

Hybridisation is a simple and efficient concept that is developing rapidly in the renewable energy sector. It consists of joining a wind farm and a solar park at the same grid connection point and on the same plot of land. It allows more renewable plants to be installed without the electricity grid operator having to invest in reinforcing the infrastructure because, as a general rule, photovoltaic and wind systems do not produce at the same time. It also makes it possible to optimise the area used by renewable energies.

The new Babadag PV project has a capacity of 18 MWp and will produce 24,000 MWh per year from 2025 on. It is the first major hybrid project in Romania and everything suggests that it will start a new wave of solar project development in the country.

METALLIC CONSTRUCTIONS

Martifer Metallic Constructions is the segment responsible for the foundation of Martifer Group. Its portfolio of renown projects allows it to be globally recognised in the sector. It provides global and innovative engineering solutions in the metal-mechanical constructions and aluminium and glass façades segments, working daily towards a level of excellence in projects of higher Execution classes. The company is present in several countries in Europe, the Middle East and Africa. It has industrial facilities in Portugal, Romania, Angola and Mozambique (in partnership), and it is from these locations that it develops all the production of metallic, aluminium and glass structures for different projects.

This business area focuses its development strategy in differentiation due to the quality of its engineering and its vocation for highly complex projects.

We highlight the projects completed or awarded in 2023: the Infinity Tower and the Oriente Green Campus in Portugal, Marseille Airport and Gare de Noisy--Champs, both in France, Santiago Bernabéu stadium, Bilbao Fine Arts Museum and Hotel Princesa in Spain, High Street Two and Manchester Airport in the United Kingdom, Park & Ride in Saudi Arabia, BioNTech in Rwanda and Uige Hospital in Angola.

Martifer Metallic Constructions is pursuing a targeted strategy using partnerships with companies in complementary segments, which not only allows it to offer more complete solutions but also to gain a greater dimension, especially on the international scene.

BUSINESS AREAS

REFERENCE PROJECTS IN SEVERAL COUNTRIES

Africa
ANGOLA
MOZAMBIQUE
THE IVORY COAST

Europe and the Middle East
PORTUGAL
SPAIN
FRANCE
BELGIUM
UNITED KINGDOM
ROMANIA
SAUDI ARABIA

GLOBAL SOLUTIONS
Infrastructures
Health
Commercial and Offices
Sports and Culture
Industry
Residential and Hotels

952
EMPLOYEES
212 WOMEN
740 MEN

140.4 M€
OPERATING INCOME

247 M€
ORDER BOOK

INDUSTRIAL CAPACITY TO ADAPT TO THE PRODUCTION REQUIREMENTS OF EACH PROJECT, BUT ABOVE ALL, THE CAPACITY OF OUR TECHNICAL TEAMS WHO ARE CONSTANTLY LEARNING AND EVOLVING TO COME UP WITH THE BEST SOLUTIONS THAT POSITION US ALONGSIDE THE VERY BEST.

NAVAL INDUSTRY

Martifer Group started its activity in the naval industry in 2008 with Navalria, but it was from 2015 on, with the subconcession of the West Sea shipyard, that this activity gained another dimension.

The Group has two shipyards, West Sea in Viana do Castelo and Navalria in Aveiro, which are active in shipbuilding, ship repair and retrofit.

The West Sea shipyard is one of the most relevant industrial infrastructures in Portugal. It has the capacity for medium and large-sized vessels and is equipped with workshops and lifting equipment for the construction of large metal blocks and equipment.

West Sea enjoys a strategic location in the North of Portugal, next to the Atlantic Ocean and close to several internationally important ports, such as Vigo, Leixões (Porto) and Lisbon. With a total area of 250,000 sqm, the shipyard has the infrastructure to build, retrofit and repair any type of vessel up to 37,000 tonnes, 190 metres in length and 29 metres in breadth, as well as small and medium-sized vessels.

Located in the Port of Aveiro, Navalria has a light and flexible structure. It can carry out shipbuilding works for small vessels and ship repair for small and medium-sized vessels, such as fishing vessels, tug boats, tourist boats, and barges.

Due to its location close to Martifer's head office, this shipyard also serves as a complement to the metallic construction activity in making large pieces.

COMPETENCE, KNOWLEDGE AND EXPERIENCE

At the West Sea shipyard with medium and large-sized vessels and at the Navalria shipyard with small and medium-sized vessels.

Construction
Repair
Conversion

OUR PROFESSIONALS HAVE DECADES OF EXPERIENCE WORKING IN SHIPYARDS, WHICH ALLOWS THEM TO OVERCOME THE GREATEST TECHNICAL CHALLENGES, WITHIN THE STIPULATED DEADLINES AND WITH ALL THE QUALITY GUARANTEES.

Europe and the Middle East
PORTUGAL

343
EMPLOYEES
30 WOMEN
313 MEN

63.0 M€
OPERATING INCOME

506 M€
OPERATING INCOME

RENEWABLES & ENERGY

Martifer Renewables & Energy involves the wind and solar segments and infrastructures for energy and industrial operation and maintenance.

In the wind and solar segment, it operates and positions itself as a renewable energy developer, with its main focus on the development of wind farms and solar photovoltaic parks, based on a rigorous use of capital in the development and construction of projects, with an asset rotation policy in the development process, construction management, asset management and operation and maintenance (O&M).

This business segment has extensive experience in developing and managing solar parks and wind farms and has projects under development, construction or in operation in four countries: Portugal, Poland, Romania and Argentina.

It has a portfolio of 51.1 MW in operation. Martifer has already developed and built more than 1.5 GW in different countries with internationally renowned companies such as IKEA, Banco Santander, CPFL, Tractebel and Solaire Direct as partners.

In the energy infrastructures and industrial operation and maintenance segment, Martifer is active in infrastructures ranging from conventional power generation plants (gas, combined cycle, etc) to industrial units, and it can supply any type of storage equipment (liquid bulk), including production, processing and storage facilities and dispatch of gas or hydrocarbons, including compressor stations.

In operation and maintenance, it is the leader in Portugal for continuous production plants in the oil & gas industry (refinery), conventional (combined cycle) and also nuclear power plants.

39
EMPLOYEES
11 WOMEN
28 MEN

18.6 M€
OPERATING INCOME

51.1 MW
INSTALLED CAPACITY

PROJECTS TURNKEY

Ability to execute small and large wind and solar energy projects and to provide O&M services.

Wind energy
Solar energy
Operation and Maintenance

IN THE WIND AND SOLAR SEGMENT, WE ARE SPECIALISTS IN DEVELOPING RENEWABLE ENERGY PROJECTS FOR SUBSEQUENT INTEGRATION IN AN ASSET ROTATION POLICY.

Europe and the Middle East
PORTUGAL
POLAND
ROMANIA

Latin America
ARGENTINA

AWARDS AND EXTERNAL RECOGNITIONS

Juan Hurtado de Mendoza (JHM4) - Gold Winner - 2023 Global Future Design Awards

The KOI Building was one of the gold winners of the 2023 Global Future Design Awards.

KOI (the fish in English - a symbol of luck, harmony and sustainability) is the name given by the architectural firm to the Juan Hurtado de Mendoza (JHM4) project. It is currently home to the Camilo José Cela University in Madrid.

The uniqueness of Martifer Metallic Constructions' participation in the project lies in the large-format, flat and curved façades, which include wood, steel and aluminium profiles. LEED platinum and WELL certification make it a unique project focused on sustainability and well-being.

The Global Future Design Awards were created in 2016 and are one of the world's most prestigious architectural, interior design and product awards. They acknowledge exceptional ideas that redefine architectural design through the implementation of new technologies, materials, software and aesthetics.

Martifer honoured at the European Steel Design Awards 2023 for Steel Structures with Gare de Mons

Martifer was present at the ECCS Steel Design Awards 2023 in Amsterdam to receive the 2023 Portugal Steel Design Award for its work on the Gare de Mons project in Belgium. An award that once again internationally acknowledges Martifer Metallic Constructions' capacity for innovation and achievement in projects of high complexity and size.

The European Steel Design Awards for Steel Structures honours unusual steel structure projects throughout Europe. The ECCS 2023 Steel Design Awards was focused on presenting the latest research results and professionals related to the use of metallic structures in structural applications, with the general aim of promoting and enabling a more sustainable construction sector.

The conference, focused on sustainability, presented the latest developments in the analysis and design of new and traditional steel and steel-based composite structures for a wide range of applications, including buildings, bridges, towers, support structures for renewable energy and offshore structures, among others.

AWARDS


MARTIFER

02
ENVIRONMENTAL VALUE

Figures from the International Energy Agency show that in 2023, a new record was reached in CO2 emissions resulting from energy production. 2030 isn't far away and the goal of reducing greenhouse gas emissions by 50% is looking increasingly harder.

According to the targets set in the Paris Agreement in 2015, in order to avoid permanent damage to the lives of several species on the planet, global warming must be limited to 1.5°C lower than the values before the industrialisation of the economy. In order to achieve this goal, we will have to reduce greenhouse gas emissions. Net zero should be achieved by 2050 and by 2030 we need to reduce emissions by 50%.

According to the International Energy Agency, the European Union and the United States there were reductions in CO2 emissions related to energy production. Another very positive aspect was the significant increase in renewable energy production. According to the International Energy Agency, in the long term, we will see a structural drop in CO2 emissions associated with energy production precisely because of the expansion of clean energy, such as solar and wind power.

At Martifer Group, the energy transition and the decarbonisation of industry are seen as challenges but, above all, as opportunities. Renewable energy production assets are strategic for the Group with the aim of increasing its MW capacity. The Group has also been promoting renewable projects for self-consumption and investing in Hydrogen as an alternative for reducing CO2 emissions, through the Green.H2.Atlantic Consortium, while maintaining its focus on adjacent opportunities, namely Waste-to-Power & Waste-to-Hydrogen & Power-to-X and Offshore Wind.

But the Group's main strategic asset, at the ESG level and in its risk policy, is the fact that Martifer Group already has a favourable balance in terms of CO2 emissions - "net zero emissions". In fact, through the green energy it produces from renewable sources, the Group avoids CO2 emissions that are higher than those it emits, particularly in its industrial units. And, this fact is very important, not only in terms of environmental sustainability but also in strategic terms, as it constitutes a natural hedge against the volatility of energy prices, as well as in terms of Sustainable Finance - an increasingly relevant topic for investors, financiers and clients.

RENEWABLE ENERGY PROJECTS IN OPERATION OR UNDER CONSTRUCTION

PORTUGAL

Small Production Unit for Self-Consumption 2.1 MW

5,880 t OF AVOIDED CO2 EMISSIONS

The collective wind self-consumption project, implemented near the Group's headquarters in the industrial zone of Oliveira de Frades, is estimated to satisfy about 37% of the annual energy needs of Martifer's facilities, and the surplus electricity is sold to an energy trader. With a 2.1 MW wind turbine that is expected to produce 3.7 GWh per year, this project will contribute to reducing the carbon intensity of Martifer's industrial units, since the greenhouse gas emissions underlying the production processes will be lower. It is estimated that around 5,880 tonnes of CO2 emitted per year will be avoided.

PORTUGAL

Small Production Unit 1 MWp

1,400 t OF AVOIDED CO2 EMISSIONS

In Oliveira de Frades, a 1 Mwp Small Production Unit (SPU) is almost in operation. It consists of 1,834 solar panels and an estimated annual production of 1,625.7 MWh, with the capacity to supply 500 dwellings. This project will prevent the annual emission of 1,400 tonnes of CO2.

ROMANIA

BABADAG I & II 42 MW

117,600 t OF AVOIDED CO2 EMISSIONS

In Romania, a wind farm of 20 wind turbines with a total installed capacity of 42 MW is in operation. Energy production from wind totalled 81,400 MWh per year, avoiding around 117,600 tonnes of CO2. This amount of produced electricity was enough to supply around 48,052 dwellings.

AT MARTIFER GROUP, ENERGY TRANSITION AND THE DECARBONISATION OF INDUSTRY ARE SEEN AS CHALLENGES BUT, ABOVE ALL, THEY ARE SEEN AS OPPORTUNITIES. RENEWABLE ENERGY PRODUCTION ASSETS ARE STRATEGIC FOR THE GROUP, WHICH AIMS TO INCREASE ITS MW CAPACITY.

Hybridisation of the Babadag wind farm

Martifer Metallic Constructions is developing the wind farm hybridisation project. Hybridisation is a simple and efficient concept. It consists of combining a wind farm and a solar park at the same point of connection to the grid and on the same plot of land. It allows more renewable plants to be installed without the electricity grid operator having to invest in infrastructure reinforcements because, as a general rule, photovoltaic and wind systems do not produce at the same time. It also makes it possible to optimise the space used by renewable energies.
The new Babadag PV project has a capacity of 18 MWp and will produce 24,000 MWh per year from 2025 on. It is the first major hybrid project in Romania and everything suggests that it will start a new wave of solar project development in the country.

POLAND

DACHNÓW 1 MWp

1,400 t OF AVOIDED CO2 EMISSIONS

In Dachnów, Cieszanów, there is an active photovoltaic park with an installed capacity of 998 kWp, composed of 3,980 solar panels that has produced 1,165 MWh in 2023. This will contribute to a reduction of 1,400 tonnes of CO2 emitted.

POLAND

KOCUDZA DRUGA 1 MWp

1,400 t OF AVOIDED CO2 EMISSIONS

In the community of Dzwola, a solar park of the same size as the one in Kocudza Druga is in operation, with 2,404 photovoltaic modules. This will contribute to a reduction of 1,400 tonnes of CO2 emitted.

POLAND

KOCUDZA TRZECIA 1 MWp

1,400 t OF AVOIDED CO2 EMISSIONS

In the same community and with an installed capacity of 959 kWp, a photovoltaic park consisting of 2,312 solar panels is in operation, contributing 1,165 MWh of electricity per year. This will contribute to a reduction of 1,400 tonnes of CO2 emitted.

POLAND

ZAŁUŻE 1 MWp

1,400 t OF AVOIDED CO2 EMISSIONS

In Załuże, a park with 2,405 solar panels reached 1,165 MWh per year in 2022 with an installed capacity of 989 kWp. The amount of electricity coming from photovoltaic parks in question will make it possible to supply 2,723 dwellings, avoiding at least 1,400 tonnes of CO2.

WITH THE PRODUCTION OF RENEWABLE ENERGY, THE GROUP AVOIDED 13,280 T OF CO2 EMISSIONS.

POLAND

DACHNÓW 1 MWp

1,400 t OF AVOIDED CO2 EMISSIONS

In Dachnów, Cieszanów, there is a photovoltaic park in operation with an installed capacity of 998 kWp, with 1,832 solar panels which reached an annual production of 1,165 MWh. This will contribute to a reduction of 1,400 tonnes of CO2 emitted.

POLAND

KARLIKÓW 1 MWp

1,400 t OF AVOIDED CO2 EMISSIONS

Located in Bukowsko, in the Podkarpackie region, a photovoltaic park with an installed capacity of 998 kWp is in operation, made up of 1,832 solar panels, which produced 1,165 MWh in 2023. This will contribute to a reduction of 1,400 tonnes of CO2 emitted.

Notes:
The tonnes of avoided CO2 emissions were calculated using data from the International Energy Agency (IEA).
Source: https://www.iea.org/data-and-statistics/charts/annual-direct-co2-emissions-avoided-per-1-gw-of-installed-capacity-by-technology-and-displaced-fuel

Mt CO2 = million tonnes of carbon dioxide. Efficient gas refers to combined cycle gas turbines. The capacity factors applied are the current global fleet averages for nuclear power, hydroelectric power and efficient gas, and the global averages for new projects completed in 2019 for offshore wind energy, onshore wind energy and solar photovoltaic energy.

GREEN.H2.ATLANTIC PROJECT

In July 2023, the Green.H2.Atlantic project, dedicated to the production of green hydrogen in Sines with the collaboration of Martifer, saw its application to the EU programme "Innovation Fund Large Scale Projects - Innovative Electrification in Industry and Hydrogen" approved for funding, reaching an amount of around 62 M€. Evaluated by the European Climate, Infrastructure and Environment Executive Agency (CINEA), the project received the highest rating for technological, financial and operational maturity, positioning it as a pioneer in the context of energy and climate transition, and it is recognised as one of the most innovative projects in the continent.

When this financial grant is confirmed, it will be added to the 30 M€ already granted by the "Green Deal - Horizon 2020" programme, resulting in total funding of around 92 M€, compared to the more than 150 M€ of planned investment. This financial contribution will represent a substantial boost to the viability and financial strength of the project, whose final investment decision (FID) will take place at the end of 2024.

The Green.H2.Atlantic project continues to progress rapidly in the development phase, as evidenced by the submission of the Environmental Impact Assessment (EIA) to the Portuguese Environment Agency (APA) in December 2023 and the ongoing procedures in the various licensing processes.

The Green.H2.Atlantic was awarded the Potential National Interest (PIN) status in September 2022 due to its strategic importance for Portugal. The decision took into account factors such as strategic investment, attracting major international investors/partners, job creation, impact on the local and national economy, investment in innovation and energy transition from renewable sources.

It is estimated that the Green.H2.Atlantic project will create 1,147 direct jobs and 2,744 indirect jobs throughout the hydrogen value chain and reduce greenhouse gas (GHG) emissions, in line with European and national decarbonisation strategies, by around 97.2 kt/year of CO2 emissions (76.5kt/year of direct emissions and 21.2kt/year of CO2 emissions of Scope 3).

The Green.H2.Atlantic project is part of for 2050 and the national hydrogen strategy, with an average production of around 11.3 kt/year of green hydrogen from renewable solar and wind energy, meeting the requirements of the European RED II Directive.

Portugal, and in particular Sines, offers unique conditions for the development of a green hydrogen economy, taking advantage of local infrastructures and synergies and access to the existing electricity grid. This project is also an important contribution to the European hydrogen strategy aimed at achieving carbon neutrality by 2050, in which renewable hydrogen will play a key role.

THE GREEN.H2.ATLANTIC PROJECT IS PART OF THE EUROPEAN LONG-TERM STRATEGY AND TARGETS FOR 2050 AND THE NATIONAL HYDROGEN STRATEGY, WITH AN AVERAGE PRODUCTION OF AROUND 11.3KT/YEAR OF GREEN HYDROGEN FROM RENEWABLE ENERGY.

PORTUGAL, AND IN PARTICULAR SINES, OFFERS UNIQUE CONDITIONS FOR THE DEVELOPMENT OF A GREEN HYDROGEN ECONOMY, TAKING ADVANTAGE OF LOCAL INFRASTRUCTURES AND SYNERGIES AND THE ALREADY EXISTING ACCESS TO THE ELECTRICITY GRID.

DECARBONISING INDUSTRY AT MARTIFER CONSTRUÇÕES

Given its area of activity, Martifer Construções needs to consume significant amounts of energy in its operations, in the form of electricity, LPG and diesel. In fact, the most significant environmental challenges resulting from the company's activities are energy consumption and air emissions. In this sense, and with the aim of improving energy efficiency and, consequently, environmental performance, the facilities are already implementing Energy Consumption Rationalisation Plans (PRCE).

However, the climate emergency and some macroeconomic factors mean that the company has to accelerate its energy efficiency and decarbonisation measures.

In line with the Martifer Group's DNA, in pursuit of a more sustainable industry, and with European and national policies towards carbon neutrality and energy efficiency, the MCM 2025 Energy and Climate Action Plan (PAEC MCM 2025 - Plano de Ação Energética e Climática da Martifer Construções Metalomecânicas/ 2025 Energy and Climate Action Plan for Martifer Construções Metalomecânicas) embodies the project and is committed to reducing greenhouse gas (GHG) emissions by at least 50% until 2025. Moreover, with the global energy outlook, whose instability began as early as the end of 2021, it became clear that, in addition to the decarbonisation plan, it would be essential to take action to mitigate the economic impact of the rise in energy commodities and raw materials.

Martifer Group's energy transition has, therefore, become a competitive advantage/emergency, which is why the company was rigorous and ambitious in defining the objectives of the PAEC MCM 2025:

• Leverage significantly the decarbonisation of the activity, with a reduction of more than 50% in the carbon intensity of OF1 and OF2 (two of its industrial units)

• Reduce the energy intensity of the units and, consequently, reduce the energy intensity of its products

• Carry out the Energy Transition of the facilities, switching to Wind Renewable Energy

• Phase out the use of fossil fuels

• Invest in state-of-the-art equipment in terms of energy efficiency and resource sustainability

• Strict and efficient control of energy consumption, using the latest digital technologies to achieve this

• Ensure a more efficient cost structure, minimising macroeconomic effects and increasing profitability and competitiveness

• Contribute to the commitments of the Paris Agreement; PNEC 2030; and RNC 2050.

At the start of 2022, with the prospect of a positive post-pandemic economic scenario, new factors of global instability emerged with the outbreak of war in Ukraine. However, the "window of opportunity" for carbon neutrality by 2050 is closing, and delaying the implementation of effective measures exponentially increases the risk of a forced and disorganised global transition.

So, Martifer has made the creation of sustainable and sustained value the centrepiece of its Strategy for the years ahead, and this project is one of the accelerators for achieving its objectives.

After all the work that had already been done in terms of diagnosis, setting objectives and consistent market consultation in the pursuit of the most advanced technologies that could, in the most effective way, have a positive impact on the efficiency of consumption and the reduction of GHG emissions, Martifer defined the most relevant and strategic measures for the materialisation of its energy and climate objectives.

M1 - optimising the compressed air network
The estimated weight of the compressed air sector is 40.5% of OF2's overall consumption, resulting in a consumption of 1,006,961 kWh (data based on the year 2019 - the Plan's reference year). The current equipment, despite being in an acceptable condition, has lower performance than the most modern technologies available, which is why it is beneficial to replace compressors 1, 2 and 3 and the existing dryer with new technical equipment with the necessary characteristics.

M2 - system for monitoring consumption: gases, AC network and electricity
The company had not implemented a system for monitoring energy consumption that could be correlated with total production, and there were only partial gas meters for the painting booths.

With the installation of the Monitoring System, it will be possible to monitor consumption in real time; measure energy costs at the various stages of the process; and analyse deviations, allowing for the immediate implementation of new corrective measures and with the ultimate goal of rationalising and making the facility more energy efficient.

M3 - compressed air production management system
The control of the compressed air station, particularly the compressors, is carried out with manual adjustments, associated with the sensitivity of the maintenance team, which entails various risks for the overall performance of the station, resulting in inefficiencies.

With the installation of a controller, suitably prepared to manage the proposed compressors remotely, digitally and efficiently (it will work directly on the network), it will be possible to: operate the compressors to meet the different workload requirements of different periods; keep the network running within a narrow, predefined pressure band, which will increase process stability and optimise total energy consumption; ensure that the different (new) compressors have the same operating hours, reducing maintenance costs (which will be carried out at the same time); issue reports and warnings, which will allow proactive action to be taken on the AC system/network; and have a complete overview of the compressed air network, analysing its performance, efficiency and compliance with environmental indicators.

M4 - retrofit of oxyfuel pantographs to plasma
Martifer Construções, in the initial phase of processing metal sheets and profiles, has 4 Pantographs that carry out cutting operations using Oxyfuel, which is characterised by using LPG to maintain the flame.

The investment planned for M4 consists of a retrofit of Pantographs 3 and 4, so that they can start operating with Plasma cutting technology, which uses electricity.

The main objectives of this Measure are to electrify the sector and reduce GHG emissions, given the lower emission rate of electricity.

The Retrofit will also make it possible to achieve greater productivity (higher speed; less downtime), higher cutting quality (which results in greater efficiency, since highly costly secondary operations disappear because the parts go directly from the cutting table to the welding, painting or assembly processes) and also reduce costs in various parameters, such as the number of hours spent cleaning parts.

MARTIFER NOT ONLY ANTICIPATES BUT EXCEEDS THE TARGETS SET FOR 2025, SINCE THE IMPACT OF THIS PROJECT IS ESTIMATED TO SAVE 51.48% OF RELATIVE GREENHOUSE GAS EMISSIONS BY 2025.

M5 - replacement of profile cutting machines
Martifer Construções has 2 Profile Cutting machines in OF1 that show high rates of energy inefficiency and are very worn out due to their age/obsolescence.
Replacing the two pieces of equipment with just one piece of equipment, compatible with the state of the art in energy efficiency, which, in addition to the energy gains, will also make it possible to obtain various gains in terms of production.

This investment will reduce electricity consumption through various indicators: reduction in the number of hours, higher cutting speed, and reduction in maintenance costs.

M6 - Wind Production Unit for Self-consumption (UPAC)
Installation of a 2.1 MW Wind Production Unit for Self-consumption (a small installation) to produce energy for self-consumption in Oliveira de Frades - OF1 and OF2.

The Production Unit for Self-consumption will basically consist of a single wind turbine that converts wind energy into electricity in alternating current form, and voltage-boosting transformers located outside the wind turbine; as well as all the cabling, control, cutting, protection and measuring equipment. It will also have other auxiliary systems that seek to guarantee its operation, such as self-supply of its electricity needs, and the surveillance, safety and monitoring systems.

Advantages of this type of energy resource: no GHG emissions; no waste; clean transformation of the natural energy resource (wind); very durable and low-maintenance system.

With this investment, Martifer electricity from the grid, which in addition to reducing indirect GHG emissions will positively affect its energy invoice.

M7 - Smart factory: digitalisation and dematerialisation of the production and quality control system
The methodology for controlling the quality of manufacturing processes involves printing pre-established forms and drawings appropriate to the product and process in question. As part of the project, Martifer Construções will invest in a Sw Aplicacional Izertis to eliminate the paperwork involved in quality inspection of items produced on the shop floor. The aim of this tool is to digitise and innovate in the way these processes are carried out. With this tool, an automatic and parameterised report is generated (with digital signature) and with the annexes necessary for product traceability (drawings, comments, photos, and technical datasheets). In addition to the digitalisation and dematerialisation of processes, an increase in efficiency is expected, as well as a 90% reduction in paper consumption.

The project is currently in the execution period, with the implementation of all the aforementioned measures, which will take place in 2024, for subsequent assessment in 2025.

The project's contribution to the national objectives for reducing GHG emissions is unequivocal, with the goal of reducing industry emissions by 30% by 2030 as set out in the PNEC 2030, compared to 2005 (indicative target). In other words, Martifer not only anticipates but exceeds the targets set for 2025, given that the impact of this project is estimated to save 51.48% of relative greenhouse gas emissions until 2025.

In its Management Policy, Martifer Group is committed to improving the satisfaction of its clients, shareholders, employees and society in general.

To ensure that this Policy is applied, the Group bases its organisation on the implementation of an Integrated Quality, Safety and Environment Management System, the main objectives of which are to ensure the quality of its products, employee safety, improved environmental performance and social responsibility. In short, the Group "likes" its Policy to be understood by all employees as: "Do it right on the first attempt, safely and respecting the environment".

Therefore, Martifer Group has always had a strategy oriented towards the satisfaction of its clients and the conscience that we can only cater, with quality, to the needs of our clients with committed and motivated employees.

In 1997, the group began to certify its management system by obtaining certification for the quality management system of Martifer Construções Metalomecânicas according to the ISO 9002 standard. In 2005, the same company also obtained the Group's first certifications in the areas of safety and environment, respectively in accordance with OHSAS 18001 and ISO 14001. From then on, many others followed, with certification of the management system in various companies, various countries and also various certifications related to the product/service. Martifer Group, with the implementation and certification of several management systems, has obtained as main results:

• Recognition of work practices, social and environmental concerns by an external entity, which allows due recognition by our clients, employees and society in general.

• Increased employee satisfaction and motivation.

• Increased productivity.

• Reduction of flaw costs.

• Reduction in the accident rate.

• Reduction of costs inherent to the consumption of resources, with a consequent improvement in environmental performance.

• Prevention and reduction of pollution.

CERTIFICATIONS

Martifer Group currently holds the following certifications, which identify the subject of each certification and the respective certifying entity.

Martifer – Construções Metalomecânicas, SA
(Portugal):

• ISO 9001 | Quality Management Systems (Portuguese Certification Association - APCER);

• ISO 45001 | Occupational Health and Safety Management Systems (APCER);

• ISO 14001 | Environmental Management Systems (APCER);

• EN 1090-1 | Manufacturing Production Control (TÜV Rheinland);

• EN 1090-2 | Welding (TÜV Rheinland);

• ISO 3834-2 | Welding Inspection Certification (TÜV Rheinland);

• SCC** | Safety, Health and Environmental Certification in Oil and

QUALITY, SAFETY AND ENVIRONMENT

Gas-related activities | Bureau Veritas.

• Z-30.6-73 - NC 112 | Technical specification for welding details | Fraunhofer Institute.

• DM 17 | Technical Standards for Construction for the Italian market | Consiglio Superiore dei Lavori Pubblici.

Martifer Romania RO SRL
(Romania):

• ISO 9001 | Quality Management Systems (TÜV Rheinland).

• ISO 45001 | Occupational Health and Safety Management Systems (TÜV Rheinland).

• ISO 14001 | Environmental Management Systems (TÜV Rheinland).

• EN 1090-1 | Manufacturing Production Control (TÜV Rheinland).

• EN 1090-2 | Welding (TÜV Rheinland).

• ISO 3834-2 | Welding Inspection Certification (TÜV Rheinland).

Martifer UK Limited
(United Kingdom):

• ISO 9001 | Quality Management Systems (SOCOTEC Certification UK).

• ISO 45001 | Occupational Health and Safety Management Systems (SOCOTEC Certification UK).

• ISO 14001 | Environmental Management Systems (SOCOTEC Certification UK).

• RISQS | Railway Industry Supplier Qualification Scheme.

Martifer UK has also been awarded the following accreditations:

• CHAS Accreditation | Demonstration of compliance with CHAS requirements, SSIP Core Criteria and UK Health and Safety Legislation (CHAS).

• Deem to Satisfy Acclaim Accreditation | Demonstration of compliance with CHAS and SSIP (SSIP Contractors Health and Safety Scheme CHAS) requirements.

• Acclaim Health & Safety Accreditation | Demonstration of compliance with CHAS and SSIP (SSIP Contractors Health and Safety Scheme CHAS) requirements.

Martifer Construcciones Metálicas España, SA
(Spain):

• ISO 14001 | Environmental Management Systems (APCER);

WEST SEA - Estaleiros Navais, Lda

• ISO 9001 | Quality Management Systems (Bureau Veritas).

• ISO 45001 | Occupational Health and Safety Management Systems (Bureau Veritas).

• ISO 14001 | Environmental Management

DO IT RIGHT ON THE FIRST ATTEMPT, SAFELY AND RESPECTING THE ENVIRONMENT

Martifer Group has implemented an environmental aspects assessment procedure, whose aim is to identify all the environmental aspects arising from its activities and, from these, to determine which have or may have significant impacts on the environment in order to prioritise its actions to mitigate the impacts arising from its activities. To determine the significant environmental impacts, Martifer uses a methodology that considers the seriousness or severity of the impact, as well as the frequency with which it occurs in the activities carried out. This identification and control of the environmental aspects associated with its products, activities and services is the basis of the Group's objective of continuously improving its environmental performance. This work of identifying environmental aspects

is carried out not only for the Group's direct activity but also for its indirect activity, i.e., activities carried out by subcontractors.

THIS IDENTIFICATION AND CONTROL OF THE ENVIRONMENTAL ASPECTS ASSOCIATED WITH ITS PRODUCTS, ACTIVITIES AND SERVICES IS THE BASIS OF THE GROUP'S OBJECTIVE OF CONTINUALLY IMPROVING ITS ENVIRONMENTAL PERFORMANCE.

The assessment of environmental aspects is reviewed periodically and whenever there are changes that justify it, such as changes in the facilities and activities carried out, changes in the surroundings or changes in the legislation applicable to environmental aspects.

As a result of this assessment, the environmental aspects identified as significant, resulting from the Group's activities, are energy consumption, air emissions and waste production, namely hazardous waste.

Given the nature of the shipbuilding and ship repair activity, water consumption and wastewater discharge is also an environmental aspect rated as significant in this sector of the Group.

ENERGY AND ENERGY EFFICIENCY

In Martifer Group companies, energy consumption is a significant environmental aspect, namely in companies with industrial facilities. As such, this is one of the issues with the highest incidence of actions aimed at reducing this consumption, promoting energy efficiency in facilities and consequently reducing CO_2 emissions into the atmosphere. Currently, Martifer Group's biggest energy consumers are the industrial units located in Oliveira de Frades, dedicated to the manufacture of metallic structures, namely OF2 and the West Sea shipyard in Viana do Castelo dedicated to building and repairing ships.

Accordingly, with the aim of improving energy efficiency and, consequently, the

Group's environmental performance, Energy Consumption Rationalisation Agreements (ARCE) are being implemented at these facilities.

At the OF2 facility, the aim is to reduce specific energy consumption by 4%, which means a reduction of 39 toe/year, which at the end of ARCE implementation in 2023 means a reduction of approximately 300 tonnes of oil equivalent (toe's).

To achieve these objectives, the actions implemented were, among others:

• Replacement of less efficient lighting systems with LED technology.

• Control and reduction of compressed air leaks.

• Fine-tune the combustion of the painting cabins' burners.

• Improve the energy efficiency of machinery and equipment.

During 2023, the OF2 plant, considering all forms of energy, consumed 535 toe.

At the moment and after ARCE was completed at the end of 2023, the final results are still being determined; however, with the data available so far, the expectation is that the objective of reducing specific consumption by 4%

was achieved and even surpassed, with the actual reduction expected to be higher than the initially forecast figure of approximately 300 tonnes.

It should be noted that, following the conclusion of the ARCE mentioned above, a new energy audit is already underway, the aim of which is to identify new actions that could help reduce the facility's energy consumption.
In the case of the West Sea facility in Viana do Castelo, the aim is to reduce specific energy consumption by 6%, which means a reduction of 112 toe/year by the end of the ARCE term in 2026.
To achieve these goals, the actions to be implemented and those which are ongoing are, among others:

• Introduction of a Consumption Monitoring System.

• Use air compressors from the blasting sector as an alternative to air centrals 1 and 2.

• Control of compressed air leaks.

• Replacement of less efficient lighting systems.

• Introduction of a Production Unit for Self-consumption with 195.3 kWp.

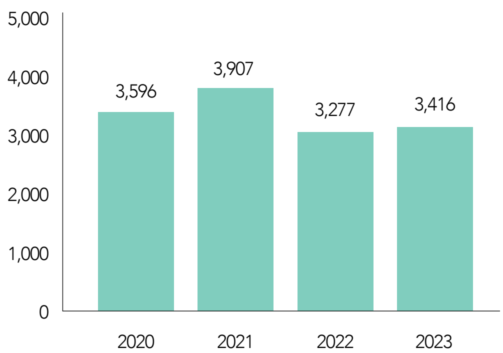
During 2023, considering all forms of energy, West Sea consumed 1,671 toe's.

The following table shows Martifer Group's energy consumption in 2023, broken down by type of energy. We emphasise that the energy consumption shown refers only to direct consumption, resulting from its facilities and vehicle fleet.

Type of energy	Consumption	toe's
Liquefied Petroleum Gas	127 tonnes	146.21
Natural gas	620 MWh	53.22
Electricity	12,606,290 kWh	2,710.35
Diesel	481 tonnes	491.84
Petrol	13 tonnes	13.93
TOTAL	---	**3,415.56**

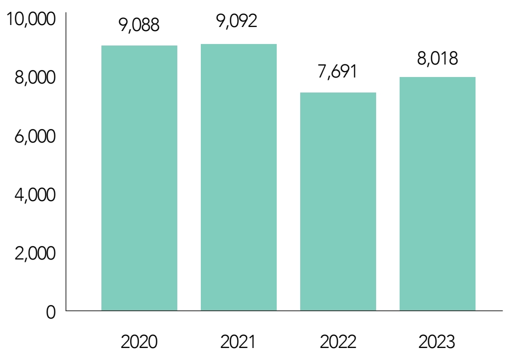
As can be seen from the table above, for Martifer Group as a whole and considering all the types of energy used, approximately 3,416 toe's were consumed in 2023. This consumption represents an increase of approximately 4% in relation to the consumption of 2022. The evolution of energy consumption in toe's (2020-2023) can be seen in the graph below.

Total Energy Consumption (tonnes of oil equivalent)



In 2023, the abovementioned consumption represented an emission of approximately 8,018 tonnes of CO2 into the atmosphere, which represents, as with total consumption in toe's, an increase of approximately 4% when compared to consumption in 2022. The evolution of CO2 emissions (2020-2023) can be seen in the graph below.

CO2 emissions (tonnes)



Despite the increase in energy consumption and CO2 emissions from 2022 to 2023, there has been a decrease in Martifer Group's specific energy consumption, if we cross-check these figures with the Group's turnover, which shows an improvement in environmental performance in this respect.

This improvement can be seen in the following table, which shows the figures for energy consumption in toe per million € invoiced and the emission of tonnes of CO2, also per million € invoiced.

Year	toe per Million € invoiced	tonne CO2 per Million € invoiced
2021	17.1	39.8
2022	17.2	40.4
2023	16.1	37.9

As can be seen in the table above, specific energy consumption fell by approximately 6% when comparing consumption in 2023 with consumption in 2022. Likewise, comparing the same years, depending on the volume of turnover, approximately 6% fewer tonnes of CO2 were emitted as a result of the Group's activity.

The use of vehicle fleet is also one of Martifer Group's greatest energy consumers; therefore, a Policy for the acquisition, hire and use of vehicles remains in force, which aims to reduce the environmental impacts associated with the Group's vehicle fleet.

6% LESS ENERGY CONSUMPTION IN TOE'S PER MILLION € INVOICED, WHICH IS EQUIVALENT TO 6% LESS CO2 EMISSIONS PER MILLION € INVOICED, COMPARED TO 2022.

POLICY FOR THE PURCHASE, HIRE AND USE OF VEHICLES

The implementation of the policy for the acquisition, hire, and use of vehicles at Martifer has resulted in a strategic and proactive approach to environmental responsibility and sustainability. By prioritising the choice of electric or hybrid vehicles during the purchase or hiring process, the company demonstrates its commitment to reducing polluting gas emissions, contributing to broader environmental goals.

The preference for diesel vehicles over petrol vehicles, with the aim of reducing emissions of tonnes of CO2 into the atmosphere by 15%, reflects a tangible commitment to mitigating the environmental impacts associated with the company's vehicle fleet.

The consideration of environmental criteria as a determining factor in tie-breaking situations when selecting vehicles reinforces Martifer's commitment to adopting sustainable practices.
In addition, prioritising lighter cars, combined with more efficient consumption, contributes to the fleet's energy efficiency. In short, the implementation of this policy not only aligns Martifer with strict environmental standards, but also reinforces its commitment to building and maintaining a more sustainable fleet of vehicles, promoting environmental awareness and operational efficiency.

AIR EMISSIONS

Given the nature of the activities carried out by Martifer Group, the Volatile Organic Compounds (VOC) pollutant is the most significant pollutant considering the origin of the industrial activities carried out by the Group.
These pollutants are mainly the result of painting metallic structures, an activity carried out in several of the Group's industrial units.

Therefore, various initiatives have been implemented over the years with the aim of minimising the environmental impacts associated with these emissions. Among the various initiatives, we highlight the following:

• Redesign of the painting areas with the adaptation of the exhaust systems and associated treatments, with the aim of reducing air emissions and their hazardousness. This redesign of the painting areas makes it possible to reduce the amount of VOC emissions in a diffuse manner, entrusting the pollutants to a treatment system.

• Operational awareness-raising initiatives with employees to minimise diffuse emissions associated with the process of handling and using paints.

• Progressive replacement of solvent-based paints with large quantities of volatile organic compounds with water-based paints, whenever possible according to client specifications.

The Group's industrial activities also emit other pollutants, such as particles, CO, NOx and heavy metals, but in non-significant quantities and the measures described above to minimise VOC emissions also contribute to the reduction of these pollutants. Also, for these pollutants, various measures are in place to minimise the emission of air pollutants and, at the same time, improve the working environment for our employees. In 2023, Navalria installed new smoke extraction equipment on the worktable in the plumbing workshop. In Viana do Castelo, a blasting and painting booth was remodelled at the West Sea shipyard. In Martifer Group's various facilities, there is also a lot of equipment that uses chlorinated or fluorinated gases.

Chlorinated gases and fluorinated gases are used in various types of equipment to cool it. Chlorinated gases contribute to the depletion of the ozone layer and fluorinated gases contribute to global warming.

However, these gases only become an environmental problem if, due to some kind of equipment malfunction, they are released into the atmosphere.

As such, the Group has implemented a preventive maintenance plan for this type of equipment, with checks that include the detection of leaks, in order to reduce the likelihood of this type of pollutant being released.

WASTE

The production of waste is also an environmental aspect assessed as significant, namely the production of some hazardous waste, which is mainly the result of painting and maintenance activities. These activities are predominant in the industrial plants in Oliveira de Frades and the shipbuilding and ship repair yards in Viana do Castelo and Aveiro.

In this environmental aspect related to waste production, the behaviour of employees has a major impact on improving the Group's environmental performance. The correct separation of waste maximises the amount of waste sent for recovery operations to the detriment of waste sent for disposal operations.

For this, at the Group's various facilities and places of activity, various training and awareness-raising activities are carried out on an ongoing basis with all employees on the correct management of the produced waste.

The aim is not only to raise awareness but also to make all employees accountable for the proper treatment of waste, thereby maximising its recovery. In these actions, we pass on to our employees a culture based on the 3 R's.

The 3 R's

MAKE RESPONSIBLE
Define rules
RESPECT
Comply with the defined rules
RECYCLE
Separate correctly

20% LESS WASTE PRODUCTION IN TONNES PER MILLION € INVOICED. MORE THAN 90% OF WASTE SENT FOR RECOVERY FOR THE 11TH CONSECUTIVE YEAR (TARGET SET BY THE GROUP).

Rules are defined for the reuse and separation of the produced waste, making every employee accountable for their compliance to increase the amount of waste that can be recycled, through its correct separation and routing to authorised waste treatment operators.

The following table shows the amount of waste produced in the Group in 2023, broken down by the main types.

Type of waste	Quantity produced (tonnes)	% per type of waste
Metallic waste	3,200	31.8
Non-hazardous waste	5,430	5.,0
Hazardous waste	1,420	14.1
TOTAL	**10,050**	---

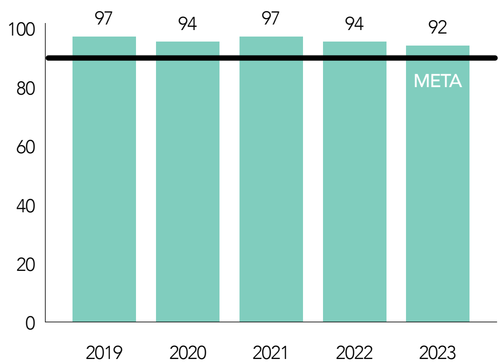
Given the nature of the activities, around 73% of the waste produced comes from the Group's shipbuilding and ship repair yards (Aveiro and Viana do Castelo).

The following table presents the same data, but now differentiated by the type of treatment to which the waste produced was subject.

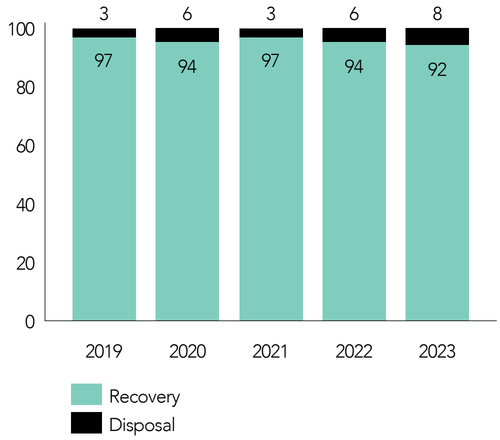
Type of Treatment	Quantity (Tonnes)	% by type of treatment
Recovery (R operations)	9,267	92.2
Disposal (D operations)	783	7.8

The following graphs show the percentage of waste sent for recovery (R operations) and for disposal (D operations) from 2019 to 2023, with figures always above 90% (the target set by the Group) for waste recovered compared to waste sent for disposal. Since 2013, and therefore for the 11th consecutive year, there have been results above 90% for waste sent for recovery operations.

Recovered waste (%)



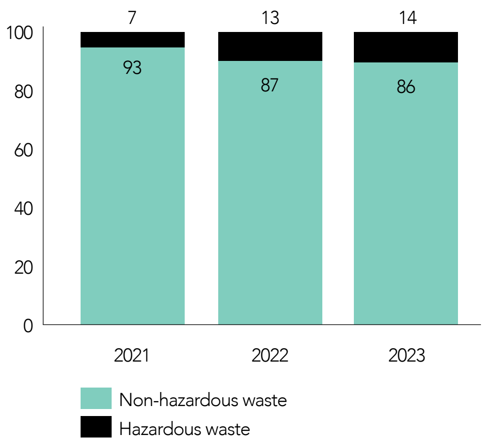
Recovered vs Non-Recovered Waste (%)



These figures for recovered waste, which consistently exceed 90%, indicate the efforts Martifer has made not only to reduce the waste produced but also to find "partners" in the management and treatment of waste that provide more environmentally correct and appropriate treatment for the waste generated in the Group.

The following graph shows the percentage comparison between hazardous and non-hazardous waste produced, showing that hazardous waste accounts for only approximately 14%, compared to around 86% of non-hazardous waste. The percentage of hazardous waste rose compared to the previous year, albeit very slightly, as can be seen in the graph below. The Group's goal is to reduce the amount of waste produced, but also the % of hazardous waste, which it aims to systematically bring below 10% of the overall waste produced.

Hazardous waste vs Non-hazardous waste (%)



Waste production in the Group decreased by approximately 11% when comparing 2023 with 2022. In the same period, the Group's turnover grew around 11%, thus contributing to a significant decrease in the indicator tonnes of waste produced per million Euros invoiced. These figures demonstrate the Group's efforts to implement actions aimed at reducing waste production.

Year	Waste produced (in tonnes) per Million € invoiced
2021	75.7
2022	59.3
2023	47.5

WATER

In the various companies of Martifer Group, there is a lot of diversity when it comes to water consumption.
In companies in the metalworking industry, without the use of water in their manufacturing process, water consumption is fundamentally linked to human activity. On the other hand, in activities related to the shipbuilding industry, water consumption is significant, as is wastewater production.

In 2023, total water consumption in the Group was approximately 72,999 m, of which 78% was consumed in activities related to the shipbuilding industry. Compared to 2022, in 2023 there was a slight increase in the Group's water consumption (approximately 5%). Water consumption from 2021 to 2023 can be seen in the table below.

Year	Quantity produced (tonnes)
2021	52,581
2022	69,681
2023	72,999

As can be seen in the table above and as already mentioned, total water consumption rose in 2023 compared to 2022; however, the Group's specific consumption fell (by approximately 6%), if we consider this figure in terms of the Group's turnover. This can be seen in the following table.

Year	Amount of water consumed (in m3) per Million € invoiced
2022	366
2023	345

It should be noted that approximately 61% of the water consumed comes from our own harvests and the remaining 39% from municipal networks. We should also emphasise that the figures presented refer only to direct water consumption in all the Group's facilities/buildings.

With regard to wastewater production, 95,913 m3 of wastewater was produced in 2023, almost all of which was also equally associated with the naval industry's activities.

The following table shows the figures for the quantities of wastewater produced in the years 2021 to 2023.

Year	Quantity produced (tonnes)
2021	97,693
2022	64,111
2023	95,913

As water consumption and the production of contaminated wastewater are significant environmental issues in the naval industry, both the Aveiro shipyard (Navalria) and the Viana do Castelo shipyard (West Sea) have been subject to various actions, not only with the aim of reducing water consumption but also to reduce wastewater production. Among these actions, we highlight the following:

• Discharges into water are monitored through effluent analyses.

• Planning activities beforehand to eliminate/mitigate impacts, where possible, directly at the source.

• Improvement in various machines and equipment in the refrigeration process in order to minimise the water consumption of this equipment.

• Increase in the number of Environmental Kits strategically located on the premises, with all the resources for rapid and efficient control of any spills.

• Use of marine containment booms, which are used as essential tools to maintain the integrity and quality of the waters, ensuring that, in the event of a spill, it is contained until it is eliminated.

• Water containment curtains, which are responsive devices for eliminating/ mitigating the possible impact of water pollution during blasting and painting work.

• Availability of biodispersants and foam carts for accidental spills.

• Improvement in various places, such as the maintenance area, the oil park and the piping, with waterproofing of the floor to ensure the protection of the soil and the aquatic environment.

• More retention basins for occasional use when necessary.

• Training to raise awareness of water wastage and soil and water contamination.

In the other Group companies, although water consumption is not very significant, actions are also taken to reduce water consumption, namely various training and awareness-raising sessions to avoid wasting water, given that water consumption in these companies is restricted to human consumption.

Compliance

In 2023, there were no sanctions or payments of fines for non-compliance with environmental legislation.

AS THE CONSUMPTION OF CONTAMINATED WASTEWATER IS A SIGNIFICANT ENVIRONMENTAL ISSUE IN THE NAVAL INDUSTRY, BOTH AT THE AVEIRO SHIPYARD (NAVALRIA) AND AT THE VIANA DO CASTELO SHIPYARD (WEST SEA), VARIOUS ACTIONS HAVE BEEN CARRIED OUT, NOT ONLY WITH THE AIM OF REDUCING WATER CONSUMPTION, BUT ALSO TO REDUCE THE PRODUCTION OF WASTEWATER.


MARTIFER

03
SOCIAL VALUE

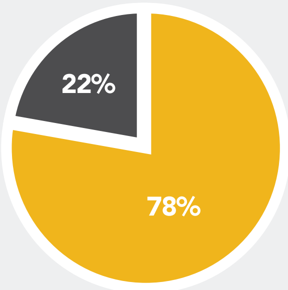
WE ARE 1,340 PEOPLE

The unique contribution of our people is the starting point for understanding the plurality of Martifer Group.

1,340 people brought together in a single Group, of different nationalities, living in 9 different countries sharing the same corporate objectives, centred on promoting equality, sustainability and improving living conditions.

For Martifer, the conviction is clear: our people are the most important element in the Group's success.

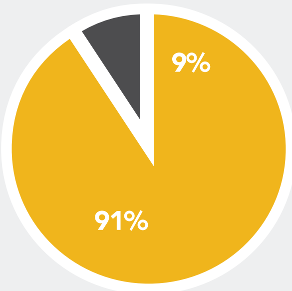
EMPLOYEES AND WORKING ENVIRONMENT



Metallic Constructions

952 EMPLOYEES

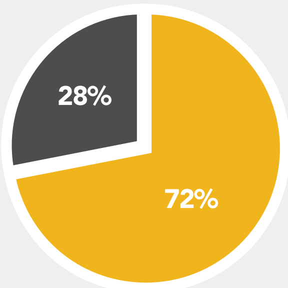
211 WOMEN
740 MEN



Naval Industry

343 EMPLOYEES

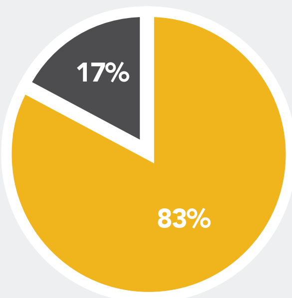
30 WOMEN
313 MEN



Renewables & Energy

39 EMPLOYEES

11 WOMEN
28 MEN



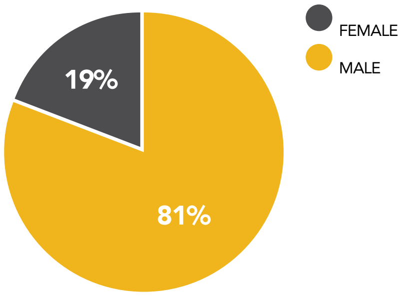
Holding

6 EMPLOYEES

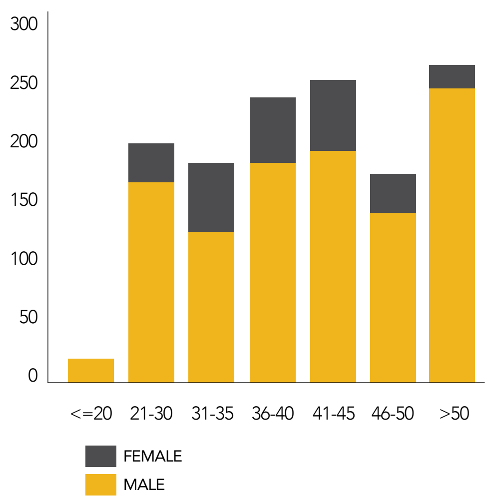
1 WOMEN
5 MEN

SEX

The low representation of women in the metalworking, naval, and industrial maintenance sectors as a whole is a reality, and it will be with us for a long time. This has obvious repercussions on the distribution of the number of employees by sex. Despite the efforts made to counteract it, this indicator will probably be the one where change will take the longest.

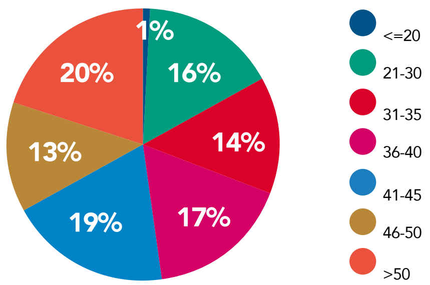


Sex by age



AGE

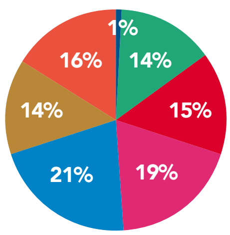
Distribution by age



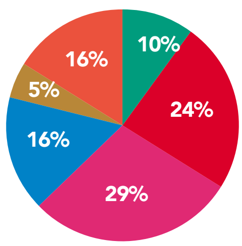
THE LOW REPRESENTATION OF WOMEN IN THE METALWORKING, NAVAL INDUSTRY AND INDUSTRIAL MAINTENANCE SECTORS AS A WHOLE IS A REALITY AND WILL BE WITH US FOR A LONG TIME, WITH OBVIOUS REPERCUSSIONS ON THE DISTRIBUTION OF THE NUMBER OF EMPLOYEES BY SEX.

Age by Business Area

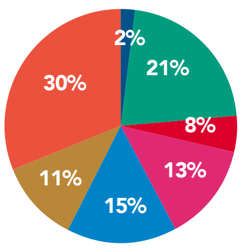
METALLIC CONSTRUCTIONS



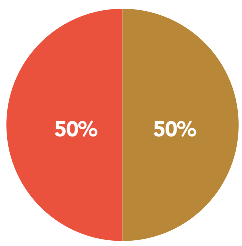
RENEWABLES AND ENERGY



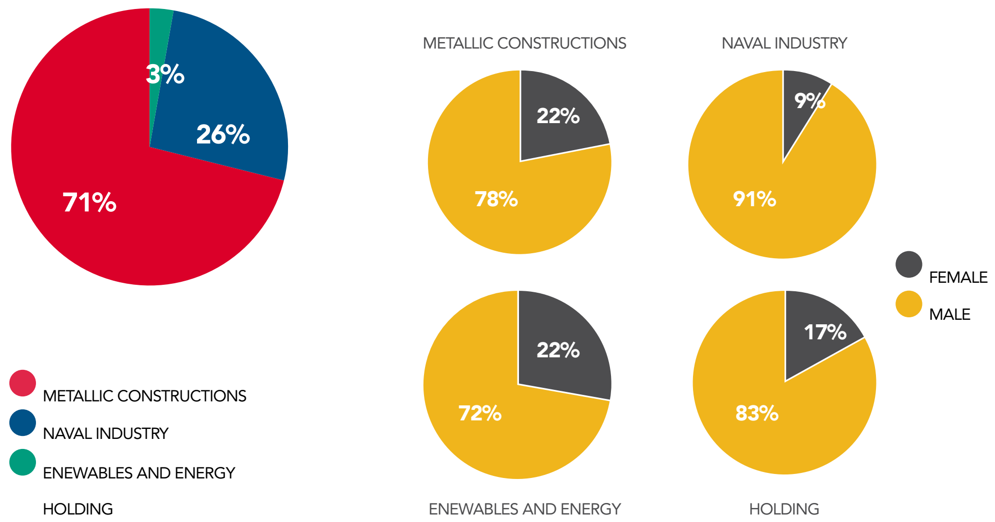
NAVAL INDUSTRY



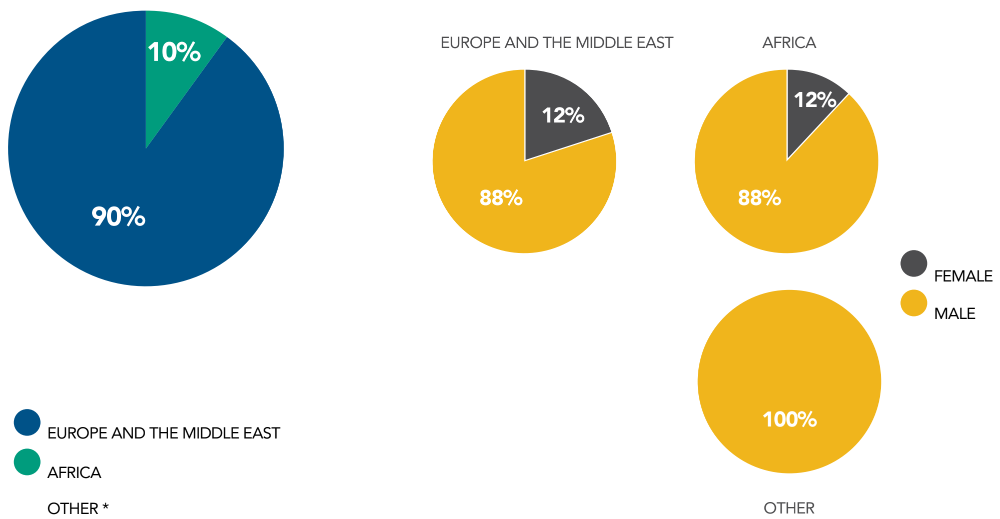
HOLDING



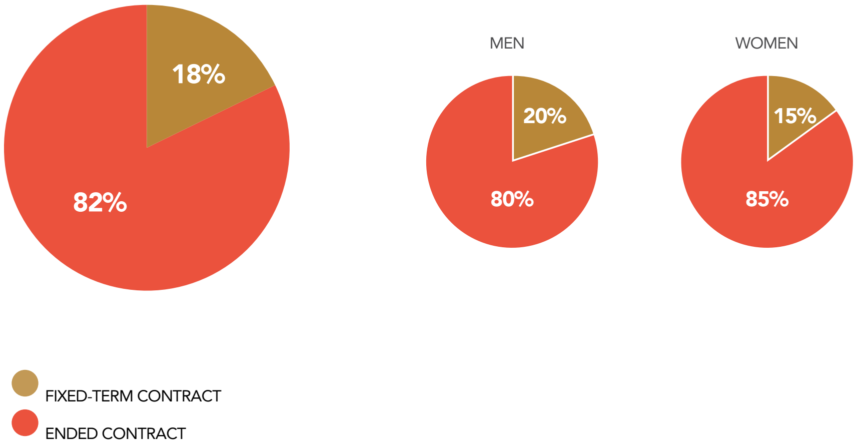
BUSINESS AREA



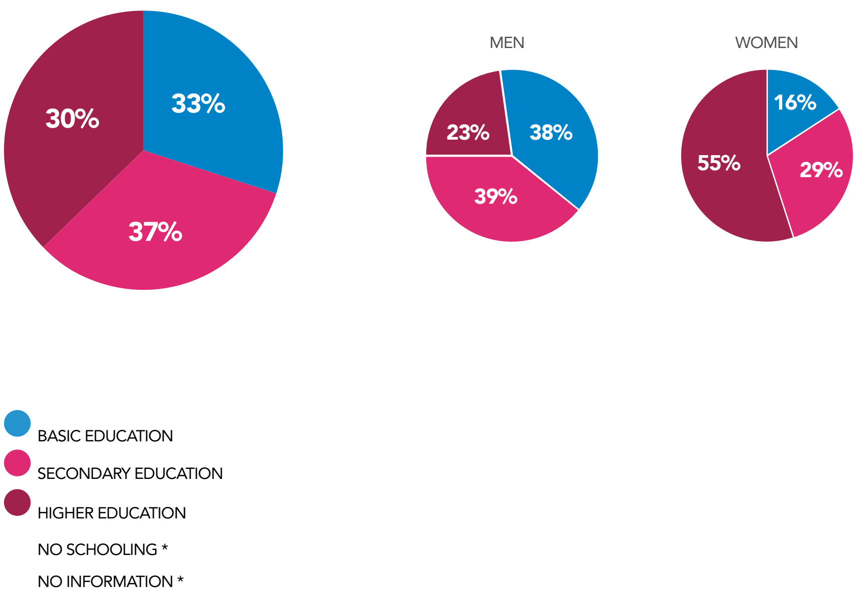
GEOGRAPHICAL AREA



TYPE OF CONTRACT



EDUCATION



* percentage without expression

MEDICAL APPOINTMENTS AND FACE-TO-FACE SERVICE - OUR EMPLOYEE ASSISTANCE DESK

Inaugurated 15 years ago, the Employee Assistance Desk guarantees face-to-face service for the Group's employees in Oliveira de Frades and provides information on the different areas of Human Resources, reaching around 700 employees. Complementing the services available on the internal portal, the multimedia kiosks and the email service, this assistance desk enables closer and more personalised communication, especially for plant and assembly employees who may not have access to digital means of communication.

The assistance desk is also the centralised location for the health services available to employees, such as the nursing service, clinical analyses and consultations for occupational and curative medicine. Regarding curative medicine consultations, 816 consultations were carried out in Oliveira de Frades alone. A huge benefit for the health and work-life balance of employees, who have a doctor at their disposal whenever they need one, without queues and during working hours.

INFLUENZA VACCINATION

Martifer offers its employees the chance to get vaccinated against the influenza virus free of charge every year. Many of our people work outdoors on construction sites, in factory shipment yards and are more vulnerable to weather conditions. In 2023, 174 employees were vaccinated against the influenza virus.

MEALS AND SOCIALISING ON A DAILY BASIS

The Group has canteens on its premises in Oliveira de Frades and Viana do Castelo, guaranteeing access to varied and affordable meals. It serves around 300 meals a day in Portugal.

The head office's canteen and the adjacent social area were remodelled to improve the conditions for socialising and having meals. The transparency between the three areas (canteen, social area and inner courtyard) allows more light to get in, culminating in communion between the spaces. In the social area, a pantry was created with a fridge and other useful appliances.

In Viana do Castelo, on West Sea's premises, the canteen was the stage for a performance by the Bulgarian folklore group Nikola Ginov as part of the programme for the 25th Alto Minho International Folklore Festival, in which West Sea collaborated by making such a different "stage" available.

In Angola, in order to guarantee good nutrition for employees, access to the canteen is free of charge. All those who work close to Martifer's headquarters in Viana have their breakfast in the morning and lunch at Martifer's facilities, free of charge.

SUPPORT AND BENEFITS

INSURANCE

As part of Martifer Group's incentive policy, employees with indefinite-term work contracts are entitled to health insurance free of charge, which can be extended to their family members. Displaced employees benefit from health and life insurance regardless of the type of contractual relationship and according to the expected duration of the displacement period.

In 2023, aware that the difficult management of the family budget often puts oral health on the back burner, Martifer included oral health coverage in the insurance package it offers its employees.

This package offers 200 Euros per year for dental and oral treatments and can be extended to members of the household.

In Portugal, in 2023 it included around 830 workers and also benefited 263 members of their families.

MADVANTAGES - COOPERATION PROTOCOLS

From a local social development perspective, cooperation protocols have been set up with organisations close to the Group's industrial centres to develop and promote local commerce and, at the same time, find advantages for employees and their families when purchasing products and accessing services.

Martifer currently has around 60 cooperation protocols, with an average price reduction of 20%, in the areas of Culture and Leisure, Education, Aesthetics, Geriatrics/Gerontology, Health and Well-being, Telecommunications and Transport.

LIBRARY OF THE ACADEMY OF COMPETENCES

To invest in Martifer's Human and Intellectual Capital, the Library of the Academy of Competences was created in 2011, facilitating access to knowledge that can boost personal and professional development and stimulate the taste for reading. It currently has more than 750 publications available, among contents of applied sciences, social sciences, law, economics, technologies, and literature, among others, which can be requested through the HR Solutions service.

ACADEMY OF COMPETENCES

Martifer's commitment to integrated talent management and the development of human potential continued in 2023. Professional training is an essential pillar to strengthen employees' skills and drive organisational progress. With this in mind, the Academy of Competences continues to play a fundamental role in promoting the technical and personal growth of employees.

The commitment to expanding technical and personal skills, in line with the Group's strategy, and also with the individual needs and expectations of employees, leads to a mixed approach by the Academy of Competences, which uses both external training and the development of in-house training projects. The Academy has focused its attention on this last area, consolidating its activities by creating and running internal programmes.

By using this approach, the Academy of Competences aims to capitalise on in-house know-how through a team of technically and pedagogically qualified trainers who guarantee excellence in the transmission of knowledge.

In 2023, more than 750 training projects were carried out, involving more than 1,200 employees, and it should be noted that around 77% of these projects relate to internal training projects.

TRAINING PROJECTS 2023		
Total no. of projects	784	%
Internal Training*	606	77.30%
External Training**	178	22.70%

* Projects carried out with internal resources
** Projects with external trainers/entities

At the end of 2023, we had had more than 23,000 hours (23,749) of training.

The training projects promoted by the Academy of Competences are the result of Martifer Group's annual training plan for employees, defined on the basis of the strategic objectives of the different business areas, the need for updating knowledge and developing identified skills.

The training activity is based on several areas, from adequacy to the workstation to behavioural domain, management, continuous improvement, innovation and technology.

Analysing the volume of training in 2023, we highlight the importance given to certain areas of training - metallurgy and metalworking, occupational safety and hygiene, foreign languages and literature and engineering and related technical subjects.

Metalworking, Martifer Group's core area of activity, accounts for a significant 32.03% of the total volume of training, which clearly demonstrates the company's commitment to strengthening and maintaining the technical skills of its employees.

Safety and hygiene at work with 23.46%. Consistent attention to safety issues reflects Martifer's concern about maintaining high safety standards and

TRAINING AND DEVELOPMENT

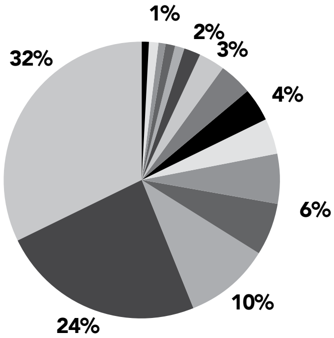
guaranteeing safe and healthy working environments.

Engineering and related technical subjects account for almost 10% of the training volume, which confirms the continuous quest to update employees' skills to meet the challenges of highly complex engineering projects. Since engineering is a constantly evolving area, the training effort in this area demonstrates the Group's dedication to remaining at the forefront of innovation

Training in foreign languages and literature seeks to respond to Martifer's strong international presence. The fluency in other languages, essential in the global markets where Martifer is present, has been a necessity clearly reflected in the Group's training plan for some time now and it is not expected that it will decrease.

Breakdown of the volume of training by the main training areas:

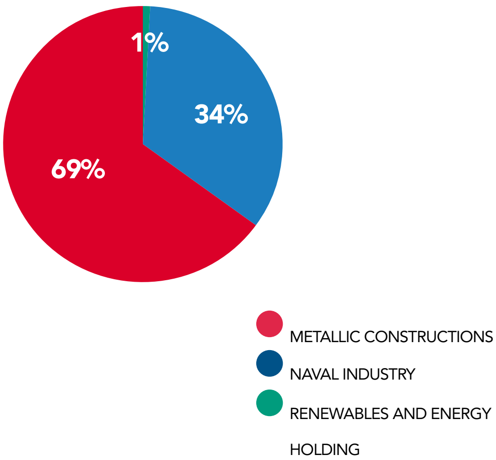
Distribution per training area
Percentage

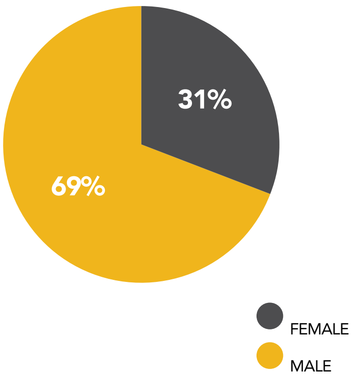


32	Metallurgy and metalworking
24	Safety and hygiene at work
10	Engineering and related technical subjects
6	Foreign languages and literature
6	Integration into the organisation/company
4	Personal development
4	IT from the user's point of view
4	Protecting people and property
3	Business sciences
2	Trade
1	Management and administration
1	Health
1	Accounting and tax
1	Environmental protection technology
1	Electricity and energy

Training hours carried out in 2023

Training volume by business area and by sex





QUALITY OF THE TRAINING

Focusing on continuous improvement, Martifer's training projects are evaluated to assess the reaction of the trainees and trainers, the acquisition of knowledge and its transfer to the workplace.

The assessment models adopted by the Academy of Competences are based on different levels of intervention which, like the instruments used for this purpose, are defined when the project is designed.

The assessment of the reaction to training aims to gather information regarding the acceptance of the content of the training, the trainer's performance, the assessment of certain aspects of the training project and receive suggestions for improvement.

As has been the case for a number of years, the overall result of the reaction to training in 2023, not including training provided by external entities, demonstrated the quality of the training activities carried out by Martifer.

EVALUATION OF THE REACTION TO TRAINING	
DIMENSION ASSESSED	ASSESSMENT
Course	3,4
Trainer	3,8
Organisation	3,5
Trainees	3,5
Overall assessment of the project	3,6

Insufficient (1)
Adequate (2)
Good (3)
Excellent (4)

In addition to evaluating the reaction to the training, the evaluation of knowledge, behaviour and effectiveness are used to assess the quality of the training activities carried out at Martifer.

Knowledge assessment and behavioural assessment are carried out whenever possible in order to assess what skills or knowledge have been acquired and/or developed during training and to what extent the knowledge has been transferred to the work context.

With regard to evaluating effectiveness, as one of the most relevant indicators associated with each training project, the Academy of Competences pays special attention to this. Aimed essentially at verifying whether the objectives that led to the need for training have been achieved and the competences installed, the criteria that determine the effectiveness of the programmes are defined before they are carried out and both their determination and the evaluation itself are the result of the commitment to continuous improvement implicitly assumed by managers, employees and the Academy of Competences. In this context, this methodology not only allows the assessment of the real benefits of each internal or external programme in relation to the investment made, but it also allows the company to implement corrective actions in relation to training programmes that have not been effective, in order to increasingly adapt the contents, teaching methods, among others, to Martifer Group's reality.

FEATURED TRAINING PROJECTS

Onboarding and integration

As part of the process of integrating employees into their jobs, whether as part of a new hire or in a situation of functional mobility, training programmes are usually developed to reduce the employees' sense of insecurity, promoting alignment and identification of the employee with the mission, vision and values of the company, as well as with the best professional practices, while at the same time providing specific knowledge regarding the tasks to be carried out.

In this context, throughout 2023, we organised some training projects for employees who started their jobs or who were in a situation of functional mobility to share the knowledge and skills necessary for exercising the position.

These training sessions are organised as on-the-job or classroom-based, depending on the skills to be developed and the specific nature of the content to be covered, and are provided by the employee's hierarchical superior or the person responsible for the employee's integration, where applicable, as well as by other persons to be appointed by the Academy of Competences, taking into account the area of education and training in which the job falls.

TRAINING | Integration into the organisation

COURSE	NO. OF TRAINEES	NO. OF PROJECTS
Onboarding new employees	178	88
Guide on Onboarding and Integration into the Workplace	33	33

TRAINING | Talking HR

With the aim of promoting an organisational culture based on respect, transparency and valuing our employees, the Human Resources department, together with the Manufacturing department, organised several training sessions throughout 2023 on the subject "Talking HR".

The aim of this initiative is to inform and raise awareness among employees in the different sectors of metal structure manufacturing about crucial human resources issues, such as:

• The defined internal procedures relating to the duration and management of working hours.

• The Human resources policies and practices aligned with equality.

• The values that guide Martifer Group's actions, as well as the ethical principles and the rules of conduct.

Eight training sessions were organised, involving around 60 employees.

Quality, Safety and Environment
Quality, safety and the environment have always received a great deal of attention from the Academy of Competences. Given their importance to the Group, training projects in this area are considered fundamental to the development of work organisation and employee motivation, as well as to the satisfaction of our clients.

We invest in training our people by continually reinforcing this theme in our annual training plans.

We regularly organise internal and external training sessions to raise awareness of the risks of each job or project, in an effort to keep employees aware of safety issues and thereby reduce accidents.

Throughout 2023, investment in the areas of quality, safety and environment was consolidated through the development of various training projects in the Group's various companies.

It should be noted that, in 2023, training and communication in incident prevention were reinforced, particularly with regard to the naval industry activity.

We have strengthened the safety culture at industrial facilities in the naval sector, where employees are exposed to several risks, from handling heavy equipment to exposure to chemicals and adverse maritime environments. Several training projects have been carried out in this area, totalling more than 4,000 hours of training:

TRAINING | Featured training activities on health and safety at work - Naval Industry

COURSE	NO. OF TRAINEES	NO. OF PROJECTS
Safety Briefing	803	69
Calculating Uncertainties in Calibrations	1	1
Safety Advisor	1	1
European first aid course	17	2
Training for carrying out occupational safety activities	1	1
Machinery, Equipment, Tools - Exposure to harmful agents	179	14
New Licensing of Pressure Equipment (DL no. 131/2019)	1	1
A Clean Workshop is a Safe Workshop	165	14
Operation with oxyacetylene torches	15	6
Operating a manual plasma cutting machine	31	10
Equipment Operation	4	5
Individual and Collective Protection Plan	3	2
General safety procedures	194	29
Quality, Environment and Safety for New Employees - Shipyard	43	24
Chemical Safety	136	13
Safety of Machinery and Work Equipment - Practical Application (DL no. 50/2005)	1	1
Safety when erecting and dismantling scaffolding	14	2
Safety on the Operation of Forklifts and Multifunction Machines	37	6
Safety in the operation of Lifting Platforms	45	6
Safety in the operation of Overhead Cranes	66	9
Safety when handling gases	52	4
Safety when working at height	247	21
Raising awareness of the functioning and operation of maritime communications equipment	1	4
Basic life support and AEDs	1	6
Theoretical/practical Hydraulic and Pneumatic Tests and Safety Procedures	33	3

However, training and awareness-raising activities related to occupational safety and hygiene in the Group's other business areas also account for a large proportion of annual training hours.

TRAINING | Featured training projects on health and safety at work

COURSE	NO. OF TRAINEES	NO. OF PROJECTS
30 Minutes of Safety	1055	146
On-site initial training	41	19
CACES P.E.M.P R386 / CACES R486 - Catégorie 3B	10	6
FORMACIÓN EN MATERIA DE PRL - Basic Level	2	1
Instalaciones, cerrajaria, carp y estruct metalicas	1	1
Plan on Self-Protection Measures	1	1
Specific safety procedure	16	7
Quality, Safety and Environment for new employees	114	54
Quality, Safety and Environment for new employees - Manufacturing department	20	13
Safety and Environment - Risks, preventive measures and good environmental practices	3	3
On-site Safety	51	13
Erection, dismantling, supervision and inspection of Scaffolding	4	1

Environmental issues have also been given greater attention by the Academy of Competences, with various training projects having been developed throughout the year, focusing on preventing the environmental impacts and risks of the activity.

TRAINING | BREEAM and LEED sustainable building construction

Given the growing worldwide demand for buildings with sustainable construction certification and the need to prepare our teams for this market, the Academy of Competences, in collaboration with the QSE management, has developed a training project with special emphasis on BREEAM and LEED certification in sustainable building construction. This training course has been designed in line with Martifer's specific needs, to develop the skills needed to identify/understand the concepts and principles applicable to construction projects, focusing on sustainability. Each module will cover the basic concepts and strategies associated with each of the environmental certification systems.

Foreign Languages
Training in foreign languages is especially relevant within the total number of programmes provided in 2023. The markedly international nature of the Group's activities determines the importance attributed to employees' communication skills.

The construction contracts won by Martifer in the UK have reinforced the need to develop knowledge and language skills in English, enabling more effective communication with different interlocutors. In 2023, Martifer Group organised 7 training projects in English, involving more than 30 employees. Each of the training programmes was designed according to Martifer Group's specific needs in this area and aligned with each trainee's knowledge level.

BIM
The need to develop skills in BIM naturally arises with increasingly complex projects in the façade sector. For the rapid adoption of this methodology in professional practice, there is a pressing need for professionals with the right skills to apply it.

Faced with this need, three employees from the façades technical department attended the 17th Edition of the Building Information Modelling Course, organised jointly by the Portuguese Engineering Association, University of Minho, IST, FEUP and FAUP. The course included 80 hours of training during over 5 months of work and culminated in a public presentation of case studies. The end of the course also included the certification of the employees with the "Building Smart International" seal (international organisation driving the digital transformation of global built environment and promotes the bSI Professional Certification Programme).
Focused on developing an internal culture of knowledge sharing, the Academy of Competences, together with the Façades Technical Department, implemented a specialised internal training project aimed at sharing the knowledge acquired in this area to all employees who carry out 3D façade modelling as part of their duties. After and during the formal training sessions, all participants were monitored in the workplace.
The "Hicad" training project began in 2023, and two editions of the course have already taken place, which involved 12 trainees and contributed to a training volume of more than 500 hours. To ensure the effectiveness of this project, it is expected that 7 to 11 editions of the course will be needed, which have already been scheduled for next year.

Executive training programmes
Focused on developing and upgrading the skills of our employees, an executive training plan was defined for 2023. It included different projects aligned with the strategic pillars, specificities, and demands of the Group and aimed to create a positive culture centred on creating value for our people/teams.

In 2023, we developed customised training solutions in partnership with external entities, which allowed us to adjust the topics, exercises and case studies to the needs and concrete realities of Martifer Group.

TRAINING AREA	TRAINING PROGRAMME	RECIPIENTS	NO. OF TRAINEES	VOLUME OF TRAINING (total)
Talent, Leadership and Personal Development	Team Leadership	Department directors and middle managers	36	2,112 H
	Intensive General Management Programme	Coordinating Directors	5	
Communication, Marketing and Sales	Logistics & Supply Chain Management	Procurement team and Project Management	21	
		Commercial directors, operation directors and country managers	26	

RECRUITMENT, ONBOARDING AND INTEGRATION

Believing that people are a critical factor in the Group's success, recruitment, onboarding and integration are essential to
the Group's social climate. Through these processes, Martifer guarantees, from Day 1, that employees are integrated in the best possible way and with all the resources they need to fulfil their roles.

Recruitment
Recruitment plays a key role in maintaining the organisational climate.

Recruitment, carried out internally by the Human Resources department, contributes directly to organisational alignment through a cohesive team by attracting and selecting professionals aligned with Martifer's values and culture.

The current labour market situation, especially in engineering, has brought added challenges to recruitment. In this context, the Group's Human Resources department has proactively tried to reach out to students, whether through schools, student associations, or other organisations. In addition, in line with the Gender Equality Plan, Martifer has endeavoured to interest young people in its activity, either through visits to its facilities, simplified explanations of its processes, or small sessions at schools.

At the same time, the Group has endeavoured to publicise its Employer Value Proposition (EVP), highlighting its inclusive culture and commitment to equal opportunities without discrimination based on gender, origin, ethnicity, political conviction, religion, sexual orientation, or physical disability. These initiatives reinforce Martifer's conviction in working tirelessly to promote a community based on equality and diversity.

Internal Recruitment
Martifer Group encourages internal recruitment whenever appropriate. As is the case with external recruitment, job

DIALOGUE AND ORGANISATIONAL CLIMATE

posts are published in various internal media, with a description of the job profile and the skills required, so that interested employees can apply for these opportunities.

The multinational Group that we are ensures a global market vision and international work opportunities, so internal employee mobility occurs naturally.

External Recruitment
Martifer Group resorts to external recruitment to identify candidates in the market with the profile to fill the existing position, and the management of these processes is ensured by Martifer's Human Resources department.

Career opportunities are publicised in various internal and external media

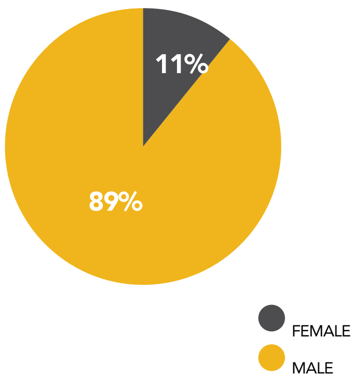
with a description of the job profile and the required skills.

Martifer publicises career opportunities on its website, LinkedIn, Professional Insertion Offices, the Institute of Employment and Professional Training, Business Associations, the Portuguese Association of Engineers, and various educational institutions (secondary, professional, higher education).

As a way of bringing the company closer to young students, Martifer Group has sought to collaborate in some university events, mainly in the regions closest to its premises. Thus, in 2023, we were present at 8 university job fairs; we collaborated with student associations to organise lectures and workshops that gave students a practical insight into the reality of the company and its daily challenges; and also, in direct coordination with teachers, we organised study visits to our facilities.

Recommend a Professional
Martifer Group promotes the "Recommend a professional" initiative to influence good professionals whose personal characteristics align with the organisational culture. This initiative aims to motivate employees to recommend professionals for recruitment processes at Martifer, thus fostering networking and greater employee involvement by giving them the opportunity to contribute directly to strengthening the Group's Human Resources.

Number of admissions in 2023
At Martifer Group, 328 employees were hired in 2023 in the various companies and areas, with different types of contracts: fixed-term or open-ended.



Internship programme - Atreve-te
With a recognised track record in empowering young people, Martifer Group has confirmed this commitment, among other ways, through its annual internship programme - Atreve-te, which in 2023 will be running for the fifth time. Aimed at recent graduates from higher or professional education, Atreve-te aims to promote their integration into the labour market through practical experience in a work context and is an entry point into the Group, with the ambition of being the start of a promising career.

The interns selected to join the Group were included in an onboarding programme that gave them an overview of the business areas and the activities carried out in each department, focused on those most closely related to their internship area.

Curricular and summer internships
Martifer Group has always maintained a partnership with various national and foreign educational institutions, which is characterised by participation in conferences, job fairs and the promotion of curricular and summer internships. The activities carried out by the interns are aligned with an internship plan structured between Martifer, the educational institution and the intern himself or herself.

Onboarding and Integrating New Employees
The onboarding process has a direct impact on motivation and organisational commitment. For this reason, the Group ensures that this process is accompanied by an onboarding plan adapted to the specific characteristics of each company, each position and each employee.

The main objective of the onboarding plans is to guarantee support to the new co-workers, keeping in mind their personal and professional well-being. So, besides the onboarding in the workplace, support is given to other needs that are part of this adaptation process (for example, the search for accommodation and the best solution for commuting, among others).

ONBOARDING TRAINING - COMMUNICATE FROM DAY 1
Martifer Group makes all efforts to communicate clearly from its first contact with employees. In the integration process, the new employees have to participate in onboarding training, where they get to know Martifer in more detail.

In this training, the internal dynamics, the main procedures, and the day-to-day life at Martifer are demonstrated. The content transmitted ranges from the

Group's history (so that they realise how we got to the present day, with the current structure); the main projects (so that they are proud to be part of a team that achieves great things); and the Group's values, among other topics, no less important.

Onboarding Training is also essential to raising awareness of Quality, Safety, and Environmental rules, which are fundamental for integration in the Group.

CELEBRATING CHRISTMAS

Martifer celebrated Christmas globally, in all its locations, but in different ways, adapting to its contexts and geographies.

Transversely, this is the moment chosen by the Group to honour the senior members of the Group. The seniority gifts were given to employees who celebrated in 2023 10, 20 and 30 years at the Group in all the countries where we are present.

PORTUGAL
For the second year running, Christmas in Oliveira de Frades turned the aluminium façade factory into a party hall. With more than 630 colleagues gathered, there was little time for all that we had to celebrate. All those present received a Christmas hamper.

West Sea got together to celebrate Christmas at a dinner in Viana do Castelo. The event was opened by the Areosa Ethnographic Group, which performed in regional and traditional costumes from Viana do Castelo. Everyone who participated received a Christmas hamper.

ANGOLA, POLAND AND ROMANIA
Martifer Constructii in Romania and Martifer Construções in Angola gathered their employees for lunch in the canteens of their facilities. Seniority gifts were given to employees celebrating their 10th anniversary in 2023. In Romania, at the beginning of December, in celebration of St Nicholas' Day, employees' children were also given Christmas presents. Martifer Renewables in Poland celebrated this special season with a dinner party.


BOAS
FESTAS!
BOM ANO NOVO!

ACTIVITIES FOR AND WITH OUR PEOPLE

The Human Resources Department and the Internal Communications Department carry out internal initiatives, dividing their activities into four areas: health and well-being, social and environmental responsibility, sports and adventure, and culture and leisure.

With two master pillars, the Gender Equality Plan and the Health and Well-being Plan, the focus in 2023 was on mental health and the role of men in gender equality, with the main tool being the reconciliation of professional and personal life. In this chapter, we will mention the main initiatives carried out at Martifer in 2023 in relation to these issues. Some of them are already implemented and routine and others are being implemented for the first time.

FOR HEALTH

Raising awareness and alerting people to mental health are crucial to promoting a deeper understanding of issues related to psychological well-being.

The importance of this approach lies in the fact that many mental disorders face stigmas and a lack of understanding, which can lead to an underestimation of the seriousness of these conditions. By sensitising our community, we are providing a more inclusive and supportive environment, where people feel comfortable discussing their experiences and seeking help without the fear of judgement.

Awareness-raising also plays a crucial role in education, empowering people to recognise early signs of mental health problems, intervene early, and promote an environment where everyone can look after their mental health in the same way they do their physical health.

Based on these premises, in 2023 we developed two events that responded to this concern.

CITIZENSHIP AND SOCIAL RESPONSIBILITY

Stress and cardiovascular health

THE PORTUGUESE CARDIOLOGY FOUNDATION AT MARTIFER

On 11 April, the Portuguese Cardiology Foundation brought Pedro Matos, a specialist in occupational medicine at the São João University Hospital Centre, to Martifer to talk to us about stress and mental health. The event brought together 60 people in the auditorium of the headquarters building.

Tools for action

WEBINAR BRINGS TOGETHER COLLEAGUES FROM ACROSS EUROPE

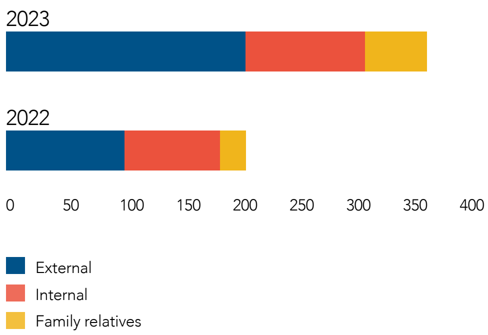
On 24 October, more than 280 employees reflected on mental health at the same time in Oliveira de Frades, Marseille, Paris, Lisbon, Viana do Castelo, London, Madrid and Aveiro.

The aim of this webinar was to give our teams the tools to recognise signs and symptoms of psychological distress and/or mental illness, to develop communication skills in this type of situation in order to achieve initial relief and to guide colleagues towards solutions.

MOVE Martifer Gym

Our gym, aimed at employees and open to the community, is one of the most important investments in promoting health and reconciling professional and personal life. By encouraging health and well-being, the gym not only fulfils physical needs, providing a tool for managing stress and promoting emotional balance but also strengthens community cohesion and involvement.

Gym users in 2023



In 2023, 350 people signed up for Move Martifer Gym, an average of 120 people monthly. The number of enrolments increased significantly, reflecting the work carried out in the community and the improvement in the equipment and classes offered by the gym. It is operated by an external partner who is committed to providing special conditions for Martifer employees.

EVENTS AND COMMUNITY PARTICIPATION
Move Martifer Gym has become a constant presence at local sports events, not only promoting physical exercise within the company but also in external competitions. In 2023, it took part in the organisation of the BTT Rota de Lafões and the Trail Rios e Levadas, and its users also took part in the São Silvestre Race in Oliveira de Frades.

The annual Rota de Lafões mountain bike event, in which Move Martifer Gym is part of the organisation, was the event with the most impact and brought together an impressive number of participants, 580. Of these, 40 enthusiasts belonged to Move Martifer Gym, with employee Marlene Pereira taking first place in the women's category - a reflection of Martifer community's commitment to promoting an active and healthy lifestyle.

For an exclusively internal audience and with the aim of raising awareness on World Health Day, it developed the "Aerobics in the Courtyard" to keep body and mind healthy and the traditional walk for Health and Safety at Work on its World Day.

HEALTH AND WELL-BEING PROGRAMMES
In addition to regular activities, Move Martifer Gym invests in additional services that contribute to the well-being of employees. The presence of a nutritionist, with monthly appointments scheduled on Saturdays, and the support of personal trainers, with 8 employees already benefiting from this service, underlines the Group's commitment to a holistic approach to health.

FLEXIBLE WORKING HOURS
Access to the gym during lunch hours is an opportunity for many employees, who face the challenge of living a considerable distance away with a long commute, to maintain an active and healthy lifestyle.

In addition, the location of Martifer's headquarters in the industrial area of Oliveira de Frades, far from the town centre, makes it an added value for those who live in the town and work at our headquarters.

Running for pleasure

Throughout 2023, West Sea and Martifer employees took part in four sports events, wearing the West Sea jersey. The West Sea team took part in the first race of the 2023 Carnival (12 participants), in the 2023 Porto Viana Race (19 participants), the 2023 Manuela Machado Half Marathon (12 participants) and the 2023 São Silvestre Race (27 participants).

We would like to highlight the Viana Harbour Race, which had a route through the West Sea facilities. During this race, we shared with the community the shipyard of which we are so proud.

OUR GYM, AIMED AT EMPLOYEES AND OPEN TO THE COMMUNITY, IS ONE OF THE MOST IMPORTANT INVESTMENTS IN PROMOTING HEALTH AND RECONCILING PROFESSIONAL AND PERSONAL LIFE.

DONATIONS AND SPONSORSHIPS

Within the scope of social responsibility, following criteria of proximity and relationship with institutions, in 2023 Martifer Group supported some institutions with donations that exceeded €5,500.

ADRIANNA KĄKOL AT THE OLYMPIC GAMES

Also, within the scope of social responsibility, Martifer Renewables & Energy in Poland is supporting canoe athlete Adrianna Kąkol in her preparation for the 2024 Olympic Games in Paris.

Adrianna Kąkol, born on 9 September 2001, is a Polish canoeist who has won medals at world and European championships.

Investing in sports has individual benefits but also global impacts as an investment in the human, social, economic and cultural development of a society.

FOR EQUALITY AND CONCILIATION

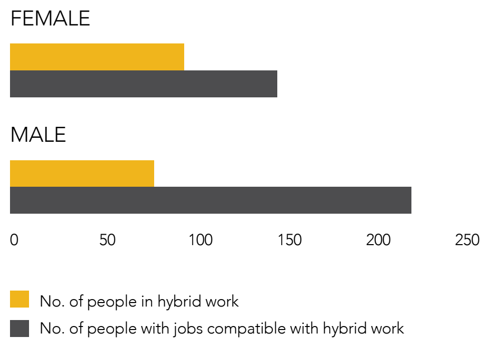
2023 has become a year of enormous pressure on the management of family budgets, and quality of life and reconciling personal and professional life are becoming even more critical issues for everyone.

Telework and flexible working hours
In January 2023, one of the biggest transformations in terms of reconciling professional and personal life that Martifer could have put into action hybrid work for compatible job positions and flexible working hours for all office workers.

Women, who face the greatest barriers to developing their careers as they provide the majority of domestic and family activities, are particularly favoured by the implementation of this measure.

On the other hand, in a universe of employees such as ours, with around 81% male employees, the impact on men's lives is considerable, for them to have more domestic responsibilities, breaking down gender stereotypes and giving them the opportunity and incentive to participate more in family life.

Analysing the data on teleworking reflects some of the gender trends. Percentage-wise, women have jobs that are more compatible with hybrid work and they are the ones who require this type of work the most. On the other hand, despite the fact that men are less likely to take up hybrid work, given the fact that our universe is mostly male, the number of men was significant - 77 men chose the hybrid work regime.



57% of women and only 19% of men have jobs that are compatible with telework

65% of women who can telework do so, but only 37% of men choose this form of working

ABOUT HYBRID WORK
Employees with compatible job functions can choose hybrid work, enjoying 5 days a month of telework.

ABOUT FLEXIBLE WORKING HOURS
Office workers can take advantage of flexible working hours, as long as they complete 8 hours of work a day (30 minutes before or after the agreed entry or exit times).

EQUALITY BETWEEN WOMEN AND MEN

Synergies with local entities
In November, the Municipality of Oliveira de Frades in collaboration with EAPN - The European Anti-Poverty Network organised the information session "Gender Equality and Employment", within the framework of the Oliveira de Frades Municipal Equality and Non-Discrimination Plan and the International Day for the Elimination of Violence Against Women (25 November). Tiago Caio, from the Viseu district branch of the European Anti-Poverty Network, gave a dynamic talk on this subject in Martifer's auditorium, giving examples of the different forms of gender-based violence (domestic, physical, psychological, sexual and social violence, among others) and the inequalities between men and women in the social and professional context.

In October, West Sea joined the mentoring programme for gender equality and the promotion of informed vocational choices at the Polytechnic Institute of Viana do Castelo. This partnership has provided a Mentoring Workshop for one of the shipyard's workers, who will be able to accompany a student, as well as do Job Shadowing, in which a student accompanies a day's work at West Sea.

More time for parenting
WORKSHOP A FATHER IS A FATHER
In May, we organised a workshop specifically for fathers, with the aim of discussing men's roles as carers.

There was a lot of sharing, and the conversation discussed topics such as the evolution of fathers throughout history, the masks of masculinity, employers' attitudes towards being a father, a man, and a carer, and personal reflections on parenthood.

IN JANUARY 2023, ONE OF THE BIGGEST TRANSFORMATIONS IN TERMS OF RECONCILING PERSONAL AND PROFESSIONAL LIFE THAT MARTIFER COULD LEVERAGE WAS PUT INTO PRACTICE: HYBRID WORK FOR COMPATIBLE FUNCTIONS, AND FLEXIBLE WORKING HOURS FOR ALL OFFICE EMPLOYEES.

Only 14% of parents with children up to the age of 15 attended the event. We've concluded that we need to create routine habits that encourage conversations between employees and we're taking this goal to 2024.

MOTHERHOOD AND OUR CHILDREN

As defined since 2021, Martifer has granted extra time off for parents to attend antenatal appointments. However, analysing the data has allowed us to conclude that we are a long way from getting all parents to take advantage of this measure. Despite the fact that we have seen a very positive evolution in the attendance of fathers at antenatal appointments in recent years, in 2023 we still have 35% of men, who have been or will soon be fathers, without any record of attendance at antenatal appointments. In 2023, the average number of consultations per father has so far been 1.15.

73.33% of Martifer employees who were fathers shared the parental leave due to the birth of their baby and 93.33% took the optional leave.

An extra day was also given to mothers and fathers of children with a disability over 60%. In 2023, 16% of eligible people benefited from this measure.

COOLKITS FOR COOLKIDS
In 2022 we distributed school kits for the first time to the Coolkids who were about to start Year 1 at school. This year we continued the initiative and reached 38 families.

To the kit, we added the "Guide for Families - Raising Awareness and Educating for Gender Equality", which raises awareness of the importance of gender equality in the education of young people and reflection on the subject within the family.

The kit consists of notebooks, markers, coloured pencils and crayons, markers, a sharpener, a rubber, scissors, glue, pens and pencils, a pencil case, a lunch box, a reusable water bottle and a school readiness screening voucher.

This kit, along with the birth kit (which we've been distributing since January 2017), is a way of monitoring the various stages of childhood development of our people's sons and daughters over time.

INDUSTRY AND ENGINEERING - CLOSER TO FAMILIES
In June and July 2023, the Group's various companies were visited by employees and their children up to the age of 15.

The main aims of this event were to bring families closer to the company, promote the principles of gender equality, and make opportunities in engineering and industry visible, especially to girls.

This year also encouraged boys, in particular, to learn how to share emotions in a healthy way and free themselves from stereotypes, using the tools provided by the Global Boyhood Initiative.

We were visited by 79 girls and 59 boys accompanied by their families, bringing

WOMEN'S DAY - HARASSMENT AT WORK

In 2023, the theme chosen to commemorate Women's Day sparked criticism.

We didn't celebrate. We put aside the flowers and talked about harassment.

We fulfilled one of the objectives of the 2023 equality plan—a campaign on harassment at work to clarify and raise awareness of cases of harassment at Martifer. We publicised the procedure and clarified the concepts. The campaign took place in all the countries where the Group is present, in each country's mother tongue - Romania, France, Spain, Angola, and the United Kingdom.

together more than 300 people.

We got 24% of our target audience to take part, not meeting the target of getting 50% of our children up to the age of 15. We also found that 32 of the 67 families enrolled were enrolled by the employee mothers. We have, in this universe of included families,
252 employee fathers and 85 employee mothers.

BIRTH KIT
Since January 2017, Martifer Group offers a birth gift to congratulate Martifer families for their newborn babies. In 2023, we celebrated the birth of 22 babies in Portugal.

LANGUAGE AS PROMOTION OF EQUALITY
And we go on. A topic for discussion and different points of view, it is often thought of as a manifesto - We are here for equality! Women often become invisible in language and in a markedly male context, such as engineering and construction, it is even more evident. Martifer has published linguistic alternatives that can be used to specify gender and neutralise or abstract the sexual reference. The Internal communication direction writes texts that give equivalent visibility to the female sex and internal documentation is undergoing this transformation.

EQUALITY CAMPAIGNS - PORTUGUESE COMMISSION FOR EQUALITY IN LABOUR AND EMPLOYMENT/ PORTUGUESE COMMISSION FOR CITIZENSHIP AND GENDER EQUALITY
Through internal means, especially through corporate television, the materials made available by the entities are disclosed to raise everyone's awareness on issues such as sexual harassment, shared parental leave, and sharing of household tasks, among other important issues.

THROUGH INTERNAL MEANS, ESPECIALLY THROUGH CORPORATE TELEVISION, THE MATERIALS MADE AVAILABLE BY THE ENTITIES ARE DISCLOSED TO RAISE EVERYONE'S AWARENESS ON ISSUES SUCH AS SEXUAL HARASSMENT, SHARED PARENTAL LEAVE, AND SHARING OF HOUSEHOLD TASKS, AMONG OTHER IMPORTANT ISSUES.

SAFETY AT WORK

The safety of all its employees is a strategic pillar at Martifer. Based on its Management Policy, risks are continually assessed, and actions are implemented and developed to prevent accidents and improve working conditions.

Martifer Group has implemented a work risk assessment procedure that applies to all its activities, whether they are carried out in industrial facilities, shipyards, temporary construction sites or administrative activities.

This procedure assesses the risks according to the criteria of severity, frequency of exposure and probability of occurrence, with the aim of defining the preventive measures to be implemented so that the risk to execute the work is as low as possible.

Considering that the behavioural factor of employees is a fundamental factor in occupational safety, Martifer Group is investing greatly in training and awareness-raising in the area of safety, with various training sessions for all its employees, including all subcontracted workers. The training provided is one of the pillars of the 3 C's, a slogan used in the group to convey the message of safety at work.

3C's
- **Give Competences**
- **Create Conditions**
- **Demand Conduct**

As mentioned above, Martifer Group transmits its safety culture based on the 3 C's. The fundamental objective is the involvement and accountability of all employees at the various hierarchical levels of the organisation. Martifer promotes the acquisition of competences, through ongoing and regular training sessions, creating the necessary safety conditions, so that it can hold employees accountable and demand safe behaviour.

ACCIDENTS

In practice, the fundamental aim of the 3 C's culture is to reduce accidents at work and, consequently, the severity associated with them.

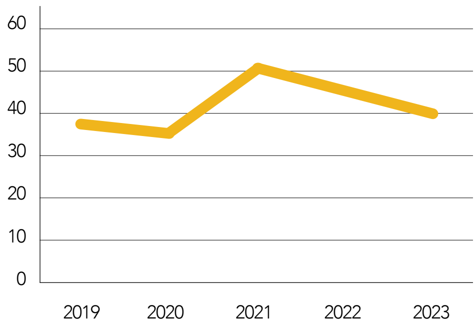
Due to various initiatives within Martifer Group, there has been a consistent reduction in the number of accidents over the years.

In 2023, the frequency rate (1) of accidents at work at Martifer was 41, lower than the figure for 2022, which was 46, a decrease of approximately 11% in the frequency of accidents at work. The following graph shows the variation in the frequency of accidents at work in the Group from 2018 to the present.

SAFETY

Accidents | Frequency Rate (FR)

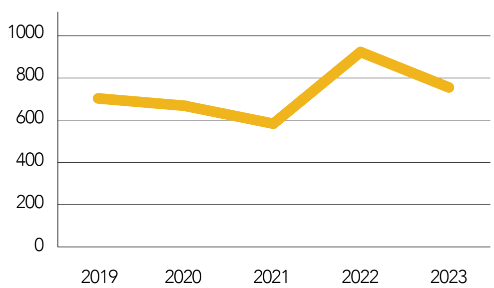
(1) Frequency Rate (FR): Number of accidents at work per 1 million hours actually worked.



With regard to the severity rate (2), in 2023 it was 767, also lower than the previous year's figure of 926, which translates into a decrease of approximately 17%. In the graph below, we can see the variation in the severity of occupational accidents in the Group from the year 2018 to the present.

Accidents | Severity Rate (SR)

(2) Gravity Rate (TG): No. of days lost for every 1 million hours effectively worked.



It should be noted that the data presented on the frequency and severity rate of accidents at work only included accidents involving Martifer Group employees, representing a total of 2,383,042 man-hours worked.

Compliance

In 2023, there were no sanctions or fines paid for non-compliance with legislation associated with occupational health and safety.

CONSIDERING THAT THE BEHAVIOURAL FACTOR OF EMPLOYEES IS A FUNDAMENTAL FACTOR IN OCCUPATIONAL SAFETY, MARTIFER GROUP IS INVESTING GREATLY IN TRAINING AND AWARENESS-RAISING IN THE AREA OF SAFETY, WITH VARIOUS TRAINING SESSIONS FOR ALL ITS EMPLOYEES, INCLUDING ALL SUBCONTRACTED WORKER.


MARTIFER

04 GOVERNANCE AND ECONOMIC VALUE

05 ANNEXES
04 GOVERNANCE AND ECONOMIC VALUE
03 SOCIAL VALUE
02 ENVIRONMENTAL VALUE
01 MARTIFER GROUP

A CONSCIOUS, VALUE-CREATING BUSINESS

2023 Results

Operating Income reached 219.9 M€, of which 140.4 M€ in Metallic Constructions, 63.0 M€ in the Naval Industry and 18.6 M€ in Renewables

Positive EBITDA of 34.1 M€ (margin of 16.1% of Turnover)

Net profit attributable to the Group of 19.7 M€

Turnover generated outside Portugal and exports amount to 73% of the Group's total Turnover

Gross Value Added totalled around 60 M€, 28% of Turnover

Gross Debt decreased by 6 M€ compared to December 2022 to 91 M€. Net Debt fell by 33 M€ to 8 M€

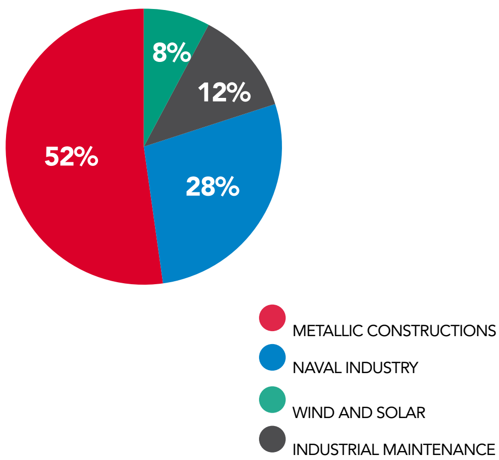
Net Debt/EBITDA 0.2x

Positive equity of 56.2 M€, with capital attributable to the Group totalling 55.5 M€

Metallic Constructions and Naval Industry order book of 753 M€

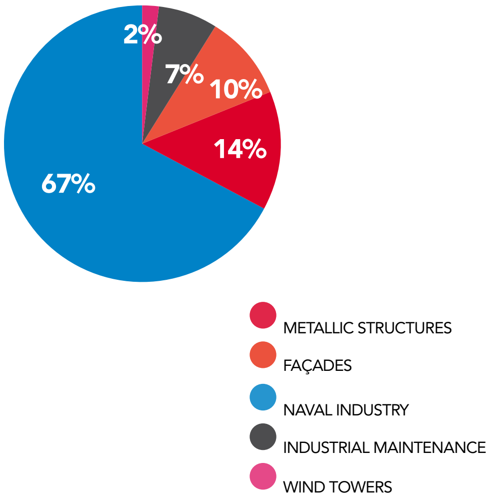
M€	MARTIFER CONSOLIDATED
Operating Income	219.9
EBITDA	34.1
EBITDA Margin	16.1%
Amortisation and depreciation	-5.8
Provisions and Impairment losses	0.0
EBIT	28.2
EBIT Margin	13.3%
Financial results	-7.3
Losses in associate companies	0.6
Net income for the period	21.1
Attributable to the Group	19.7

OPERATING INCOME



HIGHLIGHTS

ORDERBOOK



METALLIC CONSTRUCTIONS

247 M€

ORDERBOOK

NAVAL INDUSTRY

506 M€

ORDERBOOK

In 2024, an update to the strategic plan will be drawn up, based on the pillars that have underpinned the success of recent years, but with the reinforced ambition of sustained and sustainable growth:

In Metallic Constructions, the focus remains on strengthening the Group's export profile, seeking opportunities in markets and clients that value quality and excellence, organising and valuing people and productivity.

In the Naval Industry, we plan to increase our ship repair capacity by building a new dry dock at the Viana do Castelo's shipyard, positioning ourselves as one of the most important shipyards in Europe in this area and making ship repair and shipbuilding activities increasingly balanced in terms of relative weight in turnover.

Reinforce the Operation & Maintenance activity, particularly Industrial Maintenance.

In Renewables & Energy, we want to grow gradually and consistently, increasing the relative weight of this business unit in the Group, taking advantage of the opportunities associated with energy transition, decarbonisation of the economy and hydrogen (through the Green.H2.Atlantic consortium in which we participate); setting quantitative targets for the next strategic cycle monitored by the ESG & Sustainability Committee; and, above all, enabling the Group to consolidate sustainable value creation as its main strategic purpose.

MISSION

Create Value with products and services designed and executed by motivated employees and partners, with the aim of exceeding client expectations, while respecting safety rules and social responsibility.

VISION

To be a recognised brand in the markets in which it operates and in the business deals it makes, for its competence, innovation and engineering, industrial and execution capacity, ensuring the best solutions for its clients.

LIVE ACCORDING TO THE VALUES WE DEFINED

Rigour and commitment

Rigour in processes, rigour in complying with rules and rigour in relations with partners and clients. Commitment to ensure technical competence in all our activities.

Humility and integrity

We believe that relationships are based on humility, respect and integrity, whether it's relationships with partners and employees, or with the environment.

ORGANISATIONAL CULTURE

Critical sense and nonconformism

In the quest to always reach the best solution for each project, we are characterised by a strong sense of criticism and nonconformity. We always demand more and better.

Common sense and clarity of communication

It is impossible not to communicate. That is why it is essential that communication is made in a simple and clear manner so that the message is consistent and perfectly understood by the recipient.

Spirit of mutual help and solidarity

Human beings evolve through development of competences, skills and attitudes that make more sense in a group, in an attitude of mutual help and solidarity.

Pride in the company and sense of belonging

Belonging and contributing to the success of the company makes employees feel more integrated, results-oriented and motivated, certain that the results will lead to greater professional fulfilment.

Work capacity and innovative spirit

We want to grow, we want to do well and improve every day. We seek to innovate and have the ambition to go further, for us and for our clients.

OUR VALUES ARE THE BENCHMARK FOR US TO DEVELOP A WORK OF EXCELLENCE, FROM THE FIRST TO THE LAST DAY OF EACH PROJECT, CREATING VALUE, ALWAYS WITH A FOCUS ON THE QUALITY OF THE FINAL PRODUCT.

Martifer Group adopts the Latin monist governance model, commonly known as "reinforced Latin", which advocates the separation of the management and supervisory bodies (dual), and its corporate governance structure is made up of the Board of Directors, the Supervisory Board and the Statutory Auditor. All the bodies are elected at the Shareholders General Meeting.

At Martifer Group, we believe that a solid governance model is essential not only to drive the success of our activities but also to ensure that we work ethically, transparently and responsibly. We are, therefore, continually committed to excellence in corporate governance, in the principles and practices that guide our day-to-day.

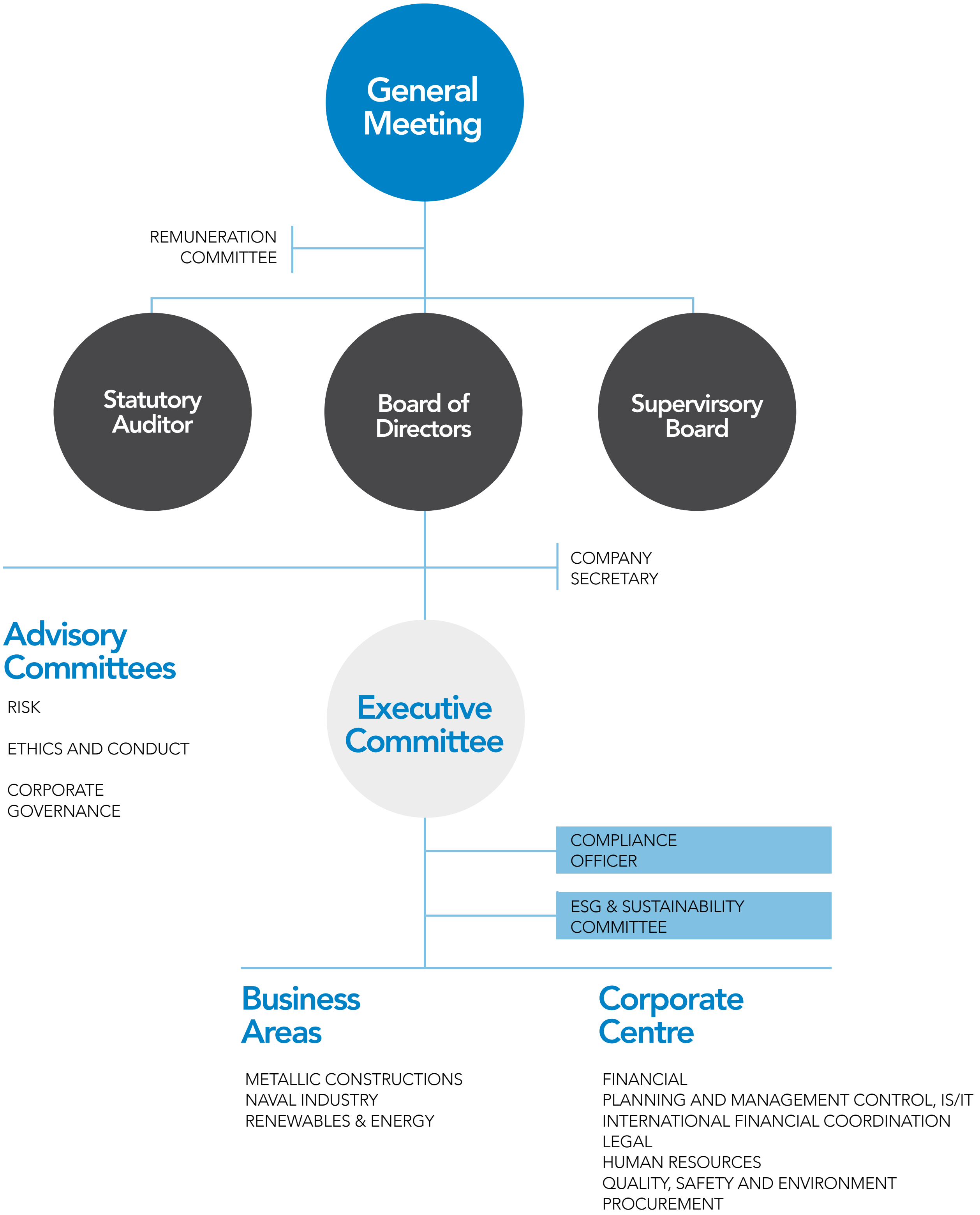
The Group's governance model is oriented towards fostering the trust and credibility of our stakeholders, shareholders, clients, employees, business partners and the communities in which we operate.

We believe that an effective governance model mitigates risks and maximises opportunities, to create long-term value for all stakeholders.

Details of the Group's Governance Model are defined, compiled and disclosed in the Corporate Governance Report, and can be schematised as follows:

THE GROUP'S GOVERNANCE MODEL IS ORIENTED TOWARDS FOSTERING THE TRUST AND CREDIBILITY OF OUR STAKEHOLDERS, SHAREHOLDERS, CLIENTS, EMPLOYEES, BUSINESS PARTNERS AND THE COMMUNITIES IN WHICH WE OPERATE.

GOVERNANCE MODEL



MANAGEMENT POLICY

Martifer Group is committed to improving the satisfaction of its clients, shareholders and employees and to establishing sustainable relationships with its stakeholders, with the aim of standing out for its technological capacity, innovation and social responsibility. It aims to differentiate itself from other competitors, leading each client, employee and society, due to their satisfaction, to recommend our products and services.

In this regard, it undertakes:

• The constant concern to identify and meet the requirements and expectations of its clients.

• Promoting an integrated vision of clients, employees and suppliers and ensuring compliance with contractual requirements.

• Promoting people's development through awareness-raising and training.

• Promoting the consultation and participation of all employees and all those who work on behalf of the company in the organisation's objectives.

• Ensuring compliance with standards ISO 9001, ISO 45001, ISO 14001 and EN 1090-1 and associated standards;

• Promoting continuous improvement of the processes and the effectiveness of the management system, contributing to the reduction of flaws and increased productivity.

• Complying with the legal and regulatory requirements applicable to products, services and activities.

• Promoting continuous improvement of health, hygiene and safety conditions at work, identifying hazards and assessing and controlling the risks associated with the activities, preventing accidents and providing greater comfort in the execution of the work, through information and the availability of protection means to minimise the exposure to risk factors that cannot be eliminated.

• Promoting continuous improvement of environmental performance through the identification and evaluation of environmental aspects associated with the activities, products and services which the organisation controls or can influence to minimise or eliminate the environmental impacts, preventing pollution.

• Promoting ethical behaviour, respect for human rights and respect for fundamental labour rights.

• Implementing operational practices aimed at preventing corruption in all its forms;

• Promoting social responsibility in local communities where its companies operate to contribute to the progress and well-being of those communities.

ETHICS AND INTEGRITY

The Code of Ethics and Conduct is the instrument guiding the ethical principles and rules of conduct to which the Group as a whole and its employees are subject and assume as intrinsically theirs.

The Code applies to all Martifer Group employees, as well as to those of its subsidiaries, regardless of the bond or hierarchical position they occupy. For the purpose of this Code, "employees" means all members of the corporate bodies of Martifer, consultants, managing directors and all other employees no matter the kind of bond, as well as all others that in any way represent any Group company.

The recipients of the Code of Ethics and Conduct can present concerns regarding any behaviour or decisions that in their view do not respect ethics or the Code of Conduct of the company or report irregularities occurring within Martifer Group. The channels available for this purpose are:

MARTIFER GROUP'S ETHICS AND CONDUCT COMMITTE

Email:
comissaoeticaeconduta@martifer.com
Address:
Grupo Martifer, Zona Industrial
Apartado 17
3684-001 Oliveira de Frades
Portugal

Main policies and aspects covered by Martifer Group's Code of Ethics and Conduct:

Legislation

Ensure strict compliance with all legal provisions, regulations and national and international standards in force in the regions where it operates.

Provide the supervisory and oversight authorities with all the collaboration or information requested, within their reach.

Competition

Respect market rules, promote healthy and loyal competition and avoid any action that might impede, misrepresent or restrain competition in a significant way.

Relate to competitors in a healthy and cordial manner and promote mutual respect.

Integrity

Ensure at all times an integral conduct and maintain prevention and control systems regarding fraud and irregularities, namely in financial and property matters, conflicts of interest, misappropriation or misuse of information. These systems take into account the guidelines contained in the approved corruption prevention plans.

Harassment

Our Group encourages respect and cooperation among all employees in a respectful and dignified work environment and repudiates any form of harassment. Any form of harassment, whether practised when accessing employment or during employment or vocational training, is prohibited.

Harassment is defined as any unwanted behaviour that has the purpose or effect. Sexual harassment is any undesired conduct of a sexual nature, whether verbal or non-verbal, physical or otherwise, with the objective or purpose described in the previous paragraph.

In case of an allegation of harassment, which must be presented in writing, a disciplinary procedure is initiated, which will follow the procedure described in the Labour Code, culminating in the application of the disciplinary sanction appropriate to the case.

No disciplinary sanction shall be imposed on the whistleblower or witnesses indicated by him/her, unless they act maliciously on the basis of statements or facts contained in the records of judicial or counter-disciplinary proceedings for harassment, until a final and unappealable decision has been made, without prejudice to the exercise of the right to adversarial proceedings.

Clients

Treat clients with professionalism, efficiency, respect, loyalty, good faith and dedication.

Ensure equal treatment for all clients, not discriminating unjustifiably between them.

Offer products and services to fulfil client's needs in accordance with the agreed conditions and the assumed commitments and in full accordance with legitimate expectations.

Suppliers

Choose suppliers on the basis of impartial, fair and transparent criteria, without granting privileges or favouritism.
The selection shall be carried out in conformity not only considering the commercial and quality conditions of the products and services proposed, but also taking into due consideration the ethical behaviour as is perceived by Martifer Group.

Honour the assumed commitments.

Shareholders and the Market

Act loyally towards shareholders, attending to their interests with the fundamental objective of creating value for them and controlling risk.

Absolute observance of legal principles, equal treatment of its shareholders, ensuring that everyone is provided with the necessary information in an appropriate, truthful, transparent and rigorous manner.

Employees

Define the human resources management policies with full respect for the dignity, diversity, gender equality, and rights of each person.

Any form of individual discrimination that is incompatible with the dignity of the human person will not be allowed, such as discrimination on the basis of origin, ethnicity, sex, political or religious beliefs, sexual orientation or physical disability. Any conduct that might configure sexual harassment, psychological harassment or abuse of power will not be allowed.

Treat each employee with justice and promote equal opportunities in personal and professional development, namely through a rigorous and constructive performance assessment, participation in professional training programmes, and incentives to participate in extra-professional activities.

Promote and respect an adequate balance between the employee's professional and personal life.

Work environment, safety and health

Offer a good work environment under the most adequate safety and health conditions and promote team spirit, union and mutual support between employees.

Ensure communication, the sharing and recording of information among employees.
Guarantee compliance with applicable safety, health, hygiene, and well-being standards in the workplace. Employees should strictly comply with laws, regulations and internal instructions on these issues.

Social responsibility and sustainable development

Act within a logic of sustainable development in economic, social and environmental terms.

Promote social responsibility in local communities where its companies operate to contribute to the progress and well-being of those communities.

Mitigate and/or minimise the environmental impacts arising from the environmental aspects associated with the activities and services carried out.
Promote, disclose, stimulate and influence

employees, clients, suppliers and the community, in general, to adopt the best environmental practices, particularly with regard to the prevention of waste production, the correct segregation of waste in order to maximise its recovery and correct disposal, the prevention of air, water and soil pollution, as well as the efficient use of the natural resources consumed (water and energy).

Not allow any practice of bribery or corruption, either actively or passively, including facilitation payments or aimed at creating, maintaining or promising irregular situations or favours.

The recipients of the Code of Ethics and Conduct can present concerns about any behaviour or decisions that, in their view, do not respect the Group's Code of Ethics and Conduct or report irregularities in Martifer Group through the channels available for this purpose on the website www.martifer.com.

HOW WE INTERACT WITH STAKEHOLDERS

Martifer Group has an active relationship with its Stakeholders, who play an important role in defining its strategy and making decisions.

The Corporate Communication & Investor Relations department seeks to respond to the requests of the different stakeholders in a clear and available manner through different means.

MAIN CHANNELS FOR DIFFERENT STAKEHOLDERS

SHAREHOLDERS
meetings and general meetings
results presentations
other communications
website and social networks
calendar of events

EMPLOYEES
staff meetings and knowledge-sharing meetings (Tuesday Meetings)
newsletters and periodicals
Martifer TV
posters and information leaflets
training sessions
iNet - internal portal multimedia kiosks
internal recruitment - Recommend a Professional
website and social networks

CLIENTS
meetings
commercial presentations
website and social networks

SUPPLIERS/PARTNERS
meetings
fairs
website and social networks

FINANCIAL SECTOR AND OTHER ENTITIES
meetings and general meetings
results presentations
Annual Report
other communications
website and social networks

UNIVERSIDADES E OUTRAS ENTIDADES DE ENSINO
protocols with Universities
partnerships in R&D projects
Atreve-te internship programme
website and social networks

MEDIA
articles and news
Press Releases
other communications
website and social networks

ONLINE PRESENCE

Martifer Group is present online, not only through its website but also in selected social networks, according to the companies' characteristics.

Websites

www.martifer.com
The website is available in Portuguese and English and seeks to reach different users in a clear and direct way: clients, suppliers, shareholders and the general public.

www.west-sea.pt
Available in four languages (Portuguese, English, Spanish and French), West Sea's website shows the Group's shipyard in Viana do Castelo.

www.navalria.pt
On Navalria's website, in addition to general information about the shipyard, users can learn about some of the ships that have passed through its docks, either under repair or under construction. It

is available in Portuguese, English and French.

Social Networks
The social network where Martifer is present more actively is on LinkedIn©.

On LinkedIn©, the Group seeks to disclose information about companies, job offers and other institutional information.

To reach different audiences more effectively, the Group has different pages for the business areas so that it can be closer to the followers of each business area. At the end of the year, the Group's LinkedIn© page had 42,050 followers.

MNEWS MAGAZINE

MNews is the Group's institutional magazine, which annually presents a summary of the Group's activity. MNews is published in a digital format in Portuguese and English on the Group's website and subsequently shared on social networks and distributed in the corporate newsletter.

Communication with investors and shareholders

Listed on NYSE Euronext Lisbon since 2007, Martifer seeks to maintain efficient communication with the capital market, with investors and with shareholders.

In what concerns Investor Relations, press releases are a way of transmitting information to the entire market at the same time, guaranteeing access to the most relevant information about the Group's activity, shareholder structure or Governance.

In the periodic financial presentations, presented each semester, Martifer Group seeks to contextualise the financial information with other relevant information, namely regarding the main events and the Group's strategy and future prospects. Besides the Annual Report, the Corporate Governance Report and the Sustainability Report, Martifer also issues each semester a results presentation, which is a summary of the main information included in the Annual Report.

FIGHTING CORRUPTION AND BRIBERY AND HUMAN RIGHTS

Due to the significant legislative changes, it was necessary for Martifer Group to implement measures to update the already existing internal control mechanisms to comply with the Regulatory Compliance Programme established by law ("Regime Geral de Prevenção da Corrupção" or "RGPC"), and which encompasses the following four dimensions: Code of Ethics and Conduct; Plan for the Prevention of Risks of Corruption and Related Offences (PPR); Training and Awareness Programme; and Reporting Irregularities (or Whistleblowing Channel), which are covered by various instruments, systems and regulatory policies which led to the appointment of a Regulatory Compliance Manager and a Compliance Officer for Martifer Group.

In a transversal manner, Martifer Group guides its actions so as not to allow any practice of bribery or corruption, in active or passive form, including facilitation payments or aiming at the creation, maintenance or promise of irregular or favoured situations.

Namely, not to offer, make or authorise an undue payment (in cash or otherwise) to any person, including any local or foreign authority in any part of the world.

Not to offer or accept money or anything of value, such as gifts, gratuities or commissions, related to business deals or the award of a contract, or with the objective of obtaining or rendering a level of service that wouldn't normally be entitled to.

Likewise, abstaining from participating in or maintaining any contracts or transactions in different conditions than those normally established according to market conditions with entities with which Martifer maintains commercial relations or others that are controlled by its board members, namely in the negotiation of loans, in obtaining discounts, in the negotiation of payment terms, or in the sale of goods and services that may interfere with institutional or commercial relations between such entities and the Group or between Martifer employees benefiting from the transactions and those entities.

No decision adopted on behalf of Martifer Group shall be associated with an apparent or real conflict of interest. Employees have the duty to communicate to their immediate superiors or to the Compliance Officer and to step away from the respective decision processes, in all situations that may generate conflicts between their personal interests and the duty of loyalty to Martifer Group.

With the purpose of assuring that third parties (namely suppliers, service providers, agents, consultants, intermediaries and other persons with whom commercial relations are initiated) contracted by Martifer Group share the same values and ethical principles foreseen in the Group's Code of Ethics and Conduct and that they comply with the applicable national and international provisions on the prevention of corruption, the contracting of third parties at Martifer Group will obey the adherence of the third parties to the Code of Conduct for Suppliers, to continuous evaluations and to a legitimate need for the services or goods to be acquired at market prices, and to the internal and With the aim of ensuring that Privileged Information is not used in the transaction of external due diligence tools available.

CORRUPTION AND HUMAN RIGHTS

With the aim of ensuring that Privileged Information is not used in the transaction of securities of Martifer Group's Holding Company, and thus avoiding behaviour that may consubstantiate insider trading, illicit transmission of information and market manipulation, as defined in the applicable legal norms, Martifer Group ensures that procedures are adopted to prevent access to Privileged Information of persons who do not need it, for the purposes of the exercise of their duties and assumes the adoption of rules for the disclosure of Privileged Information as soon as possible when the confidentiality of the information is no longer assured.

Likewise, the Group respects and promotes Human Rights in all the cultural, socioeconomic and geographical contexts in which it operates, respecting the respective traditions and cultures and promoting support for local communities in accordance with the specific interests of each region, and repudiates any and all acts that violate human dignity.

IN A TRANSVERSAL MANNER, MARTIFER GROUP GUIDES ITS ACTIONS SO AS NOT TO ALLOW ANY PRACTICE OF BRIBERY OR CORRUPTION, IN ACTIVE OR PASSIVE FORM, INCLUDING FACILITATION PAYMENTS OR AIMING AT THE CREATION, MAINTENANCE OR PROMISE OF IRREGULAR OR FAVOURED SITUATIONS.

RISK MANAGEMENT

Risks regarding health, hygiene and safety at work

Nowadays, the success of organisations is closely linked to the quality of the working conditions that companies provide for their employees. The safety of all employees is an absolutely strategic guideline at Martifer. In the business areas where it operates, the mitigation of labour accidents is undertaken with rigour and the Group is subject to legal provisions concerning health and safety at work, as well as labour risks.

Based on its Management Policy, the Group seeks to promote the continuous improvement of health, hygiene and safety conditions at work, identifying the hazards, assessing and controlling the risks associated with the activities carried out, preventing accidents and providing greater comfort in the performance of work, by informing and making available individual and collective means of protection, so as to minimise exposure to risk factors that cannot be eliminated, and by periodically updating the procedures in force when new incidents occur, or the risk levels change.

EXAMPLES OF THIS ARE:

- Initial training in occupational safety, carried out when new employees do the onboarding and are integrated.

- Information to employees on the risks presented at workstations and on the preventive conduct to be adopted.

- Implementation of self-protection measures.

- Maintenance of insurance policies for accidents at work.

- Carry out audits to verify health and safety standards.

- Investigate and analyse work accidents.

- Health check-ups.

Once implemented, the measures are regularly monitored to ensure their continuity, possible improvement, and/or correction of any deviations.

Environmental risks

Promoting the continuous improvement of Martifer Group's environmental performance is also one of the guidelines for our activity. By identifying, assessing and controlling the environmental aspects associated with the various activities, products or services, we fulfil the objective of minimising or eliminating the potential environmental impacts arising from those activities, namely those that are identified and assessed as significant environmental aspects.

As a result of this assessment, the most significant environmental aspects resulting from the activities carried out by Martifer Group are energy consumption, air emissions and waste production.

Environmental risk management is coordinated by the Quality, Safety and Environment department, which is committed to adopting sustainable and efficient practices in all aspects of the activity.

In this regard, the Group has been reinforcing the actions undertaken to promote responsible behaviour such as waste management and resource conservation.

Image and Reputation Risks

Martifer Group's image in the national and international markets is well recognised, contributing to its solid reputation in the areas in which it operates.

To be aware that the occurrence of facts or events with negative impact at this level may involve, inter alia, financial losses, greater difficulty in attracting qualified human resources and loss of commercial position is the basis of our strategy.

Thus, it is assumed by the Group that the areas of activity related to risks that impact image and reputation are prioritised. Examples of this are the abovementioned actions related to health, hygiene and safety at work and related to environmental issues.

MARTIFER GROUP'S IMAGE IN THE NATIONAL AND INTERNATIONAL MARKETS IS WELL RECOGNISED, CONTRIBUTING TO ITS SOLID REPUTATION IN THE AREAS IN WHICH IT OPERATES.


MARTIFER

05 ANNEXES

EUROPEAN TAXONOMY OF ENVIRONMENTALLY SUSTAINABLE ACTIVITIES

Regulation (EU) no. 2020/852 of the European Parliament and Council of 18 June 2020 lays down the criteria for determining whether an economic activity is qualified as environmentally sustainable if it contributes substantially to one of the six environmental objectives of the European Union, does not significantly harm any of the other environmental objectives, complies with the minimum social standards and meets the technical assessment criteria established by the European Commission.

An economic activity that meets the above requirements is defined as an "Economic activity aligned by taxonomy".

Taxonomy is a classification system for economic activities considered "environmentally sustainable" in the European Union and uses the Statistical Classification of Economic Activities in the European Community (NACE) supplemented by the creation of new categories when this is not sufficiently precise.

In 2021, Commission Delegated Regulation (EU) no. 2021/2139 was published, establishing the list of activities that can be included in the taxonomy, as well as the criteria for assessing their contribution to two of the environmental objectives:

a) Climate change mitigating and adaption.

b) Climate change adaptation. Also in 2021, Commission Delegated Regulation (EU) no. 2021/2178 was published, introducing new disclosure obligations for companies, starting in 2022 with reference to the year 2021, in which they must disclose the proportion of economic activities eligible and not eligible for taxonomy in relation to their total turnover, capital expenditure ("CAPEX") and operating expenditure ("OPEX").

At the end of 2023, along with an amendment to the catalogue of sustainable activities for the environmental objectives identified above, the EU published new catalogues of sustainable activities for the remaining four environmental objectives:

a) Sustainable use and protection of water and marine resources.

b) Transition to a circular economy.

c) Pollution prevention and control.

d) Protection and restoration of biodiversity and ecosystems.

To assess whether an activity is eligible, it is necessary to check whether or not the activity is described in Annexes I or II of Commission Delegated Regulation (EU) no. 2021/2139, in Annexes I or II of Commission Delegated Regulation (EU) no. 2023/2485 which amends Annexes I and II of Commission Delegated Regulation (EU) no. 2021/2139, respectively, or Annexes I, II, III or IV of Commission Delegated Regulation (EU) no. 2023/2486.

Eligible activities can be further broken down according to the main objective they seek to achieve:

a) Substantial contribution to climate change mitigation (MAC)

b) Substantial contribution to climate change adaptation (CCA)

c) Substantial contribution to the sustainable use and protection of water and marine resources (WRM)

d) Substantial contribution to the transition to a circular economy (EC)

e) Substantial contribution to pollution prevention and control (PCP)

f) Substantial contribution to the protection and restoration of biodiversity and ecosystems (BIO)

The fact that an activity falls into one of these categories is enough for it to be considered eligible, although it may fall into more than one.

Eligible activities

According to the analysis carried out on the activities of the Group, the following activities have been identified as falling within the activities provided for in Annexes I and II of Delegated Regulation (EU) no. 2021/2139:

Code	Activity
4.1	Electricity generation using solar photo-voltaic technology
4.3	Electricity generation from wind power
5.5	Collection and transport of non-hazard-ous waste in source segregated fractions
6.5	Transport by motorbikes, passenger cars and light commercial vehicles
7.4	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
7.6	Installation, maintenance and repair of renewable energy technologies

The Group is strongly committed to sustainability and reducing greenhouse gas emissions, and it has invested in renewable energy projects over the years.

TURNOVER

Economic Activities (1)	Code(s) (2)	Absolute Turnover (3)	Proportion of Turnover (4) absolute	Absolute Turnover n-1
A. Taxonomy Eligible Activities				
A.1. Environmentally Sustainable Activities (Aligned with Taxonomy)				
Total Turnover				
A.2. Activities eligible for taxonomy but not environmentally sustainable (activities not aligned with the taxonomy)				
Electricity generation using solar photovoltaic technology	MAC 4.1; AAC 4.1	459	0%	163
Electricity generation from wind power	MAC 4.3; AAC 4.3	11,176	5%	8,976
Collection and transport of non-hazardous waste in source segregated fractions	MAC 5.5; AAC 5.5		0%	
Transport by motorbikes, passenger cars and light commercial vehicles	MAC 6.5; AAC 6.5	-	0%	-
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	MAC 7.4; AAC 7.4	-	0%	-
Installation, maintenance and repair of renewable energy technologies	MAC 7.6; AAC 7.6	3,072	1%	1 434
Total A.2		14,706	7%	10,573
Total A1 + A2		14,706	7%	10,573
B. Activities not Eligible for Taxonomy				
Total Turnover		196,965	93%	179,829
TOTAL (A+B)		211,672	100%	190,401

CAPEX				
Economic Activities (1)	Code(s) (2)	Absolute Turnover (3)	Proportion of Turnover (4) absolute	Absolute Turnover n-1
A. Taxonomy Eligible Activities				
A.1. Environmentally Sustainable Activities (Aligned with Taxonomy)				
CAPEX				
A.2. Activities eligible for taxonomy but not environmentally sustainable (activities not aligned with the taxonomy)				
Electricity generation using solar photovoltaic technology	MAC 4.1; AAC 4.1	3,227	39%	1,790
Electricity generation from wind power	MAC 4.3; AAC 4.3	2,424	30%	1,546
Transport by motorbikes, passenger cars and light commercial vehicles	MAC 6.5; AAC 6.5	-	0%	-
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	MAC 7.4; AAC 7.4	6	0%	-
Installation, maintenance and repair of renewable energy technologies	MAC 7.6; AAC 7.6	46	1%	101
Total A.2		5,704	70%	3,438
Total A1 + A2		5,704	70%	3,438
B. Activities not Eligible for Taxonomy				
Total CAPEX		2,487	30%	5,958
TOTAL (A+B)		8,191	100%	9,395

OPEX				
Economic Activities (1)	Code(s) (2)	Absolute Turnover (3)	Proportion of Turnover (4) absolute	Absolute Turnover n-1
A. Taxonomy Eligible Activities				
A.1. Environmentally Sustainable Activities (Aligned with Taxonomy)				
OPEX				
A.2. Activities eligible for taxonomy but not environmentally sustainable (activities not aligned with the taxonomy)				
Electricity generation using solar photovoltaic technology	MAC 4.1; AAC 4.1	63	1%	35
Electricity generation from wind power	MAC 4.3; AAC 4.3	1,402	17%	1,270
Transport by motorbikes, passenger cars and light commercial vehicles	MAC 6.5; AAC 6.5	1,096	13%	84
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	MAC 7.4; AAC 7.4	-	0%	-
Installation, maintenance and repair of renewable energy technologies	MAC 7.6; AAC 7.6	17	0%	14
Total A.2		2,578	31%	1,403
Total A1 + A2	-	2,578	31%	1,403
B. Activities not Eligible for Taxonomy				
Total OPEX		5,734	69%	4,666
TOTAL (A+B)		8,312	100%	6,763

In line with the disclosure guidelines defined by the taxonomy, the amounts reported were calculated based on the Group's consolidated accounts. The figures shown in the previous table were determined as follows:

• Turnover (211.7 M€): Corresponds to the consolidated number of sales and services rendered as shown in the consolidated income statement on 31 December 2023.

• CAPEX (8.2 M€): Corresponds to the investment, at the total cost, in acquisition ou melhoramento de ativos tangíveis, or improvement of tangible, intangible and right-of-use assets and is disclosed in Notes 3, 18, 19 and 20 of the Notes to the Consolidated Financial Statements.

• OPEX (8.3 M€): This corresponds to the following costs determined on the basis of the consolidated financial statements on 31 December 2023 (Note 8 of the Notes to the Consolidated Financial Statements):

- Expenditure on renovation/maintenance of buildings and other facilities,

- Maintenance and repair costs, and

- Expenditure on short-term leases and other non-capitalised leasing costs.

During the 2023 financial year, all activities reported by Martifer Group as eligible in the three taxonomy indicators (Turnover, Capex and Opex) met the alignment criteria. Compared to the 2022 eligibility exercise, there were significant changes in turnover (+1.4pp YoY); however, Capex (+33.0pp YoY) and Opex (+10.3pp YoY) increased substantially in eligibility.

REF. GRI	DESCRIPTION OF THE INDICATOR	CONTENT, PAGE OR LINK
GRI 102 - GENERAL CONTENTS		
1 - ABOUT MARTIFER GROUP		
102-1	Name of the Organisation	Martifer SGPS SA
102-2	Activities, brands, products and services	12-23
102-3	Location of the headquarters	Zona Industrial, Apartado 17 3684-001 Oliveira de Frades, Portugal
102-4	Location of operations	12-23
102-5	Ownership and legal form	12-23
102-6	Markets served	12-23
102-7	Scale of the organisation	12-23
102-8	Information on employees and other workers	50-55
102-13	Membership of associations	CMM - Associação Portuguesa de Construção Metálica e Mista AIMMAP - Associação dos industriais metalúrgicos metalomecânicos e afins de Portugal CODIPOR - Associação portuguesa de identificação e codificação de produtos OHGPI - Office d'homologation des garanties de peinture industrielle PFP - Associação da Plataforma Ferroviária Portuguesa AIDA CCI – Câmara de Comércio e Indústria do Distrito de Aveiro AAMC-Associação de Armadores da Marinha de Comércio COTEC Portugal - Associação Empresarial para a Inovação AEM - Associação de Empresas Emitentes de Valores Cotados em Mercado
2 - STRATEGY		
102-14	Statement from senior decision-maker	6-7
102-15	Key impacts, risks, and opportunities	2023 Annual Report
3 - ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behaviour	92-99
102-17	Mechanisms for ethical guidelines and concerns	97-99
4 - GOVERNANCE		
102-18	Governance structure	95
102-35	Remuneration policies	2023 Corporate Governance Report
102-36	Process for determining remuneration	2023 Corporate Governance Report
102-37	Involvement of stakeholders in remuneration	2023 Corporate Governance Report
102-38	Proportion of total annual remuneration	2023 Corporate Governance Report
102-39	Proportion of percentage increase in total annual remuneration	2023 Corporate Governance Report
5 - STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	100
102-43	Approach to stakeholder engagement	100-101
6 - REPORTING PRACTICES		
102-45	Entities included in the consolidated financial statements	2023 Annual Report

REF. GRI	DESCRIPTION OF THE INDICATOR	CONTENT, PAGE OR LINK
102-50	Reporting period	2
102-51	Date of the most recent report	2
102-52	Reporting cycle	2
102-53	Contact point for questions regarding the report	2
102-54	Claims of reporting in accordance with the GRI Standards	2
102-55	GRI Content index	Annexe
102-56	External verification	2
GRI 103 - MANAGEMENT APPROACH		
103-01	Explanation of the material topic and its Limit	-
103-02	Management style and its components	-
103-03	Evaluation of the management style	-
GRI 201 - ECONOMIC PERFORMANCE		
201-01	Direct economic value generated and distributed	2023 Annual Report
201-02	Financial implications and other risks and opportunities arising from climate change	2023 Annual Report
GRI 302 - ENERGY		
302-01	Energy consumption within the organisation	38-41
302-04	Reducing energy consumption	38-41
GRI 303 - WATER		
303-05	Water Consumption	45-47
GRI 303 - EMISSIONS		
305-01	Direct greenhouse gas emissions	38-42
305-02	Indirect greenhouse gas emissions	38-42
305-03	Other indirect greenhouse gas emissions	38-42
305-04	Greenhouse gas emissions intensity	38-42
305-05	Reduction of greenhouse gas emissions	38-42
305-06	Emissions of ozone-depleting substances	38-42
305-07	Emissions of NOX, SOX and other significant atmospheric emissions	38-42
GRI 306 - WASTE		
306-01	Waste generation and significant impacts related to waste	43-45
306-02	Management of significant impacts related to waste	43-45
306-03	Waste generated	43-45
306-04	Waste not destined for final disposal	43-45
306-05	Waste destined for final disposal	43-45
307-01	Non-compliance with environmental laws and regulations	43-45
GRI 307 - ENVIRONMENTAL COMPLIANCE		
207-01	Fines for non-compliance with environmental laws and regulations	46

REF. GRI	DESCRIPTION OF THE INDICATOR	CONTENT, PAGE OR LINK
GRI 401 - EMPLOYMENT		
401-01	New hires and staff turnover	**IN 2023**

PORTUGAL | Admissions and Terminations

	Count	%
ADMISSION/HIRING	181	47%
< ou =30	81	45%
31-35	21	12%
36-40	19	10%
41-45	19	10%
46-50	21	12%
>50	20	11%
TERMINATION	207	53%
< ou =30	59	29%
31-35	32	15%
36-40	22	11%
41-45	27	13%
46-50	27	13%
>50	40	19%
OVERALL TOTAL	**388**	**100%**

Sex	Count	%
ADMISSION/HIRING	181	47%
Female	25	14%
Male	156	86%
TERMINATION	207	53%
Female	24	12%
Male	183	88%
OVERALL TOTAL	**388**	**100%**

REF. GRI	DESCRIPTION OF THE INDICATOR	CONTENT, PAGE OR LINK
GRI 401 - EMPLOYMENT		
401-01	New hires and staff turnover	

ANGOLA | Admissions and Terminations

	Count	%
ADMISSION/HIRING	52	54%
< ou = 30	22	42%
31 - 35	8	15%
36 - 40	13	25%
41 - 45	4	8%
46 - 50	4	8%
> 50	1	2%
TERMINATION	44	46%
< ou = 30	8	18%
31 - 35	16	36%
36 - 40	11	25%
41 - 45	9	20%
46 - 50	0	0%
> 50	0	0%
OVERALL TOTAL	**96**	**100%**

Sex	Count	%
ADMISSION/HIRING	52	54%
Female	2	4%
Male	50	96%
TERMINATION	44	46%
Female	1	2%
Male	43	98%
OVERALL TOTAL	**96**	**100%**

REF. GRI	DESCRIPTION OF THE INDICATOR	CONTENT, PAGE OR LINK
GRI 401 - EMPLOYMENT		
401-01	New hires and staff turnover	**SPAIN** | Admissions and Terminations

	Count	%
ADMISSION/HIRING	13	81%
< ou =30	0	0%
31-35	3	23%
36-40	2	15%
41-45	5	38%
46-50	0	0%
>50	3	23%
TERMINATION	3	19%
< ou =30	0	0%
31-35	0	0%
36-40	1	33%
41-45	1	33%
46-50	1	33%
>50	0	0%
OVERALL TOTAL	**16**	**100%**

Sex	Count	%
ADMISSION/HIRING	13	81%
Female	6	46%
Male	7	54%
TERMINATION	3	19%
Female	2	67%
Male	1	33%
OVERALL TOTAL	**16**	**100%**

REF. GRI	DESCRIPTION OF THE INDICATOR	CONTENT, PAGE OR LINK
GRI 401 - EMPLOYMENT		
401-01	New hires and staff turnover	**UNITeD KINGDOM** | Admissions and Terminations

	Count	%
ADMISSION/HIRING	2	100%
< ou =30	0	0%
31-35	0	0%
36-40	2	100%
41-45	0	0%
46-50	0	0%
>50	0	0%
TERMINATION	0	0%
< ou =30	0	0%
31-35	0	0%
36-40	0	0%
41-45	0	0%
46-50	0	0%
>50	0	0%
OVERALL TOTAL	**2**	**100%**

Sex	Count	%
ADMISSION/HIRING	2	100%
Female	0	0%
Male	2	100%
TERMINATION	0	19%
Female	0	0%
Male	0	0%
OVERALL TOTAL	**2**	**100%**

REF. GRI	DESCRIPTION OF THE INDICATOR	CONTENT, PAGE OR LINK
GRI 401 - EMPLOYMENT		
401-01	New hires and staff turnover	**FRANCE** | Admissions and Terminations

	Count	%
ADMISSION/HIRING	60	49%
< ou =30	19	32%
31-35	14	23%
36-40	10	17%
41-45	4	7%
46-50	9	15%
>50	4	7%
TERMINATION	63	51%
< ou =30	21	33%
31-35	11	17%
36-40	13	21%
41-45	5	8%
46-50	8	13%
>50	5	8%
OVERALL TOTAL	**123**	**100%**

Sex	Count	%
ADMISSION/HIRING	2	49%
Female	0	0%
Male	60	100%
TERMINATION	0	51%
Female	0	0%
Male	63	0%
OVERALL TOTAL	**123**	**100%**

REF. GRI	DESCRIPTION OF THE INDICATOR	CONTENT, PAGE OR LINK
GRI 401 - EMPLOYMENT		
401-01	New hires and staff turnover	**POLAND** | Admissions and Terminations

	Count	%
ADMISSION/HIRING	3	60%
< ou =30	0	0%
31-35	0	0%
36-40	1	33%
41-45	0	0%
46-50	1	33%
>50	1	33%
TERMINATION	2	40%
< ou =30	0	0%
31-35	0	0%
36-40	0	0%
41-45	1	50%
46-50	1	50%
>50	0	0%
OVERALL TOTAL	**5**	**100%**

Sex	Count	%
ADMISSION/HIRING	3	60%
Female	1	33%
Male	2	67%
TERMINATION	2	40%
Female	1	50%
Male	1	50%
OVERALL TOTAL	**5**	**100%**

REF. GRI	DESCRIPTION OF THE INDICATOR	CONTENT, PAGE OR LINK
GRI 401 - EMPLOYMENT		
401-01	New hires and staff turnover	**ROMANIA** | Admissions and Terminations

	Count	%
ADMISSION/HIRING	17	53%
< ou = 30	5	29%
31 - 35	4	24%
36 - 40	3	18%
41 - 45	2	12%
46 - 50	3	18%
> 50	0	0%
TERMINATION	15	47%
< ou = 30	3	20%
31 - 35	2	13%
36 - 40	4	27%
41 - 45	3	20%
46 - 50	1	7%
> 50	2	13%
OVERALL TOTAL	**32**	**100%**

Sex	Count	%
ADMISSION/HIRING	17	53%
Female	2	12%
Male	15	88%
TERMINATION	15	47%
Female	4	27%
Male	11	73%
OVERALL TOTAL	**32**	**100%**

REF. GRI	DESCRIPTION OF THE INDICATOR	CONTENT, PAGE OR LINK
GRI 401 - EMPLOYMENT		
401-03	Parental leave	**IN 2023**

IN 2023

Parental leave

Sex	No. of employees
Female	6
Male	26
Overall Total	32

Right to Parental Leave

Sex	No. of employees
Female	7
Male	31
Overall Total	38

Return to work after leave

Sex	No. of employees
Female	4
Male	30
Overall Total	34

Return to work after leave in 2022 and remain in the company 12 months

[redacted]	
Female	3
Male	15
Overall Total	18

RATE OF RETURN
(No. of employees who returned after leave/No. of employees who should have returned after leave)*100

Sex	Rate
Female	57.00%
Male	97.00%
Total	89.00%

RETENTION RATE
(No. of employees retained 12 months after they returned from leave/No. of employees who returned from leave during the previous report)*100

Sex	Rate
Female	60.00%
Male	93.75%
Total	85.71%

REF. GRI	DESCRIPTION OF THE INDICATOR	CONTENT, PAGE OR LINK
GRI 403 - SAFETY AND HEALTH AT WORK		
403-01	Health and safety at work management system	86-87
403-02	Hazard identification, risk assessment and incident investigation	86-87
403-03	Occupational health services	86-87
403-04	Employee participation, consultation and communication with employees regarding health and safety at work	86-87
403-05	Training of employees in health and safety at work	86-87
403-06	Promotion of employee health	86-87
403-07	Prevention and mitigation of occupational health and safety impacts directly linked to business relations	86-87
403-08	Employees covered by an occupational health and safety management system	86-87
403-09	Accidents at work	86-87
403-10	Occupational diseases	86-87
GR 404 - TRAINING AND EDUCATION		
404-01	Average number of training hours per year, by employee	60-67
404-02	Programmes to improve the skills of employees and career transition assistance	60-67
404-03	Percentage of employees receiving regular performance and career development assessments	60-67
GRI 405 - DIVERSITY AND EQUAL OPPORTUNITIES		
405-01	Diversity in management bodies and employees	50-55 2023 Corporate Governance Report
GRI 406 - NON-DISCRIMINATION		
406-01	Cases of discrimination and corrective measures taken	Martifer Group was not aware of cases of this nature in 2023

Oliveira de Frades, 12 April 2024

The Board of Directors,

Carlos Manuel Marques Martins
(President)

Arnaldo José Nunes da Costa Figueiredo
(Vice President)

Jorge Alberto Marques Martins
(Vice President)

Pedro Miguel Rodrigues Duarte
(Member of the Board of Directors)

Pedro Nuno Cardoso Abreu Moreira
(Member of the Board of Directors)

Carlos Alberto Araújo da Costa
(Member of the Board of Directors)

Maria Sílvia da Fonseca Vasconcelos da Mota
(Member of the Board of Directors)

Carla Maria de Araújo Viana Gonçalves Borges Norte
(Member of the Board of Directors)

Clara Sofia Teixeira Gouveia Moura
(Member of the Board of Directors)

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AUDIT AND SUPERVISION REPORTS

Martifer SGPS S.A. - Sociedade Aberta
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Portugal

REPORT AND OPINION OF THE SUPERVISORY BOARD

About Consolidated Financial Statements
Fiscal year 2023

(TRANSLATION OF A REPORT ORIGINALLY ISSUED IN PORTUGUESE)

To the Shareholders,

1. In accordance with the law, statutes, and our mandate given to us at the Shareholders Meeting held on May 21st, 2021, we herewith present our report on our supervisory activity and give our opinion on the Management Consolidated Report and the Consolidated Financial Statements prepared by the Management of MARTIFER – SGPS, S.A. with respect to the year ended at the December 31th, 2023.

2. We regularly have accompanied the activity of the Company and its main affiliate companies, having received from the Executive Directors, as well from the services, all clarifications deemed convenient for the completion of our duties.

3. We followed the account consolidation process, the work of the Statutory Auditor and External Auditor with whom we met, we assessed the Legal Certifications of the Consolidated Accounts and the Audit Report issued today, which received our agreement.

4. We also analyzed the "Additional Report to the Supervisory Body" issued today by Deloitte & Associados, SROC, S.A. in the capacity of Statutory Auditor under the terms of article 11.º of European Regulation no. 537/2014, of the European Parliament and of the Council, of September 16th, 2014, with whom we met specifically for this purpose.

5. We analyzed three proposals for other services than audit, that were presented by Deloitte & Associados, SROC, S.A. to the Supervisory Board, having approved the proposals, as they complied with the applicable standards, included allowed services and did not affect the External Auditor's independence.

6. As part of our duties, we have verified that:

   a) The Statement of Consolidated Financial Position, the Consolidated Results Statements, the Consolidated Comprehensive Income Statements, the Consolidated Changes in Equity and the Notes to the Consolidated Financial Statements, allow an understanding of the Group's financial situation and its results;

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MARTIFER
GROUP

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Portugal

b) The accounting policies and valuation criteria adopted, in accordance with the International Financial Reporting Standards "IFRS" as adopted by the European Union, were consistent with those applied in the preparation of the financial information for the previous year and allow the correct assessment of the consolidated financial situation and the Company's results; and

c) The Single Management Report clarifies the evolution of the Group's business and financial situation, clearly showing the most important aspects of the Group's activities.

7. In these terms, taking into account the clarifications provided by the Board of Directors, the External Auditor and the conclusions that we have drawn from the “Legal Certification of the Consolidated Accounts” and the “Additional Report to the Supervisory Body”, we recommend:

   a) The approval of the Management Consolidated Report; and

   b) The approval of the consolidated financial statements.

Oliveira de Frades, April 24th, 2024

The Members of the Supervisory Board

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REPORT AND OPINION OF THE SUPERVISORY BOARD

About Separate Financial Statements
Fiscal year 2023

(TRANSLATION OF A REPORT ORIGINALLY ISSUED IN PORTUGUESE)

To the Shareholders,

1. In accordance with the law, statutes, and our mandate given to us at the Shareholders Meeting held on May 21st, 2021, we herewith present our report on our supervisory activity and give our opinion on the Management Report, the Financial Statements and Proposals prepared by the Management of MARTIFER – SGPS, S.A. with respect to the year ended at the December 31th, 2023.

2. We regularly have accompanied the activity of the Company and its main affiliate companies, having received from the Executive Directors, as well from the services, all clarifications deemed convenient for the completion of our duties.

3. We accompanied the work of the Statutory Auditor and External Auditor with whom we had several meetings, we confirmed his independence and we analyzed the Legal Certifications of the Accounts and the Audit Report issued today, which received our agreement.

4. We also analyzed the "Additional Report to the Supervisory Body" issued today by Deloitte & Associados, SROC, S.A. in the capacity of Statutory Auditor under the terms of article 11.º of European Regulation no. 537/2014, of the European Parliament and of the Council, of September 16th, 2014, with whom we met specifically for this purpose.

5. We analyzed three proposals for other services than audit, that were presented by Deloitte & Associados, SROC, S.A. to the Supervisory Board, having approved the proposals, as they complied with the applicable standards, included allowed services and did not affect the External Auditor's independence.

6. As part of our duties, we have verified that:

   a) The Single Management Report and the Separate Financial Statements show clearly the financial situation, results, cash flows and changes in Company´s equity;

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b) The accounting policies and valuation criteria adopted, in accordance with the International Financial Reporting Standards "IFRS" as adopted by the European Union, were consistent with those applied in the preparation of the financial information for the previous year, except for the measurement of financial investments in subsidiaries and associates, as disclosed in points 1.2, 1.3 a), 2, 6 and 13 of the Notes to the Separate Financial Statements, allowing the correct assessment of the financial situation and the Company's results; and

c) The Proposal for Application of Results is in accordance with applicable legal standards and statutes; and

d) The Corporate Governance Report complies with article 29.°-H of the Portuguese "Código dos Valores Mobiliários".

7. In these terms, taking into account the clarifications provided by the Board of Directors, the External Auditor and the conclusions that we have drawn from the "Legal Certification of the Accounts" and the "Audit Report", we recommend:

   a) The approval of the Single Management Report;

   b) The approval of the separate financial statements;

   c) The approval of the Proposal for Application of Results; and

   d) That Shareholders must carry out a general assessment of the management and supervision of the Company, under the terms and for the purposes provided for in article 455.° of the Portuguese "Código das Sociedades Comerciais".

Oliveira de Frades, April 24th, 2024

The Members of the Supervisory Board

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STATEMENT BY THE SUPERVISORY BOARD
(Article 29.º-G, no. 1, subparagraph c) of the
Portuguese "Código dos Valores Mobiliários")

(TRANSLATION OF A REPORT ORIGINALLY ISSUED IN PORTUGUESE)

To the Shareholders,

Under the terms of the law, we declare that, to the best of our knowledge:

i) The information contained in the separate and consolidated financial statements for the year 2023, as well as in their annexes, was prepared in accordance with the applicable accounting standards, giving a true and fair view of the assets and liabilities, the financial position and the performance of the company MARTIFER - SGPS, S.A. and the companies included in the consolidation;

ii) The information contained in the single management report for the year 2023 faithfully shows the evolution of the business, performance and financial position of MARTIFER - SGPS, S.A. and the companies included in the consolidation, containing a description of the main risks and uncertainties with which face each other.

Oliveira de Frades, April 24th, 2024

The Members of the Supervisory Board

Deloitte & Associados, SROC S.A.
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Bom Sucesso Trade Center
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October 1, 2024

Martifer, SGPS, S.A.
Zona Industrial de Oliveira de Frades
Apartado 7
3680-170 Oliveira de Frades

For the attention of Mr. Pedro Nuno Cardoso Abreu Moreira

Dear Sirs,

Please find enclosed a translation to English of our Statutory Audit Report and Auditors' Report on the consolidated financial statements of Martifer, SGPS, S.A. as at December 31, 2023.

This is a translation of a Statutory Audit Report and Auditors' Report originally issued in Portuguese on consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union. In the event of discrepancies, the Portuguese language version prevails.

Yours faithfully,

Deloitte & Associados, SROC S.A.
Represented by Nuno Miguel dos Santos Figueiredo, ROC
Registration in OROC nº 1272
Registration in CMVM nº 20160883

PNC/mjr

<u>STATUTORY AUDIT REPORT AND AUDITORS' REPORT</u>

(Free translation of a report originally issued in Portuguese language:
in case of doubt the Portuguese version will always prevail)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Martifer, SGPS, S.A. (the Entity) and of its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023 (showing a total of Euro 274,690,663 and equity of Euro 56,242,471, including a net profit attributable to the shareholders of the Parent-company of Euro 19,695,658), the consolidated income statement, 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 the accompanying notes to the consolidated financial statements, including material accounting policy information.

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

Bases for the opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese 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 from the entities that constitute the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Ordem dos Revisores Oficiais de Contas code of ethics.

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

Key audit matters

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

<table>
<tr><th>Description of the most significant risks of material misstatement identified</th><th>Summary of the auditor’s response to the assessed risks of material misstatement</th></tr>
<tr><td colspan="2">Revenue recognition on metallic construction and shipbuilding contracts as well as ship repair contracts
(Notes 1.4 xi), 3, 4, 27, 34 and 37 of the notes to the consolidated financial statements)</td></tr>
<tr><td>The Group’s revenue arises from several business segments, and the amount of revenue recognized in the year ended 31 December 2023 relating to metallic construction contracts amounted to Euro 106,849,123 (Euro 93,148,441 for the year ended 31 December 2022) and the revenue relating to shipbuilding contracts amounted to Euro 30,721,418 (Euro 34,765,460 for the year ended 31 December 2022). Additionally, the Group recognized revenue associated to ship repair contracts in the amount of Euro 31,452,458 (Euro 33,885,780 for the year ended 31 December 2022). In addition, in the year ended 31 December 2023 the Group recognized a provision for onerous contracts amounting to, approximately, Euro 6,101,000 associated with two shipbuilding contracts after the conclusion of the renegotiation process with the client and the recovery of the amount owed as a result of the general increase in the prices of equipment, materials and services.

The Group recognizes revenue from construction contracts taking into consideration the IFRS 15 – Revenue from Contracts with Costumers, recognizing revenue and margins associated with: i) shipbuilding and ship repair contracts according to the percentage of completion, using the inputs method, which is understood as the ratio between costs incurred on each contract until a certain date and the sum of these costs with the estimated costs to complete it, and ii) in the case of metallic construction contracts using the outputs method, which intends to accurately reflect the physical progress of the work on a certain date.

Determining the percentage of completion of the construction contracts of the referred business segments involves a number of significant estimates and judgments, namely regarding the construction contract total income, the costs to be incurred until the completion of the contract, the impacts of work actually done in relation to those contracted, contractual penalties and existing or future claims, namely during the warranty period.

With regard to metallic construction contracts, the Group recognizes provisions to meet legal obligations to be incurred during the warranty period. In the case of shipbuilding and ship repair contracts, the costs to be incurred during the warranty period are recognized as liabilities relating to contracts with customers. In both situations are considered the historical amounts incurred with that kind of obligations.

The judgmental character of the matters referred above, together with the materiality of the revenue recognized, and the provision for onerous contracts and the customer</td><td>Our audit procedures in this area included, amongst others:

- Analysis of the accounting policy for revenue recognition from construction contracts and ship repair contracts adopted by the Group by reference to the applicable accounting standards;

- Evaluation of the design and implementation of relevant controls related to the revenue recognition process for metallic and shipbuilding construction contracts, as well as ship repair contracts;

- Analysis of the construction contracts schedules that support the revenue recognition from construction contracts and ship repair contracts and validating their reconciliation with the figures included in the consolidated statements of the financial position and income of the Group;

- For a sample of revenue transactions of the year, selected in accordance with quantitative and qualitative criteria, verification of the adequacy of the accounting treatment and confirmation, for each contract, of the main contracted values and total estimated costs to be incurred in accordance with the production budgets;

- For the aforementioned sample and with regard to the shipbuilding contracts, recalculation of the percentage of completion, of the revenue figures for the year, as well as of the respective assets and liabilities relating to contracts with customers, comparing them with the Group’s accounting records;

- For the aforementioned sample and with regard to the metallic construction contracts, a comparison of the percentage of completion included on the construction contracts schedules with the statements of work done approved by customers, obtaining information from the management regarding the differences found. Recalculation of the revenue amounts for the year, as well as the respective assets and liabilities relating to contracts with customers, comparing them with the Group’s accounting records;

- Validation of the provisions for onerous contracts recognized taking into account the supporting information for their recognition;

- For a sample of transactions of the year, analysis of the costs incurred per construction contract and respective supporting documentation;</td></tr>
</table>

Description of the most significant risks of material misstatement identified	Summary of the auditor’s response to the assessed risks of material misstatement
contract assets and liabilities recognized in the consolidated statement of financial position as of the reporting date, as well as considering the geographical dispersion of the Group’s operations in the metallic construction business and the consequent diversity of contractual conditions, we consider this matter as a key audit matter.	– Review of the estimates and judgments made by management with respect to the margin recognized per contract, by: (i) analyzing the reliability of the estimates by reference to actual values observable in construction contracts completed in prior years and of a similar nature; and (ii) inquiring into the variations between years in total estimated revenues and total estimated costs to be incurred, as well as costs incurred compared to budgeted costs; – Evaluation of the reasonableness and necessity of recording provisions for expected losses on contracts, by: (i) inquiring and by obtaining information from the management, (ii) contract analysis on a sample basis and analysis of minutes of the corporate bodies, (iii) analysis of known external factors, ligation, complaints and non-conformities reported by counterparties and (iv) analysis of subsequent events to the reporting date; – Confirmation of balances and other contractual information, or performing alternative procedures in case of no confirmation was obtained, for a sample of the Group’s customers and analysis of the reconciliations between the information included in the confirmations obtained and the Group’s accounting records; and – Assessment of the adequacy of the disclosures related on this matter in the notes to the consolidated financial statements.
Impairment of tangible fixed assets, goodwill, fair value determination of investment properties and determination of the recoverable amount of real estate assets booked as inventories (Notes 1.4 i), 1.4 iv), 1.4. vi), 1.4. ix), 1.4 xix), 1.4 xxv.c), 1.4. xxv.e), 11, 17, 19 and 24 of the notes to the consolidated financial statements)	
At 31 December 2023, the carrying amount of tangible fixed assets and goodwill amounts to Euro 45,678,982 (Euro 47,051,679 at 31 December 2022) and Euro 10,961,941 (Euro 10,974,649 at 31 December 2022), respectively. The Group also has real estate assets recognized as investment properties (Euro 19,505,000 at 31 December 2023 and 2022) and as inventories (Euro 12,628,778 at 31 December 2023 and Euro 12,280,650 at 31 December 2022, before considering the accumulated impairment losses recognized for those assets in the amount of Euro 6,631,104 and Euro 6,863,774, respectively), which are recognized at fair value and at their net recoverable amount, respectively, being these properties subject to recurring valuations performed by experts independent from the Group.	Our audit procedures in this area included the assessment of the design and implementation of relevant controls related to the identification of impairment indicators at the level of the Group’s non-current assets, analysis of the main business indicators and macroeconomic factors that affect the performance of the assets, assessment of the recoverability of goodwill amounts, as well as analysis of impairment tests in situations in which the Group identifies impairment indicators in its non-current assets. With regard to the assessment of recoverable amount used by the Group in the impairment assessment process, at goodwill and non-current assets level, our analysis included, amongst others: – Obtaining the valuation models used to determine the recoverable amount of each cash-generating unit and testing the arithmetic accuracy of these models;

Description of the most significant risks of material misstatement identified	Summary of the auditor's response to the assessed risks of material misstatement
Additionally, the Group performs an annual impairment test on the goodwill recorded in the consolidated financial statements, as well as impairment tests in respect of its non-current assets whenever an event or change in circumstances is identified that indicates that the amount at which an asset is recorded may not be recoverable. Additionally, the real estate assets booked as investment properties at fair value and as inventories at net recoverable amount are subject to recurring valuations by experts independent from the Group. Impairment tests and real estate valuations incorporate significant and complex judgments, materialized in business plans (which are based on several assumptions, associated with discount rates, expected profitability margins, growth rates and investment plans), as well comparable real estate prices on the market, among others. Given the risk of there being impairment losses of material amount not recognized in the consolidated financial statements or the existence of a mismatch between the value of real estate assets and their net recoverable amount, and taking into account the relevance of the amounts of tangible fixed assets goodwill, investment properties and real estate assets recognized as inventories, the large number of assumptions used in conducting impairment tests, as well as the sensitivity of the results determined to some changes in assumptions, we consider this matter as a key audit matter.	- Evaluation of the methodology used by the Group in the process of determining the value in use, namely taking into consideration the requirements of the applicable accounting standards; - Evaluation of the assumptions underlying the models, involving internal specialists to critically assess the assumptions used, namely, the discount rates, expected margins, growth rates, in addition to the forecast cash flows themselves; - Conducting discussions with the management of the different business units and their representatives; - Performance of sensitivity analysis to the assumptions and forecasts used as well as performance of stress tests on the valuations performed; Additionally, with regard to the real estate assets valuation owned by the Group: - We reviewed the main assumptions associated to their valuation, namely the prices per square meter and the homogenization factors used by the external experts, and verified their consistency with valuations obtained in previous periods; - We involve, whenever deemed appropriate, internal specialists in the analysis of the valuation of these real estate assets. We evaluated the adequacy of the disclosures on these matters in the notes to the consolidated financial statements.
Impairment of accounts receivable (Notes 1.4 vii.1), 1.4 xxv.f), 1.4 xxix) e) and 25 of the notes to the consolidated financial statements)	
At 31 December 2023, the consolidated statement of financial position includes receivables from customers and other debtors, net of accumulated impairment losses, amounting to Euro 40,563,735 (Euro 41,939,320 at 31 December 2022). At each reporting date, the Group determines the estimated amount of impairment losses to be recognized to address the estimated non-recoverable amount of receivables with aging or for which other indicators of impairment are identified. In addition, the Group also recognizes expected impairment losses on accounts receivable using an uncollectability matrix based on the credit history of the Group's debtors over the past four years, adjusted for specific factors attributable to those debtors, as well as macroeconomic conditions, currently worsened namely by the high rate of inflation verified and the consequent general increase in interest rates. For the purpose of the referred impairment analysis, the balances of customers and other debtors are grouped taking into account similar credit risk profiles (country, business	Our audit procedures in this area included, among others: - Analysis of the accounting policy for financial assets impairment losses recognition and measurement adopted by the Group by reference to the applicable accounting standards; - Evaluation of the design and implementation of relevant controls related to the process of recognition and measurement of impairment losses for receivables; - Obtaining and analyzing the models for computing the accumulated impairment losses and recognized in the year and reconciling that information with the figures in the Group's consolidated statements of financial position and income; - Evaluating the accuracy of the estimates and assumptions used by management in determining the matrix of expected credit losses under IFRS 9 - Financial Instruments, particularly with respect to the reasonableness of historical uncollectibility rates and the macroeconomic factors considered;

Description of the most significant risks of material misstatement identified	Summary of the auditor's response to the assessed risks of material misstatement
unit, type of debtor - public or private, among others) and maturity ageing. In the year ended 31 December 2023 the Group recognized in the consolidated income statement net gains on impairment losses on financial assets amounting to Euro 14,492,142 (costs amounting to Euro 13,467,435 in the year ended 31 December 2022), mainly related to the impairment loss reversal on receivables from the main customer of the shipbuilding industry business segment as a result of the payment and resumption of shipbuilding activity with that customer in the second semester of 2023 as a result of the contractual renegotiation carried out, which allowed the reversal of impairment losses previously recognized through the receipt of the receivables from that customer. Given the degree of judgement made by management in determining the recoverable amount of receivables with impairment indicators, as well as taking into account the significant assumptions inherent in the expected credit loss matrix, we consider that this matter is a key audit matter.	- Conducting discussions with the management of the various business units and their representatives; - Analysis of information requests made to the Group's lawyers and legal advisors who provide advice on litigation situations related to receivables from customers and other debtors; - Analysis of the collateral or guarantees that serve as security for the accounts receivable; - Analysis of receipts from clients and other debtors after the reporting date, namely the verification of the compliance of the payment plans agreed with them. In addition to the procedures described above, we requested confirmation of balances for a sample of the Group's customers and other debtors. We analyzed, when applicable, the reconciliation between the information included in the confirmations obtained and the Group's accounting records. We also assessed the adequacy of the disclosures made on this matter.

Responsibilities of management and supervisory body for the consolidated financial statements

Management is responsible for:

- the preparation of consolidated financial statements that give a true and fair view of the Group's financial position, financial performance and cash flows in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union;
- the preparation of the management report, the corporate governance report, the non-financial statement and the remunerations report in accordance with applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of consolidated 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, the matters that may cast significant doubt about 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 responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from 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 skepticism 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 report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient 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;
- communicate with those charged with governance, including the supervisory body, 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;
- determine, from the matters communicated with those charged with governance, including the supervisory body, those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter;
- provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Our responsibility also includes the verification that the information contained in the management report is consistent with the consolidated financial statements, and the verifications provided in numbers 4 and 5 of article 451 of the Portuguese Companies' Code ("Código das Sociedades Comerciais"), as well as the verification that a non-financial statement and a remunerations report was presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

European Single Electronic Format (ESEF)

The Group's consolidated financial statements for the year ended 31 December 2023 must comply with the applicable requirements established in Commission Delegated Regulation (EU) 2019/815, of 17 December 2018 ("ESEF Regulation").

The management is responsible for the preparation and disclosure of the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements included in the annual report are presented in accordance with the requirements of the ESEF Regulation.

Our procedures took into account the Technical Application Guide of the Portuguese Institute of Statutory Auditors on ESEF reporting and included, among others:

- obtaining an understanding of the financial reporting process, including the annual report presentation in valid XHTML format; and
- the identification and assessment of the risks of material misstatement associated with the tagging of information in the consolidated financial statements, in XBRL format, using iXBRL technology. This assessment was based on an understanding of the process implemented by the Entity to tag the information.

In our opinion, the consolidated financial statements included in the annual report are presented, in all material respects, in accordance with the requirements of the ESEF Regulation.

On the management report

Pursuant to item e) of number 3 of article 451 of the Portuguese Companies' Code, it is our opinion that the 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 misstatements.

On the corporate governance report

Pursuant to number 4 of article 451, of the Portuguese Companies' Code, we conclude that the corporate governance report includes the elements required to the Group under the terms of article 29-H of the Portuguese Securities Code ("Código dos Valores Mobiliários"), and we have not identified any material misstatements on the information disclosed therein, which, accordingly, complies with the requirements of items c), d), f), h), i) and l) of number 1 of that article.

On the consolidated non-financial statement

Pursuant to number 6 of article 451 of the Portuguese Companies' Code, we inform that the Group has prepared a report separate from the management report, named Sustainability report, that includes the consolidated non-financial statement, as provided for in article 508-G of the Portuguese Companies' Code, and it has been disclosed together with the management report.

On the remunerations report

Pursuant to number 6 of article 26-G of the Portuguese Securities Market Code, we hereby inform that the Entity included in a separate section, in its corporate governance report, the information set forth in number 2 of that article.

On the additional matters provided in article 10 of Regulation (UE) 537/2014

Pursuant to article 10 of Regulation (UE) 537/2014 of the European Parliament and of the Council of 16 April 2014, in addition to the key audit matters mentioned above, we also report on the following:

- We were appointed as auditors of Martifer, SGPS, S.A. in the shareholders' general assembly held on 24 June 2020 for a first mandate from 2020 to 2021. In the shareholders' general assembly held on 25 May 2022, we were re-appointed for a new mandate from 2022 to 2023.

- Management has confirmed to us that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISAs, we maintained professional scepticism and we designed audit procedures to respond to the risk of material misstatements in the consolidated financial statements due to fraud. As a result of our work, we have not identified any material misstatement on the consolidated financial statements due to fraud.
- We confirm that the audit opinion issued is consistent with the additional report that we prepared and delivered to the Group’s supervisory body on this date.
- We declare that we have not provided any prohibited services as described in number 1 of article 5 of the Regulation (UE) 537/2014 and we have remained independent from the Group in conducting the audit.

Porto, 24 April 2024

Deloitte & Associados, SROC S.A.
Representada por Nuno Miguel dos Santos Figueiredo, ROC
Registo na OROC nº 1272
Registo na CMVM nº 20160883

Deloitte.

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October 1, 2024

Martifer, SGPS, S.A.
Zona Industrial de Oliveira de Frades
Apartado 7
3680-170 Oliveira de Frades

For the attention of Mr. Pedro Nuno Cardoso Abreu Moreira

Dear Sirs,

Please find enclosed a translation to English of our Statutory Audit Report and Auditors' Report on the separate financial statements of Martifer, SGPS, S.A. as at December 31, 2023.

This is a translation of a Statutory Audit Report and Auditors' Report originally issued in Portuguese on separate financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union. In the event of discrepancies, the Portuguese language version prevails.

Yours faithfully,

Deloitte & Associados, SROC S.A.
Represented by Nuno Miguel dos Santos Figueiredo, ROC
Registration in OROC nº 1272
Registration in CMVM nº 20160883

PNC/mjr

STATUTORY AUDIT REPORT AND AUDITORS' REPORT

(Free translation of a report originally issued in Portuguese language:
in case of doubt the Portuguese version will always prevail)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Martifer, SGPS, S.A. (the Entity), which comprise the separate statement of financial position as at 31 December 2023 (showing a total of Euro 63,823,945 and equity of Euro 55,452,666, including a net profit of Euro 19,695,658), the separate statement of income and of other comprehensive income, the separate statement of changes in equity and the separate statement of cash flows for the year then ended, and the accompanying notes to the financial statements, including material accounting policy information.

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

Basis for opinion

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

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

Key audit matters

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

<table>
<tr><th>Description of the most significant risks of material misstatement identified</th><th>Summary of the auditor’s responses to the assessed risks of material misstatement</th></tr>
<tr><td colspan="2">Measurement of financial investments in subsidiaries and associates
(Notes 1.2, 1.3 i), 2, 6 and 13 of the notes to the financial statements)</td></tr>
<tr><td>During the financial year 2023 the Entity made a voluntary change in the accounting policy for recognition and measurement of financial investments in subsidiaries and associates, which are, since then, measured in accordance with the equity method. As a result of the change in the accounting policy, which was carried out retrospectively, with reference to 1 January 2023, there was a reduction in equity amounting to Euro 70,334,829, and an increase in the net profit for the year ended 31 December 2022 in the amount of Euro 1,033,488.

The separate statement of financial position as at 31 December 2023 includes financial investments in subsidiaries and associates amounting to Euro 49,007,039 (Euro 36,167,731 and provisions in the amount of Euro 6,233,753 as at 31 December 2022). As a result of the application of the equity method, the Entity recognized gains on subsidiaries in the net profit for the year in the amount of Euro 18,366,014 (Euro 12,690,071 as at 31 December 2022) and in the comprehensive income in the amount of Euro 707,047 (Euro 2,315,811 as at 31 December 2022).

The Entity carries out an assessment of investments in subsidiaries and associates when there are indications that the asset may be impaired, and the impairment losses that are shown to exist are recorded as a cost, using the same assumptions and methods as those used for the purpose of testing Goodwill impairment at the level of the consolidated financial statements.

Considering the relevance of the assets under analysis for the Entity's financial statements, as well as the complexity inherent in the change in the accounting policy in its measurement and the performance and analysis of the valuation models used, based on estimates and assumptions based on economic and market forecasts, as well as the level of estimates involved in relation to the determination of impairment, we consider this area as a key audit matter.</td><td>Our audit procedures in this area included, amongst others:

- Analysis of the impacts resulting from the change in the accounting policy for recognition and measurement of financial investments in subsidiaries and associates, including: i) the assessment of the reasonableness of the reason that led the management to change the accounting policy; ii) verification of its arithmetic accuracy; and iii) verification of the restatement of the financial statements at 31 December 2022 and 1 January 2022 presented for comparative purposes and the respective disclosures;
- Obtaining the financial statements as of 31 December 2023 of the Entity’s subsidiaries and verifying the arithmetic accuracy of the application of the equity method;
- Analysis of the existence of impairment indicators regarding the financial investments in subsidiaries;
- Obtaining the valuation models used by management to determine the recoverable amount of each financial investment and testing the arithmetic accuracy of these models, as well as validating their consistency with the valuation models used by management for the purposes of impairment analysis of goodwill and non-current assets at consolidated financial statements level of the Entity;
- Evaluation of the methodology and assumptions underlying the models used by the Entity in the process of determining the value in use, namely in view of the requirements of the applicable accounting standards, using, when deemed necessary, internal experts to critically evaluate the models used, the discount rates and the growth rates used;
- Evaluation of the adequacy of the disclosures made on this matter in the notes to the financial statements.</td></tr>
</table>

Other matters

The accompanying financial statements refer to the Entity's activity on a standalone basis and were prepared for approval and publication in accordance with the legislation in force. As referred in note 1.3 i) of the notes to the financial statements, the financial investments in subsidiaries and associates are recorded using the equity method. The accompanying financial statements do not include the effect of the full consolidation, which will be performed in consolidated financial statements to be approved and published separately. The note 13 of the notes to the financial statements provides additional information about subsidiary and associate entities.

Responsibilities of management and supervisory body for the financial statements

Management is responsible for:

- the preparation of financial statements that give a true and fair view of the Entity's financial position, financial performance and cash flows in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union;
- the preparation of the management report, the corporate governance report, the non-financial statement and the remunerations report in accordance with applicable 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 Entity's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about the Entity's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from 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 skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the 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 Entity'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 Entity'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 report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- communicate with those charged with governance, including the supervisory body, 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;
- determine, from the matters communicated with those charged with governance, including the supervisory body, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter;
- provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Our responsibility also includes the verification that the information contained in the management report is consistent with the financial statements, and the verifications provided in numbers 4 and 5 of article 451 of the Portuguese Companies' Code ("Código das Sociedades Comerciais"), as well as the verification that a non-financial statement and a remunerations report were presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

European Single Electronic Format (ESEF)

The Entity's financial statements for the year ended 31 December 2023 must comply with the applicable requirements established in Commission Delegated Regulation (EU) 2019/815, of 17 December 2018 ("ESEF Regulation").

The management is responsible for the preparation and disclosure of the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the financial statements, included in the annual report, are presented in accordance with the requirements of the ESEF Regulation.

Our procedures took into account the Technical Application Guide of the Portuguese Institute of Statutory Auditors on ESEF reporting and included, among others, obtaining an understanding of the financial reporting process, including the annual report presentation in valid XHTML format.

In our opinion, the financial statements included in the annual report are presented, in all material respects, in accordance with the requirements of the ESEF Regulation.

On the management report

Pursuant to item e) of number 3 of article 451 of the Portuguese Companies' Code, it is our opinion that the management report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited financial statements and, having regard to our knowledge and assessment over the Entity, we have not identified any material misstatements.

On the corporate governance report

Pursuant to number 4 of article 451 of the Portuguese Companies' Code, we conclude that the corporate governance report includes the elements required to the Entity under the terms of article 29-H of the Portuguese Securities Code ("Código dos Valores Mobiliários"), and we have not identified any material misstatements on the information disclosed therein, which, accordingly, complies with the requirements of items c), d), f), h), i) and l) of number 1 of that article.

On the non-financial statement

Pursuant to number 6 of article 451 of the Portuguese Companies' Code, we inform that the Entity has prepared a report separate from the management report that includes the non-financial statement, as provided for in article 508-G of the Portuguese Companies' Code, and it has been disclosed together with the management report.

On the remunerations report

Pursuant to number 6 of article 26-G of the Portuguese Securities Market Code, we hereby inform that the Entity included in a separate section, in its corporate governance report, the information set forth in number 2 of that article.

On the additional matters provided in article 10 of Regulation (UE) 537/2014

Pursuant to article 10 of Regulation (UE) 537/2014 of the European Parliament and of the Council of 16 April 2014, in addition to the key audit matters mentioned above, we also report on the following:

- We were appointed as auditors of the Entity in the shareholders' general assembly held on 24 June 2020 for a first mandate from 2020 to 2021. In the shareholders' general assembly held on 25 May 2022, we were re-appointed for a new mandate from 2022 to 2023.
- Management has confirmed to us that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISAs, we maintained professional scepticism and we designed audit procedures to respond to the risk of material misstatements in the financial statements due to fraud. As a result of our work, we have not identified any material misstatement on the financial statements due to fraud.
- We confirm that the audit opinion issued is consistent with the additional report that we prepared and delivered to the Entity's supervisory body on this date.
- We declare that we have not provided any prohibited services as described in number 8 of article 77 of the Ordem dos Revisores Oficiais de Contas statutes (Legal Regime of the Portuguese Statutory Auditors) and we have remained independent from the Entity in conducting the audit.

Porto, 24 April 2024

Deloitte & Associados, SROC S.A.
Representada por Nuno Miguel dos Santos Figueiredo, ROC
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Registo na CMVM nº 20160883

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