Annual Report 2023

Seth

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Annual Report 2023

INTRODUCTION

The year 2023 was marked by the delay in starting contracted projects in different geographies where the company operates and the consequent lower-than-expected activity. This circumstance, together with the very negative result of a construction project in Portugal, an isolated event and a project already at the completion stage, led to very negative results for the second year running. The slow implementation of the RRP (Recovery and Resilience Plan) in Portugal, especially in the infrastructure market, has not yet allowed the domestic market to produce the expected opportunities that would allow it to reach the planned levels of activity and replace the diminished contribution of foreign markets. Also contributing to the poor result for the year was the late signing of a contract with external financing for the construction of a dam for agricultural purposes in Namibe, Republic of Angola, which will contribute significantly to the company's activity in the coming years.

In fact, this award, together with work in Portugal and Mozambique, which contributed less than expected during the financial year, means that Seth's order book at the end of 2023 came to 191 million euros, the highest in this century and one of the highest in its 90-year history.

The instability caused by the various regional conflicts and their consequences for logistics and commercial chains has affected the development of projects in Mozambique, specifically in the area of power transmission.

The shareholder change process, the result of the majority shareholder's decision to cease international activities, took place during 2023 with the signing of the respective agreement in October. Pending authorisation from the competition authorities for its implementation, it is expected to take place in the first quarter of 2024, opening up through the future shareholder - the construction and services group Griner Engenharia, S.A. - capabilities to pursue new opportunities, especially in the markets where the company already operates in Africa.

Seth does business in the Portuguese, Mediterranean European and Sub-Saharan African markets, with five strategic areas at the heart of its activities. The **Sustainability** of the operations and projects in which we participate, with special emphasis on reducing carbon emissions by seeking more efficient equipment and methods and obtaining certifications that attest to the growing incorporation of recycled materials and circular economy principles. **Innovation** through collaboration with clients in the development of less intrusive and more efficient construction solutions based on prefabrication and off-site modular construction. **Processes**, promoting their constant review in order to find the best digital solutions that technological development makes available to make operations more efficient, such as the use of electronic platforms for sharing information and **collaboration** between all workers, the use of three-dimensional representation of projects for execution and rationalisation of materials to be incorporated and the training of decision-makers in Lean methodologies for conducting activities. Collaboration, through participation in design and construction projects, as is customary in the electrical infrastructure business, or solutions engineering, which characterises our activity in maritime works, ways of operating in which involvement with clients and other Group units is essential. And **Workers**, through constant concern and commitment to creating and improving safety conditions for the performance of their duties, regardless of the geographical reality, creating uniform standards of action and investing in the constant training and improvement of everyone's skills. More complete and detailed information on the implementation of these principles and their results can be obtained by consulting the social responsibility report that the company publishes independently.

The year 2023 was a difficult one, characterised essentially by the late execution of the contracted work portfolio, the difficulty in obtaining new orders in the Portuguese market and the impact of the project carried out in Sines, the result of an evaluation at the proposal stage based on assumptions that proved to be wrong.

Operations in Africa continued to make a major contribution to the year's turnover, with the power transmission and distribution business area in Mozambique accounting for 40%.

The Portuguese infrastructure market continued to offer few opportunities, with one port project and one water supply project carried out, with total activity in Portugal and the Azores accounting for 55% of turnover.

During the year, work was carried out in foreign markets in Mozambique and Angola.

The implementation of the RRP in Portugal, whose delay was evident in the few opportunities during 2023, will lead to a huge demand from public entities during the first half of 2024, which will put great pressure on the market and on companies' ability to respond, with prices expected to rise and competition to decrease as companies will have to be selective in their choices since they won't be able to respond to every opportunity. Continued levels of demand from non-residents will continue to maintain the good momentum in the tourist residence market, where new orders were secured at the end of the year. The combination of these situations will lead to a consequent increase in the weight of the domestic market in overall turnover and an overall increase in turnover.

The Angolan market will be particularly important due to the project to build the Curoca dam in Namibe, an EPC+F project (design-build with external financing) which, due to its size, will make a significant contribution to the company's business in the coming years, but also as a result of the future shareholder composition which will bring new opportunities in this market.

The Mozambican market will continue to be significant in terms of activity, given the order book obtained, which allows us to anticipate maintaining the level of activity of previous years.

Among the most important works in progress that will be carried over to 2024, we highlight the following:

- Electric Ship Charging Stations, Lisbon
  Developer: Transtejo, S.A.

- Conversion of Pier 4 of the Cryogenic Gases Terminal, Port of Sines
  Developer: A.P.S. – Administração dos Portos de Sines e do Algarve

- Villas Costa Terra Resort (various plots), Melides
  Developer: Costa Terra S.A. / Various

- STIP Lot D-110kV, Dondo/Beira, Sofala
  Developer: E.D.M. - Electricidade de Moçambique

- PCIREP - 66/110Kv lines - Beira, Sofala
  Developer: E.D.M. – Electricidade de Moçambique

BRANCHES, SUBSIDIARIES AND GROUPINGS

BRANCHES

Seth ALGERIA
Operations in this market have been terminated, so the branch only remains active to comply with legal obligations.

Seth MOZAMBIQUE
It continued to be the company's main market, with activity concentrated on rural electrification and power transmission work. Of particular note this year was the aerial inspection of lines, which in itself broadens Seth's skills and experience in yet another component of this business area.
During the financial year, work was carried out in the provinces of Inhambane, Maputo, Nampula, Sofala and Zambézia.

Seth CAPE VERDE
The work to extend and modernise the English Harbour on Maio Island was carried out by the consortium of which Seth is a member (33%) and is still under warranty.
In 2024, no activities are anticipated in the country, but rather opportunities that have already been identified and are likely to emerge soon, justifying our continued presence in this market.

SUBSIDIARIES

SETHANGOLA, S.A.
Construction work on the Ferry Terminal, Pier and Breakwater in Cabinda for IMPA, in consortium with Seth and Mota-Engil Angola, as subcontractors for the Chinese company CGGC, ended in the third quarter of 2023.
The company will be liquidated during 2024 as a result of the changes that will take place in Seth S.A.'s shareholder structure.
Seth S.A. controls 60% of the company.

SETHMOZ, LDA.
The company did not carry out any significant activity during 2023.
The company is 100% owned by Seth.

GROUPINGS

AARSLEFF-SETH JV I/S
The consortium (Joint-Venture) was formed by Seth and the Danish construction company Per Aarsleff a/s to carry out work on the Reinforcement and Extension of the National Power Transmission Grid (MixCredit) contract for the client Electricidade de Moçambique.
The Joint-Venture is headquartered in Aabyhoej, Denmark, and in 2013, the year it was established, a branch office was set up in Mozambique. Each company's stake in the Joint Venture is 50%. All the work has been completed, as has the warranty period.
The consortium will be wound up in the course of 2024.

CMM/SETH ACE
The purpose of the grouping is to carry out works at Lajes Base, Azores, for the United States Navy and Air Force.
Work began during the year on the conversion of a building known as T-169 and the adaptation of another building to become a pumping station, which will continue into 2024.
Seth's stake in the grouping is 50%.

QUALITY, ENVIRONMENT AND SAFETY - QES

The company systematically implements its QES management system and as part of the follow-up to the Integrated Quality, Environment and Safety Management System certification, external audits were carried out by the LUSO AENOR certification body. This was a follow-up audit of the three systems (Quality, Environment and Safety).

As such, the audit of the QES Management Systems focussed on checking the general documentation of the systems and visiting the company's facilities and construction sites, monitoring the Quality, Environment and Safety systems. In the audit report, the certifying body's conclusions were recorded, and one non-conformity was identified, which was duly dealt with. All the measures resulting from the response planning to the non-conformity have already been implemented, guaranteeing the conformity of the Quality, Environment and Safety systems. One observation and two opportunities for improvement were also recorded and, as usual, included in the system's action plan. The audit's conclusions were once again very positive. The strengths observed during the audit were highlighted by the audit team:

- Top Management's commitment to the IMS, taking it on as a means of enabling the organisation to transform stakeholder requirements and expectations into intended results;
- Competence and commitment to the IMS demonstrated by the employees audited;
- Good communication practices on site and simplified approaches to transmitting the principles underlying the organisation's Quality, Environment and OHS Policy;
- Internal competences in assessing the impact of relevant occupational hygiene parameters, namely occupational noise;
- Company investment in employee well-being, implementation of various activities to promote healthy habits among employees;
- Preparation of a Sustainability Report.

A determining factor in achieving this, as well as identifying the strengths, was the result of the work, contribution and co-operation of everyone involved over the years in implementing, updating and maintaining the company's QES system.
In order to guarantee objectivity and impartiality in the internal assessment of the Systems, the Global Internal Audits of the Quality, Environment and Safety Management System continued to be carried out by a specialised external company at least once a year in 2023.
During the year, training activities and prevention resources were reinforced, essentially those relating to collective protection and large work equipment. The training has covered Seth workers and subcontractors, thus increasing the safety culture on our construction sites.
Taking an integrated view of the activities we carry out and their resulting impact, we work every day to improve our performance in the three areas of Quality, Environment and Safety (QES) through our commitment to continuous improvement in innovation, the dedication of our employees and a closer relationship with suppliers, customers and the community.

Claims Ratios for 2023

Statistics on accidents at work are essential indicators for the various parties involved in occupational health and safety to take appropriate action.
Knowing the statistics on accidents at work makes it possible to more accurately determine the occupational risks inherent in the company's activity and to choose the most appropriate ways to combat them.
In order to achieve this goal, we need to know the cause and form of accidents, as well as the most common injury and the part of the body most affected.
In order to comply with Decree-Law 26/94, ratified by Decree-Law 109/2000 of 30 June, accident statistics are compiled on a monthly basis.
Workers are informed of accident statistics in order to increase their awareness of the risks, as well as of the analyses carried out. Analyses and statistical data are presented in a simple and summarised manner, in a suggestive way, namely in awareness actions, information boards and made available in the internal communication application based on the Viva Engage platform.
There were two accidents at work in 2023, both of which resulted in days off work. However, the number of working days lost was only 23.
The values recorded for the 2023 Accident Indices were 9.8 for the Frequency Index (FI) and 0.11 for the Severity Index (SI). It should be noted that both the Frequency and Severity indices are in the qualitative class of Very Good (according to ILO parameters).

ECONOMIC AND FINANCIAL INDICATORS

In 2023, turnover amounted to 31,735,638 euros, down 1% on the previous year.
EBIT came to -4,079,529 euros.
Net Profit totalled -2,875,676 euros and the portion attributable to the shareholders of the parent company amounted to -2,950,949 euros.
At the end of the period, the company's Equity totalled 9,151,288 euros and the amount attributed to Minority Interests was -75,273 euros.
At the end of the year, the order book came to 191 million euros.

APPROPRIATION OF RESULTS

The Board of Directors proposes that the results be applied to Retained Earnings.

OUTLOOK FOR 2024 AND EVENTS AFTER THE END OF THE YEAR

The historical level of the order book in this century, as well as the prospects boosted by the dynamics of the Portuguese market and the new opportunities in the African market presented by the new shareholder framework, allow us to forecast a turnover of approximately 53 million euros and an EBIT of 3.9% for 2024.

Queijas, 14 February 2024

The Board of Directors
Carsten Lund (President)
Ricardo Pedrosa Gomes
Soren Wulff
Ana Sofia Mendes

Seth

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2023

Monetary Unit: EURO

HEADINGS	Notes	Period 31-12-2023	Period 31-12-2022
ASSETS			
Non-current assets			
Tangible fixed assets	6	4 102 775	4 549 954
Intangible fixed assets	7	35 423	
Customers with Guarantee deposit	10	180 967	794 937
Deferred tax assets	8	1 525 535	
Total non-current assets		**5 844 599**	**5 344 890**
Current Assets			
Inventory	9	193 943	424 135
Customers	10	10 114 853	8 500 530
State & other public entities	11	865 955	1 159 170
Other receivables	12	8 760 876	15 134 814
Deferrals	13	414 877	153 943
Cash & Bank deposits	4	5 118 406	2 689 066
Total current assets		25 468 910	28 061 659
Total Assets		**31 313 609**	**33 406 549**
EQUITY & LIABILITIES			
Equity			
Paid-up equity capital	14	4 000 000	4 000 000
Other investments in equity	16	4 000 000	4 000 000
Legal reserves	15	801 069	801 069
Other reserves	17	197 542	197 542
Retained Earnings	18	3 802 391	6 287 091
Other changes in equity	19	(774 038)	(640 960)
Net Profit (loss)		**(2 875 676)**	**(2 356 652)**
Total Equity attributable to shareholders		**9 151 288**	**12 288 090**
Minority interests	37	7 616	98 406
Total Equity		**9 158 904**	**12 386 495**
Liabilities			
Non-current liabilities			
Provisions	20	590 198	-
Loans	21	-	301 916
Total non-current liabilities		**590 198**	**301 916**
Current liabilities			
Suppliers	23	6 917 410	5 906 554
Customers prepayments	24	3 431 262	4 153 617
State & other public entities	11	401 067	315 185
Loans	21	5 453 426	6 343 817
Other accounts payable	22	1 755 168	2 682 015
Deferred income	13	3 606 174	1 316 950
Total current liabilities		**21 564 507**	**20 718 138**
Total liabilities		**22 154 706**	**21 020 054**
Total equity and liabilities		**31 313 609**	**33 406 549**

The Board of Directors
Carsten Lund (President)
Ricardo Pedrosa Gomes
Soren Wulff
Ana Sofia Mendes

The Chartered Accountant
Bárbara Themudo

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY DURING THE 2023-2022 PERIOD

Monetary Unit: EURO

Description	Notes	Equity								Non-controlling interests	Total Equity
		Share capital	Other investments in Equity	Legal reserves	Other reserves	Retained Earnings	Adjustments to financial assets/Other changes in equity	Net profit for the period	Total		
POSITION AT THE START OF THE PERIOD 2022 **1**	2.4	4 000 000	-	801 069	197 542	5 883 793	(677 167)	401 706	10 606 943	3 249	10 610 192
CHANGES DURING THE PERIOD											
Other changes recognised in equity						1 592	36 207		37 799	(36 642)	1 157
2		-	-	-	-	1 592	36 207	-	37 799	(36 642)	1 157
NET PROFIT FOR THE PERIOD **3**								(2 356 652)	**(2 356 652)**	131 798	**(2 224 854)**
COMPREHENSIVE RESULT 4= 2 + 3								(2 356 652)	**(2 318 854)**	131 798	**(2 187 055)**
TRANSACTIONS WITH EQUITYHOLDERS DURING THE PERIOD											
Distributions									-		-
Other transactions			4 000 000			401 706		(401 706)	4 000 000		4 000 000
5		-	4 000 000	-	-	401 706	-	(401 706)	4 000 000	-	4 000 000
POSITION AT THE END OF THE PERIOD 2022 **6 = 1+2+3+5**		4 000 000	4 000 000	801 069	197 542	6 287 091	(640 960)	(2 356 652)	12 288 089	98 406	12 386 495
POSITION AT THE START OF THE PERIOD 2023 **6**	**2.4**	4 000 000	4 000 000	801 069	197 542	6 287 091	(640 960)	(2 356 652)	12 288 089	98 406	12 386 495
CHANGES DURING THE PERIOD											
Other changes recognised in equity						(128 048)	(133 078)		(261 126)	(15 517)	(276 643)
7		-		-	-	(128 048)	(133 078)	-	(261 126)	(15 517)	(276 643)
NET PROFIT FOR THE PERIOD **8**								(2 875 676)	**(2 875 676)**	(75 273)	**(2 950 949)**
COMPREHENSIVE RESULT 9= 7 + 8								(2 875 676)	**(3 136 802)**	(75 273)	**(3 212 075)**
TRANSACTIONS WITH EQUITYHOLDERS DURING THE PERIOD											
Other transactions						(2 356 652)		2 356 652	-		-
10		-	-	-	-	(2 356 652)	-	2 356 652	-	-	-
POSITION AT THE END OF THE PERIOD 2023 **11= 6+7+8+10**		4 000 000	4 000 000	801 069	197 542	3 802 391	(774 038)	(2 875 676)	9 151 287	7 616	9 158 904

The Board of Directors
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Ana Sofia Mendes

The Chartered Accountant
Bárbara Themudo

CONSOLIDATED INCOME STATEMENT BY NATURE OF EXPENSE

FOR PERIOD ENDED DECEMBER 31, 2023

Monetary Unit: EURO

INCOME & EXPENSES	Notes	Period 31-12-2023	Period 31-12-2022
Sales & services rendered	25	31 735 639	32 032 685
Government grants	26	97 600	3 840
Own works capitalised	27	10 679	5 787
Cost of goods sold & materials consumed	28	(8 338 772)	(8 263 301)
Third party supplies & services	29	(18 711 239)	(18 512 382)
Staff costs	30	(7 028 434)	(7 308 022)
Inventory impairment (losses/reversals)	31	0	(345)
Impairment of receivables (losses/reversals)	10/12	(28 877)	(1 553)
Provisions (increases/reductions)	20	(621 798)	20 258
Other income & gains	32	1 114 356	3 493 711
Other costs & losses	33	(1 629 364)	(2 499 889)
Earnings before depreciation, interests and taxes		(3 400 212)	(1 029 212)
Expenses / reversals of depreciation & amortisation	6	(679 317)	(918 873)
Earnings before interests and taxes		(4 079 529)	(1 948 085)
Interest & similar income	34	2 385	7 786
Interest & similar costs	35	(352 182)	(222 229)
Profit before tax		(4 429 327)	(2 162 528)
Income tax for the period	8	1 478 378	(62 326)
Net profit for the period		(2 950 949)	(2 224 854)
Net profit attributable to:	37		
Shareholders of SETH, SA		(2 875 676)	(2 356 652)
Non-controlling interests		(75 273)	131 798
Basic earnings per share		(0,74)	(0,56)

The Board of Directors
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The Chartered Accountant
Bárbara Themudo

CONSOLIDATED CASH-FLOW STATEMENT

PERIOD ENDED DECEMBER 31, 2023

Monetary Unit: EURO

HEADINGS	Notes	Period 31 Dez 2023	Period 31 Dez 2022
Cash Flow from operating activities - Direct Method	**4**		
Cash receipts from customers		42 333 878	32 633 616
Cash paid to suppliers		(27 576 566)	(24 437 078)
Cash paid to employees		(6 906 839)	(7 265 737)
Cash generated by operating activities		**7 850 472**	**930 801**
Income tax - paid / received		(19 206)	(345 391)
Other receipts/payments		(3 776 564)	1 977 762
Cash Flow from Operating Activities (1)		**4 054 702**	**2 563 172**
Cash Flow from investing activities			
Cash paid in respect of:			
Tangible fixed assets		(593 575)	(309 019)
Financial Investments		(238 961)	(148 181)
Cash receipts from:			
Tangible fixed assets		493 743	457 824
Dividends		(2 606)	-
Cash Flow from investing activities (2)		**(341 400)**	**623**
Cash receipts from:			
Borrowings		1 369 388	3 368 048
Cash paid in respect of:			
Loans		(2 304 053)	(4 763 027)
Interest & similar costs		(352 182)	(221 243)
Dividends		2 885	
Cash Flow from financing activities (3)		**(1 283 962)**	**1 616 222**
Variation of cash & cash equivalents (1+2+3)		**2 429 340**	**947 573**
Effect of currency translation differences			
Cash & cash equivalents of the beginning of the period		2 689 066	1 741 494
Cash & cash equivalents at the end of the period		**5 118 406**	**2 689 066**

The Board of Directors
Carsten Lund (President)
Ricardo Pedrosa Gomes
Soren Wulff
Ana Sofia Mendes

The Chartered Accountant
Bárbara Themudo

Annex

1 Entity's identity

Sociedade de Empreitadas e Trabalhos Hidráulicos, SA, ("SETH" or "Company") is a public limited company having its registered office at Avenida Tomás Ribeiro, 145, Queijas, having been incorporated on 17/3/1933, and is principally engaged in Engineering and Civil Construction.

The financial statements, which include the balance sheet, the statement of income by nature of expense, the statement of changes in equity, the statement of cash flows and the notes to the accounts, were approved by Company's Board of Directors on February 14th, 2024.

MT Højgaard International a/s, having its registered office in Denmark, has a majority holding in the Company.

The financial statements of the parent company can be found at www.mth.com.

Pursuant to article 68 of the CSC, the General Meeting of Shareholders may refuse the proposal of the members of the Board of Directors regarding the approval of the accounts, provided that it reasonably decides to prepare new accounts or to reform, at specific points, the presented ones.

2 Accounting standard for the preparation of the financial statements

The consolidated financial statements of SETH have been prepared in accordance with the Accounting Standardisation System (ASS), in accordance with Decree-Law 158/2009, of July 13 changed by Decree-Law 98/2015. The ASS consists of the Bases for the Presentation of Financial Statements (BPFS), Draft Financial Statements (DFS) – Ordinance 220/2015, Accounts Code (AC) – Ordinance 218/2015, Accounting and Financial Reporting Standards (AFRS) – Ordinance notice 8256/2015, Interpretive Standards (IS) - Ordinance notice 8258/2015 and the Conceptual Structure – Ordinance notice 8254/2015.

The accounting policies set out in Note 3 were used in the consolidated financial statements for the period ended December 31, 2023, and in the comparative consolidated financial information presented in these financial statements for the period ended December 31, 2022.

The consolidated financial statements are expressed in euros and were prepared on the going-concern and accrual accounting basis in which items are recognised as assets, liabilities, equity, income and costs expenses when they satisfy the definitions and the recognition criteria for these items as contained in the conceptual structure, in accordance with the qualitative characteristics of understandability, relevance, materiality, reliability, reliable representation, substance over form, neutrality, prudence, fullness and comparability.

Companies included in the consolidation:

Subsidiaries

SethAngola, S.A.
Av. Comandante Valódia, n.º 5, 6.º - apt 61,
Kinaxixi – Luanda – ANGOLA
SETH shareholding – 60%

SethMoz – Construção, Engenharia & Obras Públicas, S.A.
Praça dos Trabalhadores, n.º 50, 5.º andar – Maputo - MOÇAMBIQUE
SETH shareholding – 100%

Joint Ventures

Aarsleff – SETH JV I/S
Lokesvej 15, DK8230 Aabyhøj - DINAMARCA
SETH shareholding - 50,0%

CMM/SETH, ACE
Rua do Hospital, s/n, Santa Rita, PRAIA DA VITÓRIA, Azores
SETH shareholding - 50,0%

2.2 There were no derogations of the provisions of the ASS.

2.3 There are no accounts of the balance sheet and statement of income whose contents are not comparable with those of the previous period.

3 Main accounting policies

The main accounting policies applied in preparing the financial statements are as follows:

3.1 Measurement bases used in preparing the financial statements

The financial statements have been prepared under the historic-cost principle.

In addition, the consolidated financial statements have been prepared taking into account the basis of going-concern, the accrual regime, presentation consistency, materiality and aggregation, non-compensation and comparative data.

Preparation of financial statements in conformity with the AFRS requires the Board of Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the amounts of assets and liabilities, income and costs. The associated estimates and assumptions are based on historical experience and other factors considered reasonable under the circumstances and form the basis for making judgements as to the value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Matters that require a greater degree of judgement or complexity, or where the assumptions and estimates are considered significant are presented in Note 3.3 - Main estimates and judgements used in the preparation of the financial statements, in Note 3.4 - Key assumptions concerning the future and in Note 3.5 - Key sources of estimation uncertainty.

3.2 Other significant accounting policies

a) *Consolidation principles*

Reference dates
The financial statements reflect the assets, liabilities and results of the Group and its subsidiaries for the periods December 31, 2023 and 2022.
The accounting policies have been applied consistently by all Group companies.

Financial holdings in subsidiaries
Companies over which SETH exercises control are classified as subsidiaries. Control is normally presumed to exist when the Company has the power to exercise the majority of the voting rights. Control may also exist where SETH has the power, directly or indirectly, to manage the financial and operating policies of a given company so as to obtain benefits from its business, even if its holding of the equity is less than 50%. Subsidiaries are fully consolidated from the time when SETH assumes control over its business up to the moment when control ceases.
When the accumulated losses of a subsidiary exceed the non-controlling interest in the equity of that subsidiary, the excess is attributable to SETH to the extent that it is incurred. Subsequent profits made by such a subsidiary are recognised as SETH's income until the losses previously absorbed are recouped.

Translation of financial statements in foreign currency
The financial statements of subsidiaries are prepared SETH in their working currency. The consolidated financial statements are prepared in euros, which is SETH's working currency of SETH.
The financial statements of companies whose working currency is other than the euro are translated into euros in keeping with the following criteria:

- Assets and liabilities are translated at the exchange rate ruling on the balance sheet date;
- Income and costs are translated using the exchange rates approximating the actual rates ruling on the dates of the transactions;
- Exchange differences resulting from translation into euros of the financial position at the beginning of the year and translation at the exchange rate ruling on the balance sheet date to which the consolidated accounts refer are recorded against reserves. Likewise, in relation to the results of subsidiaries and associate companies, exchange differences arising from the translation into euros of the net income for the period between the exchange rates used in the statement of income and those on the reporting date are recognised in reserves. On disposal of the company, these differences are recognised in profit or loss as an integral part of the gain or loss on the disposal.

Balances and transactions eliminated in the consolidation
Balances and transactions between Group companies, including any unrealised gains or losses resulting from intra-group transactions, are eliminated in the consolidation process, except where unrealised losses provide evidence of an impairment that should be recognised in the consolidated accounts.
Unrealised gains arising from transactions with associates are eliminated in the proportion of SETH's holding therein. Unrealised losses are also eliminated, but only in situations where there is no sign of impairment.

Jointly-controlled entities
Jointly controlled entities are recognised using the equity method as from the date that joint control commenced until the date that it ceases, and they are entities in which the Company has joint control, established by contractual agreement.

b) *Tangible fixed assets*

Tangible fixed assets are carried at cost, which comprises their purchase price, including import duties and non-refundable purchase taxes, after deducting discounts and rebates, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended, and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, less accumulated depreciation and impairment losses

On the date of transition to the AFRS the Company decided to consider as cost of the tangible fixed assets their revalued value determined in accordance with the previous accounting policies, which was broadly comparable to their cost measured in accordance with AFRS 7.

Subsequent costs are recognised as tangible fixed assets only if it is probable that future economic benefits will flow to the Company.

Routine maintenance and repair costs are recognised to the extent they are incurred in accordance with the accrual accounting mechanism.

The Company carries out impairment tests whenever events or circumstances indicate that the carrying amount exceeds the recoverable amount, the difference, if any, being recognised in profit or loss. The realisable value is determined as the higher of its fair value less selling costs and its value in use, the latter calculated on the basis of the present value of the expected future cash flows expected to be obtained from ongoing use of the asset and from its sale at the end of its useful life.

Regardless of indications that they are impaired, assets that are not yet available for use are tested annually for impairment.

Impairment reversals are recognised in the income statement (unless the asset is carried at the revalued amount, in which case it is treated as a revaluation increase) and must not exceed the carrying amount of the asset that would have been determined if no impairment loss had occurred previously recognised.

Land is not depreciated. Depreciation of tangible fixed assets is calculated using the straight-line method, after deducting their residual value, according to the following estimated useful lives of the assets:

Assets	Years
Buildings & other constructions	8-50
Plant & machinery	3-16
Transport equipment	4-10
Office equipment	3-10
Other tangible fixed assets	5-12

The useful lives, depreciation method and residual value of assets are reviewed annually. The effect of alterations of these estimates is recognised prospectively in the statement of income.

Gains or losses arising from writing off or disposal are determined by the difference between the amount received and the carrying amount of the asset, recognised as income or cost for the period. In the event of disposal of revalued assets, the amount included under revaluation surplus is transferred to retained earnings.

Tangible Fixed Assets in progress relate to assets that are still under construction or development and are measured at acquisition cost and are only depreciated when they are available for use.

c) Leasing

The Company classifies lease transactions as finance leases or operating leases based on the substance of the transaction rather than the form of the contract. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating finance lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases

Payments/ receipts made by the Company in light of operating leases are recognised as costs/ income for the periods to which they relate on a straight-line basis.

Finance leases

The finance lease contracts are recorded at their inception as assets and liabilities at the fair value of the leased property, or if lower, the present value of the minimum lease payments. The lessee's initial direct costs are added to the amount recognised as an asset.

The minimum finance lease payments are split between the financial charge and the reduction of the outstanding liability. The financial charges are allocated to each period over the life of the lease so as to produce a constant periodic interest rate on the outstanding balance of the liability.

d) Corporation tax for the period

Corporation tax for the period is calculated based on the Company's taxable income and considers deferred taxation.

Current corporation tax is calculated based on the Company's taxable income (which differs from the book income) in accordance with the tax rules in force as of the date of the reporting date at the place of the Company's registered office. The Company is subject to Corporation Tax (IRC) on taxable income at the rate of 21%. Taxation is increased by the 1.5% municipal surcharge on the taxable income, leading to an aggregate tax rate of 22.5% (including the relevant municipal surcharge of up to 1.5%).

Additionally, taxable income exceeding €1,500,000 is subject to a State surcharge at the following rates:

- 3% for taxable income between €1,500,000 and €7,500,000;
- 5% for taxable income between €7,500,000 and €35 000,000;
- 7% for taxable income over €35,000,000.

Corporation Tax – Deferred taxes

Deferred taxes refer to temporary differences between the amounts of assets and liabilities for accounting purposes and the respective amounts for taxation purposes.

Deferred tax assets and liabilities are calculated and assessed periodically using the tax rates in force as of the reporting date, with no financial discount.

Deferred tax assets are recognised only when it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. At each balance sheet date, a reassessment is made of the temporary differences related to deferred tax assets with a view to recognising or adjusting in the light of the current expectation of their future recovery.

The reporting period of the tax losses carried forward calculated in tax periods initiated on or after January 1, 2017 is five years, and the counting of the reporting period of the tax losses in force on the first day of the 2020 tax period is suspended during the years 2020 and 2021. For the years 2020 to 2021 the reporting period of tax losses carried forward is twelve years of taxation.

In addition, the deduction of tax losses carried forward is limited to 70% of taxable income, and this rule applies to deductions made in tax periods initiated on or after 1 January 2014, regardless of the tax period in which they have been calculated. This limit is increased to 80% for tax losses in the 2020 and 2021 tax periods.

Income tax is recognised in the statement of income, except when it relates to items that accounted under equity, which implies its recognition in equity.

Deferred taxes recognised in equity are recognised in profit or loss when recognised in the dates of gains and loss that gave rise to them.

In accordance with the provisions of paragraph 68 of AFRS 25, the Company offsets deferred tax assets and tax liabilities where the Company:

- Has a legally enforceable right to offset current tax assets against current tax liabilities;
- The deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Under the legislation in force in the various jurisdictions in which the companies included in the consolidation carry on their business, the corresponding tax returns are subject to review by the tax authorities for a period of 4 to 5 years, which may be extended in certain circumstances, especially when there are tax losses, or inspections, complaints or challenges are under way.
The Board of Directors, taking into account the liabilities recognised, believes that any revisions to these tax returns will not result in material corrections to the consolidated financial statements.

e) Inventory

Inventory is valued at the lower of acquisition cost and net realisable value. The cost of inventory comprises all purchasing costs, conversion costs and other costs incurred in bringing the inventories to their present location in their present condition. The net realisable value is the estimated selling price in the ordinary course of business less selling costs.
The formula for costing warehouse outgoings (consumption) is the weighted average cost.
The Company writes down the cost of inventory to their net realisable value when the assets are carried at amounts greater than those that will which foreseeably result from their sale or use.

f) Receivables

Trade receivables are initially recognised at fair value and subsequently stated at cost or amortised cost, using the effective interest rate method, carried in the balance sheet net of impairment losses pertaining thereto.
Impairment losses are recorded based on regular assessment of the existence of objective evidence of impairment associated with doubtful debt on the balance sheet date. Impairment losses identified are recognised against profit or loss and are subsequently reversed if there is a reduction of the estimated loss in a subsequent period.

g) Non-current assets held for sale

Available-for-sale non-current assets or groups of non-current assets (groups of assets together with the respective liabilities, which include at least one non-current asset), are classified as available-for-sale when they are available for immediate sale in their present condition subject only to terms that are usual and customary for their sale and whose sale is highly probable.
The company also classifies as available-for-sale non-current assets or groups of non-current assets acquired for the purpose of later sale, which are available for immediate sale as found, subject only to terms that are usual and customary for their sale and whose sale is highly probable.
Immediately before their classification as such, available-for-sale non-current assets held for sale and all assets and liabilities included in a group of available-for-sale assets are measured at the lesser of cost and fair value, less costs to sell.

h) Cash and cash equivalents

Cash and cash equivalents comprise cash, sight deposits and highly-liquid short-term investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

i) Transactions in foreign currency

Transactions in foreign currencies are translated to euros at the exchange rate ruling on the transaction date.
Monetary assets and liabilities denominated in foreign currencies are translated to euros at the exchange rate ruling on the balance sheet date. Foreign exchange differences arising on translation are recognised in profit or loss.

Non-monetary assets and liabilities carried at historical cost denominated in a foreign currency are translated using the exchange rate ruling on the transaction date.
Non-monetary assets and liabilities denominated in foreign currency and carried at fair value are translated using the exchange rate ruling when the fair value was determined.

Exchange differences arising on the settlement of monetary items or reporting monetary items at rates different from those initially recorded during the period, or reported in previous financial statements, are recognised in profit or loss in the period they occur.

When a gain or loss on a non-monetary item is recognised directly in equity, any exchange difference included in that gain or loss is recognised directly in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange difference included in that gain or loss is recognised in profit or loss.

The exchange rates used in preparing the financial statements are as follows:

Currency		Rates in Dezembro 2023 Closing rate	Rates in Dezembro 2022 Closing rate
US dollar	USD	1,105	1,0666
British pound	GBP	0,89905	0,88693
Swedish Krone	SEK		11,1218
Angolan Kwanza	AKZ	930,9625	537,5664
Cape Verde escudo	CVE	110,265	110,265
South African rand	ZAR	20,3477	18,0986
Metical of Mozambique	MZN	69,87	67,45

j) Provisions

The recognition of provisions is the best estimate of future outflows and their measurement with reliability.

Provisions are recognised when:

The Company has a present legal or constructive obligation as a result of a past event;

It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

A reliable estimate of the obligation can be made.

Provisions are subject to review on an annual basis, in keeping with the estimate of the respective future liabilities. The financial update of the provision, with reference to the end of each period, is recognised as finance cost.

k) Provisions for onerous contracts

The Company recognises a provision for onerous contracts where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

l) Contingents assets and liabilities

A contingent asset or liability is a possible asset or liability arising from past events whose existence will only be confirmed by the occurrence or not of one or more uncertain future events not wholly under the control of the entity.

The Company does not recognise contingent assets and liabilities.

Contingent liabilities are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. The assets are disclosed when an inflow of economic benefits is probable.

m) Recognition of costs and income

Income and costs are recorded during the period to which they relate regardless of their receipt or payment, in accordance with the accrual-accounting mechanism. Differences between the amounts received and paid and the corresponding income and costs is recorded under Other Assets or Liabilities depending on whether they are amounts receivable or payable.

n) Revenue

Revenue is measured at the fair value of the remuneration received or receivable. The Company's revenue results primarily from the provision of construction services that fall under AFRS 19 - Construction contracts and sale of goods.

In accordance with NCRF 19, when the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity as of the reporting date. An expected loss on the construction contract is recognised immediately as an expense.

The outcome of a construction contract can be estimated reliably when all the following conditions are fulfilled:

- The contract revenue can be measured reliably;
- It is probable that the economic benefits associated with the contract will flow to the entity;
- Both the contract costs to complete it as well as the stage of completion of the contract as at the reporting date can be measured reliably; and
- The contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with previous estimates.

When the outcome of a construction contract cannot be estimated reliably:

- The revenue is recognised only to the extent that it is probable that the contract costs incurred are recoverable; and
- The contract costs are recognised as an expense in the period in which they are incurred.

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company does not have ongoing management involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- The amount of revenue can be reliably measured;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

The stage of completion of the contract is determined based on the proportion of costs incurred for work performed up to the reporting date to the estimated total contract costs. Progress payments and advances received from customers do not reflect work performed are therefore not considered in the recognition of revenue.

Revenue comprises the amounts invoiced on the sale of products or services rendered, net of value added tax, rebates and discounts. When the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount. This difference is recognised as interest income.

o) Financing costs/income

Expenses/income of loans include interest paid on borrowings, interest received on investments made before the borrowings are used, and similar income and expenses obtained and borne in respect of exchange differences associated with loans and swap contracts or other derivatives related hedging the risk associated with borrowings.

Interest is recognised on an accrual basis using the amortised cost method.

Interest from financial placements and other investment income is recognised in the statement of income under other income and gains.

p) Subsequent events

The financial statements reflect subsequent events until February 14h, 2024, the date they were approved by the Management Body as stated in Note 1.

Events occurring after the balance sheet date about conditions that existed at the balance sheet date are taken into consideration in the preparation of the financial statements.

Material events after the balance sheet date that do not involve adjustments are disclosed in Note 39.

q) Financial instruments

The Company recognises a financial asset, a financial liability or an equity instrument only when it becomes a party to the contractual provisions of the instrument.

A financial instrument is classified as a financial liability when there is a contractual obligation for the issuer to settle the principal and/or interest in cash or by delivering another financial asset, regardless of its legal form.

The initial costs do not include transaction costs of financial assets or liabilities measured at fair value recorded against profit or loss.

The Company measures its financial assets and liabilities at each reporting date at cost or amortised cost less any impairment loss or at fair value with changes in fair value being recognised in the statement of income.

The Company measures financial instruments at cost or amortised cost less impairment loss when they satisfy the following conditions:

- they are at sight or have a defined maturity;
- the returns to the holder are (i) a fixed sum, (ii) fixed interest rate during the life of the instrument or variable rate that is a typical market index for financing operations (such as the Euribor) or includes a spread over and above that index;
- contain no contractual provision that may cause the holder a loss of the par value and the accrued interest (excluding the typical cases of credit risk).

r) Impairment

On each reporting date an assessment is made of the existence of objective evidence of impairment, particularly having a particularly adverse impact on the estimated future cash flows of the financial asset or group of financial assets, provided it can be measured reliably.

For financial assets that show signs of impairment the recoverable amount is determined, the impairment losses being recorded against profit or loss.

A financial asset or group of financial assets is impaired where there is objective evidence of loss of value resulting from one or more events occurring after initial recognition.

s) Hedging accounting

The Company uses financial instruments to hedge its exposure to the interest-rate, exchange-rate and price risk arising from its operating and financing activities. Derivatives that do not qualify as hedges are carried as trading derivatives.

Hedging derivatives are recorded at fair value and gains or losses are recognised in accordance with the hedge accounting model adopted by the Company. A hedge relationship exists where:

- at the inception of the relationship, there is formal documentation of the hedge;
- there is expectation that the hedge will be highly effective;
- the effectiveness of the hedge can be reliably measured;
- the hedge is assessed on an ongoing basis and actually determined as being highly effective throughout the financial reporting period;

Regarding the hedging of a planned transaction, it must be highly probable and must be exposed to present an exposure to variations in cash flows that could ultimately affect results.

Hedging Fixed interest-rate risk or commodity-price risk for goods held

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded against profit, together with changes in the fair value of the hedged risk of the asset, liability or group of assets and liabilities. Should the hedging relationship no longer meet the requirements for hedge accounting and the hedged instrument is not derecognised, the cumulative gain or loss recognised in the valuation of the hedged risk is amortised to maturity of the hedged item using the original effective interest-rate method.

Effectiveness

For a hedging relationship to be classified as such, its effectiveness has to be demonstrated. Accordingly, the Company performs prospective tests at the start date of the hedging relationship and prospective and retrospective tests at each reporting date in order to demonstrate its effectiveness by showing that changes in the fair value of the hedged item are offset by changes in fair value of the hedging instrument, in relation to the hedged risk. Any ineffectiveness determined is recognised in profit or loss when incurred.

3.3 Main estimates and judgements

The AFRS require that judgements and estimates be made within the framework of decision-taking on certain accounting procedures impacting on the amounts reported under total assets, liabilities, equity, income and costs. The actual effects may differ from the estimates and judgements made, particularly with regard to the effect of actual income and costs.

The main accounting estimates and judgements used in the application of the accounting principles are discussed in this note with a view to improving the understanding of how their application affects the results reported by the Company and their disclosure. A detailed description of the accounting policies used by the Company is provided in Note 3.2 of the Notes to the Accounts.

Considering that in many cases there are alternatives to the accounting treatment adopted by the Company, the reported results would differ if a different treatment had been selected. The board of directors considers that the choices made are appropriate and that the financial statements truly and fairly present the Company's financial position and the results of its operations in all materially relevant aspects. The results of the alternatives analysed hereunder are presented only to assist the reader in understanding the financial statements and are not intended to suggest that other alternatives or estimates are more appropriate.

Provisions

The recognition of provisions is the best estimate of future outflows and their measurement with reliability. These factors are often dependent on future events and not always under the control of the Group and therefore may lead to significant future adjustments, either by varying the assumptions used or by the future recognition of provisions previously disclosed as contingent liabilities

Fair value of the financial instruments

The fair value is based on market prices, where available, and in the absence of a price it is determined based on the use of prices of recent similar transactions conducted at arm's length or based on valuation methodologies supported by flows future cash-flow techniques, discounted considering market conditions, the value over time, the yield curve and volatility factors.

These methods may require the use of assumptions or judgements in estimating the fair value.

Consequently, the use of other methods or different assumptions or judgements in applying a given model could give rise to financial results different from those reported.

Recoverability of trade accounts receivable and of other receivables

Impairment losses in respect of the debtor balances of customers and of other debtors are based on the valuation performed by the Company of the likelihood of recovering the receivables, of the age of the balances, of debt cancellation and of other factors. There are certain circumstances and facts that can change the estimate of impairment losses on receivables vis-à-vis the assumptions considered, including changes in the economic climate, sectoral trends, deterioration of the credit status of key customers and major defaults. This evaluation process is subject to various estimates and judgements. Alterations of these estimates may imply determination of different levels of impairment and, consequently, different impacts on results.

Corporation tax

There are various transactions and calculations in respect of which determination of the final amount of tax payable is uncertain during the normal business cycle. Other interpretations and estimates could result in a different amount of income taxes, current and deferred, recognised during the period.

In Portugal, the Tax Authorities are entitled to review the calculation of the taxable income made by the Company during a period of four years. There may therefore be corrections to the taxable income, resulting primarily from differences in the interpretation of tax legislation. However, it is Company's belief that there will be no significant corrections to the corporation tax recorded in the financial statements.

The recognition of deferred tax assets relating to tax losses is based on the Company's projections showing the existence of future taxable income.

Useful life of tangible fixed assets
The useful life is the period during which the Company expects the asset to be available for use. The estimated useful lives presented in Note 3.2 were determined considering the following factors:

- Expected use of the asset;
- Normal wear and tear expected of the asset considering the levels of activity and maintenance and repair programme;
- Technical or commercial obsolescence arising from changes to or improvements in production or from a change in market demand for the product or service derived from the asset; and
- Legal or similar limits on the use of the asset.

The useful life of the asset is thus a matter of value judgement based on the Company's experience. The Board of Directors believes that the useful lives considered are those that best reflect the asset's expected usefulness.

Estimated total contract costs
The revenue of provision of construction services contracts is recognised by reference to stage of completion of the activity of the contract as of the reporting date.

In determining the stage of completion of the contract estimates of total contract costs are considered. These total contract cost estimates are determined on the basis of Production Department estimating system that identifies and values the activities to be performed throughout the project that cause alterations in gauging the stage of completion of the contract as of the reporting date and consequently to the amount of contract revenue to be recognised.

The Board of Directors reviews the estimated total contract costs on each reporting date and believes that, based on the estimating system, on the monitoring of the execution of the projects and on its experience, the estimates appropriately reflect the probable outcome of contracts as of the reporting date.

3.4 Key assumptions concerning the future
The Company's governing body did not determine any situation which could cause material adjustments to the carrying amounts of assets and liabilities during the coming year or even call into question the continuity of the Company. On December 31, 2023, the works portfolio equalled approximately Euro 191 million.

3.5 Main sources of incertainty of the estimates
The main sources of uncertainties are detailed in Note 3.3.

4 Cash flows
The Statement of Cash Flows is prepared under the direct method, through which gross cash receipts and in operating, investing and financing activities are disclosed.

The Company classifies interest and dividends paid as financing activities and interest and dividends received as investing activities.

4.1 As at December 31, 2023, all cash and cash equivalent balances are available for use.

4.2 Cash and bank deposits comprise the following balances:

(expressed in Euro)

Description	31-12-2023	31-12-2022
Cash		
Cash Head Office	613	410
Cash Works	8 225	11 336
Cash Branches	43 664	59 691
Cash Joint Ventures/Subsidiaries	8 511	9 109
	61 013	**80 546**
Cash deposits		
Banks Head Office	3 619 165	1 150 739
Banks Branches	842 187	572 397
Banks Joint Ventures/Subsidiaries	596 042	885 384
	5 057 393	**2 608 520**
Total:	***5 118 406***	***2 689 066***

5 Accounting policies, changes in accounting estimates and judgements

During this year, the Company did not make any changes in accounting policies or estimates nor recorded any correction due to judgements.

6 Fixed tangible assets

The breakdown of this heading is as follows:

(expressed in Euro)

Description	31-12-2023	31-12-2022
Gross Value:		
Land & natural resources	1 074 621	1 074 621
Buildings & other constructions	3 415 000	3 415 000
Plant & machinery	11 936 353	12 520 194
Transport equipment	2 611 620	2 570 297
Office equipment	1 580 819	1 570 206
Other tangible fixed assets	104 862	95 447
Ongoing tangible fixed assets	39 618	
	20 762 892	21 245 766
Accumulated depreciation & impairment		
Depreciation of the period	(679 317)	(918 873)
Sales of the period	715 012	1 533 296
Accumulated depreciation of previous periods	(16 695 812)	(17 310 235)
	(16 660 117)	(16 695 812)
Net carrying amount:	***4 102 775***	***4 549 954***

Item Ongoing tangible fixed assets relates to a repair of a wheel loader Komatsu WA 600/15870.

The breakdown of movements under tangible fixed assets during 2023 is as follows:

(expressed in Euro)

Description	Opening balance	Additions	Disposals	Closing balance
Gross Value:				
Land & natural resources	1 074 621			1 074 621
Buildings & other constructions	3 415 000			3 415 000
Plant & machinery	12 520 194	456 859	(1 040 701)	11 936 353
Transport equipment	2 570 297	172 463	(131 140)	2 611 620
Office equipment	1 570 206	12 640	(2 028)	1 580 819
Other tangible fixed assets	95 447	9 415		104 862
Ongoing tangible fixed assets		39 618		39 618
	21 245 766	690 995	(1 173 868)	20 762 892
Accumulated depreciation & impairment				
Buildings & other constructions	(2 068 443)	(77 113)		(2 145 556)
Plant & machinery	(10 928 360)	(431 290)	604 992	(10 754 658)
Transport equipment	(2 113 910)	(146 394)	108 674	(2 151 630)
Office equipment	(1 530 911)	(24 119)	1 346	(1 553 684)
Other tangible fixed assets	(54 187)	(401)		(54 589)
	(16 695 812)	(679 317)	715 012	(16 660 117)
Net carrying amount:	**4 549 954**			**4 102 775**

The breakdown of movements under tangible fixed assets during 2022 is as follows:

(expressed in Euro)

Description	Opening balance	Additions	Disposals	Closing balance
Gross Value:				
Land & natural resources	1 074 621			1 074 621
Buildings & other constructions	3 415 000			3 415 000
Plant & machinery	13 551 513	267 645	(1 298 964)	12 520 194
Transport equipment	2 723 342	24 450	(177 495)	2 570 297
Office equipment	1 647 797	7 885	(85 475)	1 570 206
Other tangible fixed assets	111 349		(15 902)	95 447
	22 523 622	299 980	(1 577 836)	21 245 766
Accumulated depreciation & impairment				
Buildings & other constructions	(1 991 330)	(77 113)		(2 068 443)
Plant & machinery	(11 518 519)	(659 705)	1 249 864	(10 928 360)
Transport equipment	(2 162 994)	(152 007)	201 091	(2 113 910)
Office equipment	(1 582 280)	(27 542)	78 911	(1 530 911)
Other tangible fixed assets	(55 112)	(2 505)	3 430	(54 187)
	(17 310 235)	(918 873)	1 533 297	(16 695 812)
Net carrying amount:	**5 213 387**			**4 549 954**

The main additions in 2023 relate to the acquisition of machinery which the most significant are sheet piles, a mixer, a JCB and a drilling equipment Klemm by the subsidiary SethMoz as well as trucks in Mozambique.

The amount booked in Disposals is mainly due to the sale of one crane and two excavators, both located in Cape Verde.

As at December 31, 2023 and 2022, the value of tangible fixed assets financed by lease contracts is as follows:

(expressed in Euro)

	31-12-2023			31-12-2022		
Description	**Gross value**	**Depreciation/ Impairment**	**Net value**	**Gross value**	**Depreciation/ Impairment**	**Net value**
Plant & machinery	130 000	(43 329)	86 671	130 000	(17 329)	112 671
Transport equipment			-	33 500	(18 147)	15 353
Total:	***130 000***	***(43 329)***	***86 671***	***163 500***	***(35 476)***	***128 024***

Total future minimum lease payments are as follows:

(expressed in Euro)

	31-12-2023			31-12-2022		
Description	**Capital owed**	**Interest owed**	**Rents falling due**	**Capital owed**	**Interest owed**	**Rents falling due**
Less than one year	24 382	352	24 734	60 034	1 395	61 429
One to five years			-	24 138	159	24 297
Total:	***24 382***	***352***	***24 734***	***84 172***	***1 554***	***85 726***

7 Intangible fixed assets
The breakdown of this heading is as follows:

(expressed in Euro)

Description	31-12-2023	31-12-2022
Gross Value		
Other Intangible assets	35 423	
	35 423	-
Accumulated depreciation & impairment		
Depreciation of the period		
Sales of the period		
Accumulated depreciation of previous periods		
Net carrying amount:	***35 423***	***0***

The value recorded under the heading Other Intangible Fixed Assets refers to the Right to Use and Benefit from the Land of a plot of land in Mozambique for a period of 50 years for the installation of a Construction Site. Its use only began in January 2024.

8 Corporate tax for the period
The main components of tax expense/income are as follows:

(expressed in Euro)

Amounts in Euro	2023	2022
Current tax	(47 157)	(62 326)
Deferred tax	1 525 535	
	1 478 378	***(62 326)***

The company recognised the following deferred tax assets:

(expressed in Euro)

Amounts in Euro	31-12-2023		31-12-2022	
	Tax base	Tax	Tax base	Tax
Tax losses				
2020	754 620	158 470		
2022	2 744 164	576 275		
2023	3 765 666	790 790		
	7 264 451	***1 525 535***		

The effective tax rate is as follows:

(expressed in Euro)

Amounts in Euro	**2023**	**2022**
Pre-tax profit	(4 354 053)	(2 162 528)
Pre-tax rate	22,5%	22,5%
Expected tax	-	(486 569)
Differences between book and taxable income		
Equity method	(33 215)	(365 735)
Tax loss imputed by Joint ventures	108 944	220 617
Others	611 283	764 464
Minority Interests	75 273	(131 798)
Taxable profit / (Tax loss)	(3 591 768)	(1 674 980)
Assessed tax	(754 271)	(351 746)
Adjustments to the assessement	24 475	25 915
Tax rate differences - branches	22 682	6 010
Corporate tax for the period - payable/(receivable)		6 536
Current tax - expense / (income)	47 157	62 326
Deferred tax - expense / (income)	(1 525 535)	
	(1 478 378)	***62 326***
Effective tax rate	**34,0%**	**-2,9%**

The permanent differences relate to increases of and deductions from taxable income, while the adjustments to the assessment relate to deductions from the assessment according to tax rules in effect on the reporting date.

9 Inventory

The breakdown of this heading is as follows:

(expressed in Euro)

Amounts in Euro	**31-12-2023**	**31-12-2022**
Gross Value		
Raw & subsidiary materials & consumables	193 943	424 135
Net carrying amount:	***193 943***	***424 135***

The variation between 2023 and 2022 corresponds to materials in transit to our branch in Mozambique.
During 2023, cost of goods sold and materials consumed totalled Euro 8.338.772 (2022: Euro 8.263.301), as per note 28.

10 Trade receivables

The breakdown of Trade accounts receivable is as follows:

(expressed in Euro)

Amounts in Euro	31-12-2023	31-12-2022
Gross Value		
Trade receivable		
General	10 783 920	9 133 715
	10 783 920	9 133 715
Accumulated impairment		
Impairment losses for the period	(35 882)	(1 553)
Impairment losses of previous periods	(633 185)	(631 631)
	(669 067)	(633 185)
Net carrying amount:	***10 114 853***	***8 500 530***

As at December 31, 2023, the non-current trade receivable amounted to Euro 180.967 (2022: Euro 794.937) of which 50% pertains to Cabo Verde branch contract.

The variation recorded in Customers results from an increase in debt from customers Electricidade de Moçambique and Twin City to the Mozambique Branch.

This item also comprises amounts withheld by customers by way of contractual warranty, the release of the guarantees occurring between 1 and 10 years.
Records of impairment losses in 2023 are as follows:

(expressed in Euro)

Description	Opening balance	Losses	Reversals	Closing balance
Impairment losses:				
Customers	(633 185)	(43 792)	7 910	(669 067)
Total:	***(633 185)***	***(43 792)***	***7 910***	***(669 067)***

And in 2022 the following:

(expressed in Euro)

Description	Opening balance	Losses	Reversals	Closing balance
Impairment losses:				
Customers	(631 631)	(7 342)	5 788	(633 185)
Total:	***(631 631)***	***(7 342)***	***5 788***	***(633 185)***

The ageing of Trade receivables in 2023 is as follows:

(expressed in Euro)

Balance Due	< 1 month	1< month <2	2< month <3	3< month <6	6< month <12	12< month <18	18< month <24	> 24 months	Total
Clientes	4 097 969	30 248	1 662 023	3 341 776	76 943	790 083	27 469	88 342	10 114 853

A antiguidade dos saldos de clientes conta corrente de 2022 apresenta-se como segue:

(expressed in Euro)

Balance Due	< 1 month	1< month <2	2< month <3	3< month <6	6< month <12	12< month <18	18< month <24	> 24 months	Total
Clientes	3 372 374	1 785 174	1 091 428	798 964	41 044	607 680	73 939	729 926	8 500 530

11 State and other public entities

The breakdown of State & other public entities is as follows:

(expressed in Euro)

Amounts in Euro		31-12-2023	31-12-2022
Assets			
VAT refund applications			36 579
VAT recoverable		12 366	55 016
Corporation tax		332 685	301 595
Other taxes		29 186	33 518
VAT recoverable (branches)		360 771	566 664
Corporation tax (branches)		54 257	51 702
VAT recoverable (other companies)		40 631	50 929
Corporation tax (other companies)		36 059	63 167
	Total:	***865 955***	***1 159 170***
Liabilities			
Corporation tax		23 660	6 536
Social Security Contributions		110 255	101 192
Income tax withheld		79 259	69 667
Corporation tax (branches)		135 183	120 608
Social Security Contributions (branches)		6 331	4 458
VAT payable (branches)		37 000	
Other taxes (branches)		7 253	6 300
VAT payable (other companies)			97
Social Security Contributions (other companies)		852	1 460
Other taxes (other companies)		1 274	4 867
	Total:	***401 067***	***315 185***

12 Other Receivables

The breakdown of other receivables is as follows:

(expressed in Euro)

Amounts in Euro		31-12-2023	31-12-2022
Gross value:			
Prepayment to suppliers		729 186	964 171
Other debtors		527 295	763 974
Stage of completion		6 901 063	11 309 196
Other accrued income		603 331	2 104 478
		8 760 876	15 141 819
Accumulated impairment:			
Impairment of the period			
Impairment of previous periods			(7 005)
		-	(7 005)
	Net carrying amount:	***8 760 876***	***15 134 814***

The stage of completion item refers to the provision of construction services by SETH as of the reporting date, as per the respective bills of quantities of costs incurred, for which the respective invoice has not issued.

Contract	Stage of Completion €
Quay and Breakwater Cabinda	3 510 760
Porto Ilha de Maio, Cabo Verde	320 490
Perip Lot 4, EDM	542 986
STIP Lot D 110 kV line, EDM	59 302
110kV Lamego-Guaraguara, EDM	1 255 254
OPGW cable installation, EDM	67 311
Sheet piling lot 102, Costa Terra	2 387
Lines aereal inspection, EDM	428 955
Electrical Infrastrutures, Karingani	223 002
Sheet piling, DUUO	4 567
33kV Namialo line, EDM	9 161
Electrical lines Moz Towns Lot8, EDM	606
L104 Villa Structure, Costa Terra	397 531
Aquatic simulator, Martrain	43 442
Micropiles, Sesimbra	503
Monapo crossing , EDM	163
Curoca dam, INRH Angola	27 683
Micropilies, Campo Pequeno	6 960
Electrical lines Hucula, EDM	3
Total:	***6 901 063***

13 Deferrals

The breakdown of Deferrals is as follows:

(expressed in Euro)

Description	31-12-2023	31-12-2022
Assets		
Costs pending recognition		
Insurance paid	364 619	66 284
Other costs pending recognition	50 258	87 659
Total:	***414 877***	***153 943***
Liabilities		
Income pending recognition		
Stage of completion	3 561 297	1 271 031
Interest	35 236	35 236
Other	9 641	10 683
Total:	***3 606 174***	***1 316 950***

Stage of completion refers to amounts related to the provision of construction services not yet performed on the reporting date but already charged to the customer.

Contract	Stage of completion €
Electric vessels charging stations, Transtejo	33 712
Sines Gas Terminal, APS	2 131 528
Sheet piling & Geothermal L120, Costa Terra	113 104
L94 Melides Resort	42 026
Piling, Seixal	38 158
Sheet piling & Geothermal L97, Costa Terra	31 995
Quay and Breakwater Cabinda	1 047 328
Repair ATC Tower, US Air force	121 472
Convert T169, US Air Force	1 973
Total:	***3 561 297***

Interest income pending recognition has to do with interest charged to customers, recognition of which depends on its actual receipt.

14 Paid-up share capital

The equity capital of Euro 4,000,000, represented by 4 million ordinary shares each of a par value of Euro 1, is fully paid up as at 31 December 2023.

15 Legal reserves

In accordance with Article 295 of the Companies Code and with the Company's articles of association, the legal reserve is necessarily allocated a minimum of 5% of the annual net income until such time as it equals 20% of the Company's equity capital. This reserve can only be used to cover losses or to increase the equity capital.

16 Other Investments in Equity

A total of EUR 4,000,000 of Suplementary loans are registered in the name of the current shareholders in proportion to their participation in the share capital of SETH.

17 Other Reserves

The breakdown of this heading is as follows:

(expressed in Euro)

Description	31-12-2023	31-12-2022
Other Reserves	(197 542)	(197 542)
Total:	***(197 542)***	***(197 542)***

The balance comprises revaluation surpluses and foreign exchange adjustments with the branches.

18 Retained earnings

The variation of retained earnings comprises the appropriation of the 2022 net profit of -2.356.652 and to the dividends paid by ACE CMMSETH in the amount of EUR 128.048.

19 Adjustments to financial assets/other changes in equity

The breakdown of this heading is as follows:

(expressed in Euro)

Description	31-12-2023	31-12-2022
Financial statement translation differences	(774 038)	(640 960)
Total:	***(774 038)***	***(640 960)***

Financial statement translation differences include the amount resulting from the variation in euros of the equity of the branches expressed in foreign currency due to the alteration of the respective exchange rate.

20 Provisions and Contingencies

Provisions details are as follows:

(expressed in Euro)

Description	Opening balance	Additions	Reversals	Closing balance
Contract losses	-	590 198		590 198
Total:	***-***	***590 198***	***-***	***590 198***

A provision in the amount of EUR 590.198 has been booked due to the expected loss in a job in Portugal.

As at December 31, 2023, there are legal proceedings against the Company which the Board believes, given the assumptions and background of the legal actions, the expectations of the Company's lawyers and other circumstances inherent in the proceedings, will not result in liabilities for the Company that would justify a need for provisions for legal proceedings in progress.

The proceedings are related to claims relating to Corporation tax assessments for 1997, 1998, 2004, 2005 and 2006 and Algeria.

As at December 31, 2023, the Company had provided the following bank guarantees:

(expressed in Euro)

Description	31-12-2023	31-12-2022
Bank guarantees provided to third party		
- Performance (construction contracts)	13 779 505	13 483 917
- Services acquired	62 422	62 422
- Legal	1 311 337	1 311 337
Total:	***15 153 264***	***14 857 676***

The bank guarantees in the sum of Euro 1.311.337 are related to some legal proceedings described above.

21 Bank loans

The breakdown of this item is as follows:

(expressed in Euro)

Description	31-12-2023	31-12-2022
Non-current		
Credit institutions and financial companies		
Bank loans		277 778
Finance leases		24 138
	-	301 916
Current		
Credit institutions and financial companies		
Bank loans	277 778	1 896 265
Other facilities	1 601 266	831 878
Overdraft facilities	750 000	755 642
Finance leases	24 382	60 034
Other loans	2 800 000	
Shareholder's loans		2 800 000
Total:	***5 453 426***	***6 645 733***

Other facilities item comprises Confirming on time from Millennium BCP bank and Self Confirming in Santander Bank financing.

In November 2023, MT Hojaard Holding's EUR 2.8 million credit was transferred to Griner Engenharia SA under the SETH capital sale agreement entered into on 26th October 2023.

The breakdown of Borrowings by maturity is as follows:

(expressed in Euro)

Description	31-12-2023	31-12-2022
Credit institutions and financial companies		
Bank Loans/Overdraft facilities/Factoring		
Up to 1 year	2 629 044	3 483 784
1 to 5 years		277 778
	2 629 044	3 761 562
Credit institutions and financial companies		
Finance leases		
Up to 1 year	24 382	60 034
1 to 5 years		24 138
	24 382	84 171
Other loans		
Up to 1 year	2 800 000	
Shareholders' loans		
Up to 1 year	2 800 000	2 800 000
	-	2 800 000
Total:	***5 453 426***	***6 645 733***

As at December 31, 2023 the breakdown of future payments of borrowings is as follows:

(expressed in Euro)

Description	2024	Total
Credit institutions and financial companies		
Bank Loans/Overdraft facilities/Factoring	2 629 044	2 629 044
Finance leases	24 382	24 382
Other loans	2 800 000	2 800 000
Total:	***5 453 426***	***5 453 426***

22 Other payables

The breakdown of Other payables is as follows:

(expressed in Euro)

Description	31-12-2023	31-12-2022
Current		
Remunerations payable	903 251	872 660
Creditors for accrued costs	437 177	996 997
Other creditors	414 739	812 358
Total:	***1 755 168***	***2 682 015***

23 Trade payables

The breakdown of Trade payables is as follows:

(expressed in Euro)

Description	31-12-2023	31-12-2022
Trade payables		
General	6 917 410	5 904 587
Subsidiaries		1 967
Total:	***6 917 410***	***5 906 554***

24 Customer prepayments

The breakdown of Customer prepayments is as follows:

(expressed in Euro)

Description	31-12-2023	31-12-2022
General Customers	3 431 262	4 153 617
Total:	***3 431 262***	***4 153 617***

Prepayments from Electricidade de Moçambique accounted for 55% of total, where as 16% came from the contract with customer TRANSTEJO - TRANSPORTES TEJO, S.A. and 17% relates to customer Costa Terra – Sociedade Imobiliária de Grândola, Lda..

25 Revenue

The breakdown of Services rendered is as follows:

(expressed in Euro)

Description	2023	2022
Services rendered		
Works	31 307 185	31 546 071
Secondary services	428 454	486 613
Total:	***31 735 639***	***32 032 685***

Jobs in 2023 and 2022 are listed as follows:

(expressed in Euro)

Contract	2023	2022
Cais, Cabinda	(1 951 017)	6 805 744
Porto Ilha de Maio, Cabo Verde	179 594	2 394 407
Cais -10m (ZH), Ponta Delgada	266 097	2 271 301
Vilanculos Lote 3		2 346 641
Postos Administrativos Zambezia		602 761
PERIP Lote 4, Maputo	644 761	5 493 107
Nova Reserva do Barlavento, Lagos		939 335
Reforço Ponte Cais Tanquisado		3 470 834
Renovate Bldg. T-715, Lajes	542 930	862 409
Reservatório Alto do Cotão, Cacém		917 366
Reservatório Alto de Sta Catarina	885 983	1 767 642
STIP Lot D - Linha de 110 kV	2 761 641	484 505
Reparação Ponte Cais da DOW		593 586
PCIREP Lamego-Guaraguara	4 382 520	968 164
Linha 33kV Chupanga-Nessa	513 936	335 379
Repair ATC Tower, US Air Force	240 740	59 648
Via Nordeste, Rio Tinto	483 616	
Reforço Ponte Cais Tanquisado	1 165 734	
Wastewater Treatment Services	354 662	
Instalação cabo OPGW, Nampula	275 088	
Postos carreg navios Transtejo	1 552 377	
Dragagem Malongo Chevron	3 119 274	
Lote 104 Geotermia, Melides	237 672	
Inspecção Linhas Transporte MZ	1 453 106	
Electrical Infrastructures Karingan	1 530 596	
Reconversão Cais 4 TMS, Sines	7 840 824	
Estrutura L-104, Melides	1 375 356	
Estacas Prancha Mercadona Almeirim	103 548	
Estabilização Arribas Praia Rocha	182 140	
Lote 120, 1ª fase - Melides	363 947	
Contenção Periférica DUUO	191 981	
Lote 102 Geotermia, Melides	176 324	
Esplanada Doca Bom Sucesso	93 127	
Contenção Periférica Hotel St.André	102 032	
Lote 94 Costa Terra	103 804	
Other	2 563 243	1 719 856
Total:	***31 735 639***	***32 032 685***

The breakdown of revenue per country is as follows:

(expressed in Euro)

Country	2023	2022
Portugal	18 240 881	12 158 648
Mozambique	11 638 894	10 370 454
Angola	1 676 269	7 109 176
Cape Verde	179 594	2 394 407
Total:	***31 735 639***	***32 032 685***

26 Government Grants

The breakdown of Government Grants is as follows:

(expressed in Euro)

Description	2023	2022
Government Grants	97 600	3 840
Total:	***97 600***	***3 840***

The amount recorded in this account is related to the award of a grant from Banco Português de Fomento in respect of a financing contract.

27 Own works capitalised

The breakdown own works capitalized is analyzed as follows:

(expressed in Euro)

Description	2023	2022
Tangible Fixed Assets	10 679	5 787
Total:	***10 679***	***5 787***

28 Cost of goods sold and materials consumed

Cost of goods sold and materials consumed is as follows:

(expressed in Euro)

Description	2023	2022
Opening balance (+)	424 135	194 061
Purchases (+)	8 108 579	8 493 375
Closing balance (-)	193 943	424 135
Cost of goods sold & materials consumed	***8 338 772***	***8 263 300***

29 Third party supplies and Services

The breakdown of Third-party supplies & services is as follows:

(expressed in Euro)

Description	2023	2022
Subcontracts	10 011 801	9 538 138
	10 011 801	***9 538 138***
Specialized services:		
Specialized contracts	3 104 433	1 719 410
Maintenance and repairs	507 084	632 310
Fees	16 742	36 497
Guards and security	111 130	87 116
Advertising and publicity	11 597	7 893
Other	5 480	5 092
	3 756 467	***2 488 316***
Materials:		
Wear tools and utensils	47 890	74 454
Office supplies	19 789	27 428
Offers	20 000	51 036
Technical information	5 622	1 461
Other	785	144
	94 087	***154 523***
Energy and fuels:		
Fuel	437 988	730 737
Electricity	49 950	68 695
Water	24 609	29 706
Others	39 595	54 182
	552 141	***883 321***
Traves and transportation:		
Carriage of goods	994 934	436 418
Travel and lodging	396 472	426 602
Transport of personnel	3 290	2 591
	1 394 696	***865 611***
Sundry services:		
Leases and rentals	2 017 116	1 725 485
Insurance	367 890	310 190
Communication	73 349	67 319
Cleaning, hygiene and comfort	100 751	111 278
Entertainment costs	24 644	58 753
Litigation and notaries	3 062	95 893
Other	315 235	2 213 556
	2 902 048	4 582 472
Total:	***18 711 239***	***18 512 382***

The most significant changes have happened in Specialized services, Carriage of goods and Other sundry services.

The variation in the items of specialized services is essentially related to a thermographic survey contract in Mozambique, the variation in the Carriage of goods is related to the demobilization of the Cabinda works, while the variation in the Other sundry services is due to settlements of accounts between the Consortium partners relating to the contract of Cape Verde issued in 2022.

30 Staff costs

The breakdown of Staff costs is as follows:

(expressed in Euro)

Description	2023	2022
Remuneration of directors	368 526	376 872
Remuneration of personnel	5 475 733	5 778 487
Charges on remuneration	981 591	974 654
Indemnities	9 832	3 832
Wordmen's compensation and occupation disease insurances	94 060	95 026
Social work costs		2 284
Other staff costs	98 693	76 867
Total:	***7 028 434***	***7 308 022***

The breakdown of workers in Portugal as well as in Mozambican and in Cape Verde branches as at December 31, 2023 and 2022, by management positions / senior managers and professional category is presented as follows:

Staff	31-12-2023	31-12-2022
Directors	2	2
Managers/Senior management	6	7
Upper management	11	13
Middle management	18	17
Foreman	35	28
Highly-skilled labour	15	7
Skilled labour	69	85
Semi-skilled labour	87	90
Unskilled labour	54	51
Total:	***297***	***300***

At the end of 2023, the branch in Mozambique had 179 workers hired compared to 176 in the previous year. The branch of Cape Verde ended the year of 2023 with no workers compared to 3 in 2022.

31 Inventory impairment

The breakdown Inventory impairment is as follows:

(expressed in Euro)

Description	2023	2022
Inventory impairment		
Inventory	-	(345)
Total:	***-***	***(345)***

32 Other income

The breakdown of Other income is as follows:

(expressed in Euro)

Description	2023	2022
Supplementary income	464 405	1 134 124
Other financial assets	414 796	1 286 400
Non-financial investments	95 304	418 195
Financial discounts	10 364	2 319
Other	129 487	652 673
Total:	***1 114 356***	***3 493 711***

As per December 31, 2023, the rental of equipment to the Joint Venture ACE CMMSETH and supply of staff to ACE CMMSETH and Aarsleff JV account almost the total of the Supplementary income item.
Other financial Assets heading reflects exchange differences during the period.

33 Other costs

The breakdown of Other costs is as follows:

(expressed in Euro)

Description	2023	2022
Banking fees and services	272 373	244 391
Taxes	363 460	157 787
Contractual Indemnities		810 661
Non-financial investments	15 906	
Exchange rate differences	683 020	1 195 615
Other	294 605	91 435
Total:	***1 629 364***	***2 499 889***

The Taxes item includes an amount of EUR 244,261 relating to withholding taxes made to non-residents on services provided in Angola, which, according to article 91 of the CIRC, cannot be deducted from the taxable amount.

34 Interest and similar income

The breakdown of Interest & similar income is as follows:

(expressed in Euro)

Description	2023	2022
Interest income	2 385	7 786
Total:	***2 385***	***7 786***

35 Interest and similar costs

The breakdown of Interest and similar costs is as follows:

(expressed in Euro)

Description	2023	2022
Interest expenses	352 182	222 229
Total:	***352 182***	***222 229***

Interest expenses relate to the borrowings mentioned in Note 21.

36 Related party disclosures

As per December 31, 2023 and 2022, the company's shareholding was distributed as follows:

(número de acções)

Description		31-12-2023	31-12-20222
MT Hojgaard International a/s		2 400 000	2 400 000
Approachdetail – SGPS, SA		1 600 000	1 600 000
	Total	***4 000 000***	***4 000 000***

Balances with related parties are as follows:

(expressed in Euro)

Description		31-12-2023	31-12-20222
Assets			
Subsidiaries		284 019	199 543
Joint Ventures		6 857	56 980
Ricardo Gomes		8 216	322 961
	Total:	***299 092***	***579 484***
Liabilities			
Subsidiaries		135 142	180 043
Empreendimentos conjuntos		284	
MT Hojgaard International a/s			2 800 000
	Total	***135 426***	***2 980 043***

The transactions between related parties either subsidiaries or Joint ventures were essentially supply of staff and material.

37 Minority interests

Minority interests' balances in 2023 and 2022 are included in the financial statements as follows:

(expressed in Euro)

Description		31-12-2022	31-12-2021
Net profit of the period			
SethAngola, S.A.		(75 273)	131 798
	Total:	***(75 273)***	***131 798***
Equity Adjustments			
SethAngola, S.A.		67 657	(230 205)
	Total:	***67 657***	***(230 205)***
	Total:	***(7 616)***	***(98 406)***

38 Construction contracts

The method of accounting for construction contracts is the stage of completion method. Contract revenue and costs are recognised in accordance with AFRS 19.

(expressed in Euro)

Description	Recognised in previous years	Recognised in the period	Deferred/Not recognised	Total
Costs	49 437 760	30 060 991		***79 498 751***
Income/revenue	58 439 882	35 698 013	(4 387 095)	***89 750 800***

39 Subsequent events

The financial statements have been authorized to be disclosed by the Board of Directors on the 14th February 2024.

40 Disclosures required by laws

In 2023 a total amount of Euro 34.566 fees was paid to the auditors appointed by the Annual General Meeting whereas in 2022 the amount was Euro 32.600.

41 Appropriation of Profit

The Board of Directors proposes that the results be appropriated to Retained Earnings item.

The Board of Directors
Carsten Lund (President)
Ricardo Pedrosa Gomes
Soren Wulff
Ana Sofia Mendes

A Contabilista Certificada
Bárbara Themudo

Statutory Auditor's Report

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion with reserves

We have audited the accompanying consolidated financial statements of SETH – Sociedade de Empreitadas e Trabalhos Hidráulicos, SA. (the Group), which comprise the Consolidated Balance Sheet as at December 31, 2023 (which show a total of 31,313,609 euros and a total equity of 9,158,904 euros, including a net loss for the year of 2,875,676 euros), and the Consolidated Income Statement by Natures, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter referred in paragraph "Basis for opinion with reserves" the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the SETH – Sociedade de Empreitadas e Trabalhos Hidráulicos, S.A. as at December 31, 2023, and its financial performance and its consolidated cash flows for the year then ended in accordance with the Financial Accounting Reporting Standards adopted in Portugal through the Accounting Standardization System ("Sistema de Normalização Contabilística").

Basis for opinion with reserves

The Entity recognized under heading *Other Receivables* claims presented to its customers, relating to infrastructure construction contracts executed in Angola and Mozambique, totalling 1,086 thousand euros (2022: 543 thousand euros), over which we did not obtain sufficient information to allow us to conclude about their effective recoverability. Consequently, the headings *Other receivables and Sales and Services rendered* are overvalued by 1,086 thousand euros.

We conducted our audit in accordance with International Standards on Auditing (ISAs) and with other standards and technical directives of the Institute of Statutory Auditors ("Ordem dos Revisores Oficiais de Contas"). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" below. We are independent of the Entity in accordance with the law and we comply with the ethical requirements of the ethic code of the Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion with reserves.

Responsibilities of management for the consolidated financial statements

Management is responsible for:

- Preparation of the consolidated financial statements which present a true and fair view of the Group's financial position, financial performance and the Group's cash flows in accordance with the Financial Accounting Reporting Standards adopted in Portugal through the Accounting Standardization System ("Sistema de Normalização Contabilística");

- The preparation of the consolidated Management Report in accordance with the laws and regulations;

- Creation and maintenance of an appropriate internal control system to enable the preparation of financial statement that are free from material misstatement, whether due to fraud or error;

- Adoption of appropriate accounting policies and principles for the circumstances; and

- Assessment of the Group's ability to continue as a going concern, disclosing, when applicable, matters that may rise significant doubts about the continuity of activities.

Auditor's responsibilities for the audit of the consolidated financial statements

Our responsabilidty is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a 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 judgement and maintain professional scepticism throughout the audit and also:

- Identify and assess the risks of 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 continuity 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 going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient and appropriate auditing evidence over financial information of the entities or activities in the Group in order to express an opinion on the consolidated financial statements. We are responsible for the orientation, supervision and performance of the audit of the Group and we are ultimately responsible for our audit opinion; and

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibility includes the verification of the consistency of the Consolidated Management Report with the consolidated financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

About the Management Report

Pursuant of article 451º, nº 3, al. e) of the Commercial Companies Code, it is our opinion that the Consolidated Management Report was prepared in accordance with laws and regulations in force and the information contained therein is in agreement with the audited consolidated financial statements and, taking into consideration our assessment and understanding of the Group we have not identified any material misstatement.

Lisbon, March 28, 2024

Ernst & Young Audit & Associados – SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Represented by:

(Signed)
Luis Miguel Gonçalves Rosado – ROC nº 1607
Registered with the Portuguese Securities Market Commission under Licence nr.º 20161217

Certifications

AENOR
Confía

Quality Management System Certificate

AENOR
QUALITY MANAGEMENT
ISO 9001

ER-0292/2018

AENOR certifies that the organization

SETH - SOCIEDADE DE EMPREITADAS E TRABALHOS HIDRÁULICOS, S.A.

has a quality management system according to the ISO 9001:2015 Standard

for the activities:	Coordination and execution of civil and public construction works, namely for building works, coastal protection, port, hydraulics, pipelines, concrete and metal structures and pile-driving.
which is/are carried out in:	Sede: Avenida Tomás Ribeiro, 145. - 2790-467 Queijas (Portugal) Estaleiro Central de Palmela: Rua da Ponte 2 - Orvidais. - 2950-422 Setúbal (Portugal)
First issued on:	2018-05-17
Last issued:	2021-08-31
Validity date:	2024-08-31

Rafael GARCÍA MEIRO
Chief Executive Officer

Certificate transferred. Issuance date by accredited certification body: 2016-01-25

AENOR INTERNACIONAL S.A.U.
Génova, 6. 28004 Madrid. España
Tel. 91 432 60 00.- www.aenor.com

IAF ENAC CERTIFICACIÓN Nº 01/C-SC003 IQNet

Lus AENOR Avenida da Boavista, 1180 - 2º C - 4100-113 PORTO Portugal - www.lusaenor.com

AENOR
Confía

Environmental Management System Certificate

AENOR
ENVIRONMENTAL MANAGEMENT
ISO 14001

GA-2018/0140

AENOR certifies that the organization

SETH - SOCIEDADE DE EMPREITADAS E TRABALHOS HIDRÁULICOS, S.A.

has an environmental management system in accordance to the ISO 14001:2015 Standard

for the activities:	Coordination and execution of civil and public construction works, namely for building works, coastal protection, port, hydraulics, pipelines, concrete and metal structures and pile-driving.
which is/are carried out in:	Sede: Avenida Tomás Ribeiro, 145. - 2790-467 Queijas (Portugal) Estaleiro Central de Palmela: Rua da Ponte 2 - Orvidais. - 2950-422 Setúbal (Portugal)
First issued on:	2018-05-17
Last issued:	2021-08-31
Validity date:	2024-08-31

Rafael GARCÍA MEIRO
Chief Executive Officer

Certificate transferred. Issuance date by accredited certification body: 2015-09-01

AENOR INTERNACIONAL S.A.U.
Génova, 6. 28004 Madrid. España
Tel. 91 432 60 00.- www.aenor.com

IAF ENAC CERTIFICACIÓN IQNet

Lus AENOR Avenida da Boavista, 1180 - 2º C - 4100-113 PORTO Portugal - www.lusaenor.com

AENOR
Confía

Management System Certificate
Occupational Health and Safety

AENOR
OCUPATIONAL HEALTH&SAFETY
ISO 45001

SST-0075/2018

AENOR certifies that the organization

SETH - SOCIEDADE DE EMPREITADAS E TRABALHOS HIDRÁULICOS, S.A.

has a Health and Safety Management System in accordance to the ISO 45001:2018 Standard

for the activities:	Coordination and execution of civil and public construction works, namely for building works, coastal protection, port, hydraulics, pipelines, concrete and metal structures and pile-driving.
which is/are carried out in:	Sede: Avenida Tomás Ribeiro, 145. - 2790-467 Queijas (Portugal) Estaleiro Central de Palmela: Rua da Ponte 2 - Orvidais. - 2950-422 Setúbal (Portugal)
First issued on:	2021-02-08
Last issued:	2021-09-10
Validity date:	2024-09-10

Rafael GARCÍA MEIRO
Chief Executive Officer

The holder of this certificate had an accredited certification in accordance with OHSAS 18001 since: 2018-06-01

AENOR INTERNACIONAL S.A.U.
Génova, 6. 28004 Madrid. España
Tel. 91 432 60 00.- www.aenor.com

ENAC CERTIFICACIÓN Nº 01/C-SG027

IQNet

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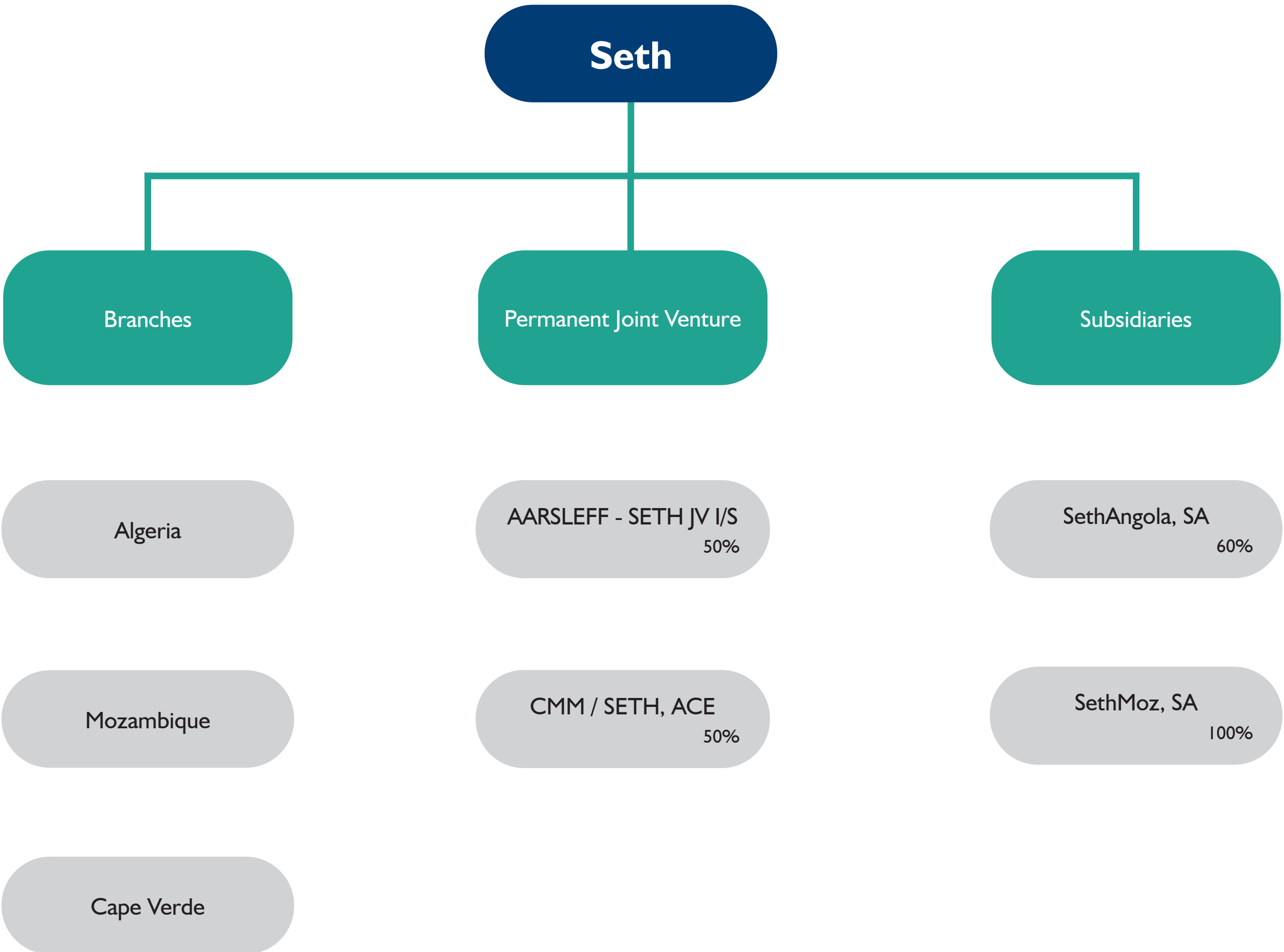
Organisation Chart


Seth
Branches
Permanent Joint Venture
Subsidiaries
Algeria
Mozambique
Cape Verde
AARSLEFF - SETH JV I/S
50%
CMM / SETH, ACE
50%
SethAngola, SA
60%
SethMoz, SA
100%

SETH – ANNUAL REPORT 2023

Credits

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Seth

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