



20  
23

*Annual*  
REPORT

VLOPES





# Table of contents

04

Message from  
the CEO

12

Corporate income  
statement

16

Activities & financial  
position analysis

06

Our company  
and values

13

Key highlights

25

Macroeconomic  
future

08

Our company  
worldwide

14

Group activity

28

Other information

10

Company  
Milestones

15

Macroeconomic  
Development

30

Consolidated ba-  
lance & statement





# message from the CEO

“

In a journey marked by the fear of failure and the ambition to conquer, we are sure that each step was taken with all the rigor and overcoming that characterize the brand and the company.  
Let's start in the best way.

Marco Lopes  
CEO

As we reflect on the past year and project our aspirations for the future, it is clear that we are committed to excellence and innovation. They say that luck is hard work and that commitment goes hand in hand with excellence. Our teams are synonymous with talented, dynamic, creative and efficient people. They are also inspiring, visionary and competent. I have always believed that each one of us vibrates with a unique and singular energy. We look alike, but we have particularities that make us all see and be different. 2023 was the year to be everything we wanted to be!

In the following pages, everyone can be whatever they want to be and take from this reflection what they want. A testimony full of ambitions, achievements and resilience, which, when we look to the future, we call promising.

In a journey marked by the fear of failure and the ambition to conquer, we are sure that each step was taken with all the rigor and overcoming that characterize the brand and the company. Let's start in the best way.

## Big projects

We look to the world's largest eye to the sky as the greatest reference of all time, where the Air Handling Units of the world's largest telescope will be branded Ocraclima®. The ELT (Extremely Large Telescope), located in Chile's Atacama Desert, is more than 3,000 meters above sea level and its dome is more than 80 meters in diameter and 88 meters high.

With the construction of AHU's for the ELT, Ocraclima® is once again committed to excellence in creating indoor environments where air quality, precision and thermal stability are a reality. We are proud to say that we are going to be part of the history of a crucial milestone to probe the ends of the cosmos and bring new possibilities to all of humanity. A delivery that fills us with pride and motivates us to do more and better! As real-life heroes, we can say that we will go "to infinity and beyond"!

With strategic investments in sustainability and efficiency, we have not only reduced costs, but also strengthened our competitive position in the global market. We are increasingly proud to demonstrate that we work in a net-zero carbon company, where through a productive innovation project we have been able to invest in a solar system on the factory roof with 140kW, a heat pump for the paint booth where we have eliminated the use of fossil fuels, the production of nitrogen gas for laser cutting, the acquisition of an automatic sheet metal bending and aluminum cutting machine and the development of an ERP for industrial production control.

## Investments and Innovation

With these investments, we have managed to eliminate more than 20% of our monthly overhead costs, but we have also realized the importance and competitiveness of the company in an increasingly dynamic global market. We can therefore say that we have allied benefits such as increased productivity, reduced costs, higher and more competitive levels of customer satisfaction and reduced environmental impact, contributing to corporate sustainability. It's about investing to take expectations into future benefits!

And for new times, new solutions, V. Lopes continues to turn challenges into opportunities when it comes to innovation. We have a list of new products that we are proud to launch onto the market. Some in partnership with clients, others with in-house ideas and

creativity. We have participated in two PRR's (Restructuring and Resilience Plan):

- one led by the DST group (Domingos da Silva Teixeira) with the R2UT project, with the creation of a heat pump system, with domestic hot water production, air renovation, heating and cooling with just one piece of equipment;
- and another led by EFACEC (Empresa Fabril de Máquinas Eléctricas, SARL) via Sonae where we are partners in the manufacture of Smart Electric Boards, vehicle charging systems as well as an atmospheric CO2 retention system (direct capture) with support from INL. While the former we are prototyping and testing at DST's Living Lab, the latter we are applying to the filters in the Air Handling Units at Norteshopping.

As far as RDI and new product development are concerned, we are following and adding to other products such as Clinicair, a modular air conditioning system for hospitals, particularly white rooms, developed in partnership with our client in the French market. With the expectation of gaining market share, we are developing another type of standard equipment for air renovation systems with heat recovery, which will be distributed by our client, but with national production. We see September 2024 as the start-up and marketing date for these products.

The research project SATO, Self Assessment Towards (Building Energy Optimization) approved under the European Union's Horizon 2020 research and innovation program, under grant agreement number 957128, will end in 2024. The aim of SATO is to develop a new platform for self-assessment and optimization of energy consumption in real time, which allows the integration of all energy consumption instruments in any building.

## And the future?

As we close this chapter and prepare for the future, we remain steadfast in our mission to exceed expectations and contribute to a more sustainable and technologically advanced world. Together, we will continue to vibrate with unique energy, innovate and conquer new horizons, ready to turn every challenge into an opportunity for growth and success.

May 2024 see us continue the work of promoting an inclusive, collaborative and ethical working environment. Let's ensure that everyone feels valued and has the opportunity to grow and develop. I thank each and every one of you for embodying our company values and contributing to an exceptional working environment.

Together, we will reach new heights. Here's to another year of innovation, growth and success,

Marco Lopes  
CEO Vieira & Lopes Lda

## Our Culture

### Our Vision

Our vision is to become a world-renowned company synonymous with customized, holistic solutions and intelligent, personalized air purification solutions.

### Our Mission

Develop and support a solid company structure with qualified, informed, responsible, and happy employees focused on the client.

Being a reliable partner for each client, using experience and know-how to create made to measure solutions for each building, securing optimal indoor air quality anywhere in the world.

Market a whole line of innovative, high-quality, and efficient products for sensitive indoor environment, with low environmental impact thus contributing to enhancing good health and quality of life for every people.

Working continuously to the international expansion of VLopes. Speaking global, becoming global!

## the company shared values

Our values form the bedrock upon which we underpin our activities and guide the actions of our entire team. In an ever-evolving world, our company, as a living organism, constantly reassesses its operations to confront profound changes that impact both the global landscape and the marketplace.

### People first

We seek to foster a well-balanced, inspiring environment where each employee can thrive and take new challenges.

### Innovation & know-how

Innovating and challenging the limits are part of our DNA, so we can build smarter solutions, and grow sustainably.

### Quality

Committed to quality in all strands of our activity, we know that indoor air quality can be achieved only through the excellence products and services.

### Flexibility

We work side by side with the most demanding client, determined to overcome limits, short the distance and bring the right answer wherever needed.

### Responsability

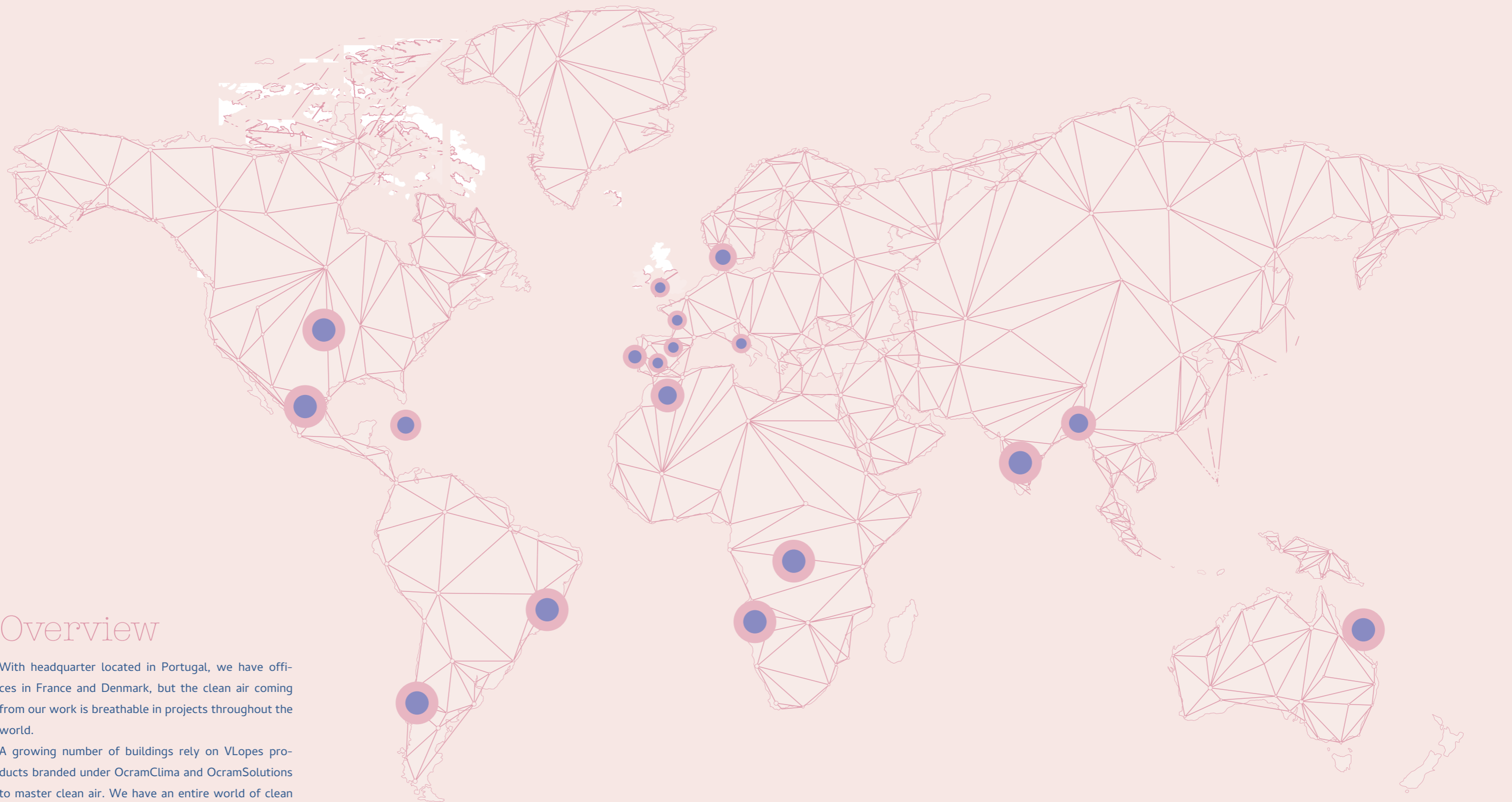
Working to the quality of life of every people in the world with energy efficient environments and products for an healthy and clean environment, fostering the healing process and life.





# Delivering clean air technology of the World


---





## Overview

With headquarter located in Portugal, we have offices in France and Denmark, but the clean air coming from our work is breathable in projects throughout the world.

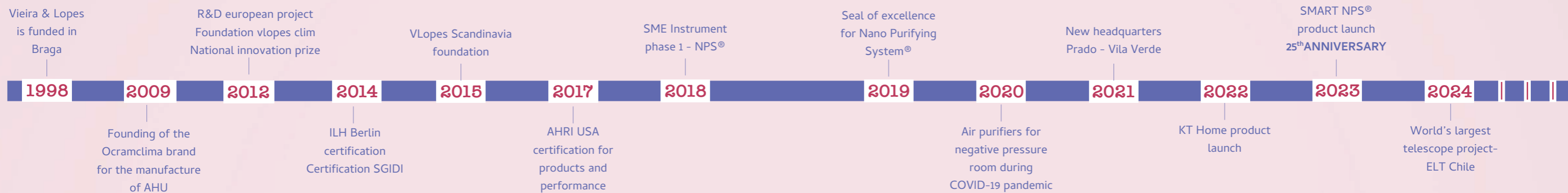
A growing number of buildings rely on V Lopes products branded under OcramClima and OcramSolutions to master clean air. We have an entire world of clean air solutions.

 Amazing people who work with us

 Quality products around the world

 Innovative projects and differentiated

# 26 years mastering the art of Handling Air



## NEW HEADQUARTERS

8310 m<sup>2</sup>  
Total area

3150 m<sup>2</sup>  
Production area

4080 m<sup>2</sup>  
Building  
implementation  
area

930 m<sup>2</sup>



# Corporate income statement

2023

## Executive summary

The year 2023 was characterized by a combination of challenges and innovations. Global issues demanded robust international cooperation, while technological and social advances provided new opportunities and solutions.

In 2023, the war in Ukraine remained a focal point, bringing significant consequences for security and the global economy. The humanitarian crisis and economic sanctions altered global dynamics, impacting markets and policies around the world. In addition, tension between the United States and China has intensified, especially in areas related to Taiwan, trade and technology. These conflicts have directly influenced the global economic scenario, creating additional uncertainties and challenges.

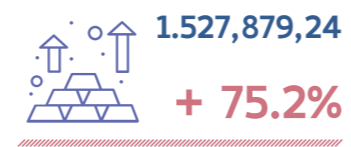
On the political scene, several important elections took place in various countries, resulting in significant changes in the local and regional political landscapes. These changes reflect a growing search for stability and progress amid a tumultuous global environment.

Although 2023 was a year of contrasts, in which global challenges and technological advances coexisted, shaping a complex and dynamic future, Vieira & Lopes LDA maintained the progress it has made over the years, strengthening its economic and financial position. The overall performance achieved is due to the expansion of the product portfolio, the growing awareness of the Ocraclima® brand in the domestic and international markets, the establishment of new and promising partnerships, the strengthening of international activity and participation in PRR's (Recovery and Resilience Plans).

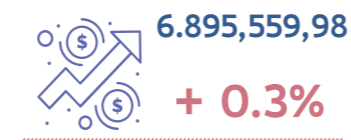
### Consolidated business turnover



### Consolidated EBITDA



### International business turnover



## Keyhighlights for 2023

- The VLopes group's turnover in 2023 amounted to 10,268,769.55 euros, which translated into growth of 7.2% over the previous year. This confirms the success of the organization and the consolidation of the company's activity in specific air treatment and purification markets, which are increasingly turning to clean energy as their main source;
- Maintaining a clearly positive trend, consolidated EBITDA, which expresses the resources generated by the company's activity, reached 1,527,879.24 euros, an increase of 75.2% on the previous year;
- EBITDA as a percentage of turnover, an indicator of the company's profitability, stood at 14.9%, an increase of 5.8 p.p. compared to 9.1% in the previous year. This indicator reflects a clear improvement in the company's operating activity, optimization of its structural costs and an excellent relationship between the projects chosen and the margin applied;
- Net Profit for the period remained clearly positive at 472,597.68 euros;
- International activity accounted for 67.2% of consolidated turnover in 2023, amounting to 6,895,559.98 euros, confirming growth of 0.34% over the previous year;
- Revenues from the sale of air control, treatment and purification equipment (tradable goods) under the OCRAMClima® brand amounted to 5,544,702.17 euros, representing growth of 20.4% on the previous year and 54.0% of the Group's consolidated turnover.

# 01

## Vieira & Lopes Group activity

Vieira & Lopes, Lda., headquartered at Rua 1, Lugar do Faial, 157, Vila de Prado - Vila Verde, was founded in 1998 and its business currently focuses on the manufacture, distribution and installation of technological solutions for air control, treatment, purification and air conditioning.

The following consolidated annual report expresses, in the most appropriate manner, the group's financial situation and results for the financial period ending December 31, 2023.

Drafted in accordance with article 66 of the Companies Code (CSC), this document comprises a rigorous, clear and concise analysis of the evolution of the company's business, performance and financial position, duly framed by the complexity inherent in the company's activity, including the uncertainties and risk inherent in the activity for which it is intended.

# 02

## Macroeconomic Development in 2023

### 2.1 Global assessment

The year 2023 was marked by a series of challenges and complex dynamics that shaped the global macroeconomic scenario. Recovery from the pandemic, although it has made significant strides, has been hampered by new variants of the virus in some regions, resulting in ongoing uncertainties. However, the adaptation of economies and the expansion of vaccination campaigns have helped to mitigate the most severe impacts.

However, one of the main themes of 2023 was high inflation, which reached levels not seen for decades in the economy. This inflation was driven by a combination of factors, including the continued breakdown in global supply chains, significant increases in the prices of essential goods, especially energy and food, and strong pent-up demand. In response, the main central banks, such as the Federal Reserve in the United States and the European Central Bank, adopted tighter monetary policies, raising interest rates to control inflation.

Geopolitical tension also played a crucial role in 2023. The war in Ukraine continued to affect the global energy and food markets, leading to a rise in prices and a search for alternative sources of supply. The relationship between the United States and China also remained tense, with persistent trade and technological disputes.

Global economic growth in 2023 was moderate, with an estimated expansion of around 2.9%. Advanced economies experienced slower growth, while emerging and developing economies, particularly in Asia, performed relatively better. China, in particular, played an important role in the global recovery, with stimulus policies to sustain domestic growth.

Despite the challenges, there has been significant progress in areas such as the energy transition. Many countries have stepped up their investments in renewable energies and green technologies, seeking to reduce dependence on fossil fuels and meet ambitious climate targets. This movement has been accelerated by high energy prices and concerns about energy security.

### 2.2 Portugal overview

In Portugal, 2023 reflected both the global challenges and the country's specific dynamics. The Portuguese economy continued to recover from the impacts of the pandemic, with an estimated growth of around 2.5% for the year. This growth was underpinned by a robust recovery in the tourism sector, which returned to pre-pandemic levels, and supportive fiscal policies from the government. Inflation in Portugal, as in many other economies, was a key issue in 2023. The annual inflation rate reached high levels, driven mainly by increases in energy and food prices. The Bank of Portugal, in line with the ECB, adopted monetary policy measures to control inflation, resulting in increases in interest rates that impacted consumption and investment. The Portuguese labor market showed resilience, with the unemployment rate remaining relatively low. However, pressure on wages and the rising cost of living remained significant concerns for many families. The Portuguese government implemented various measures to mitigate these impacts, including targeted subsidies and support for low-income families.

The government's fiscal policy was also crucial in 2023, with investments in infrastructure, health and education in order to sustain economic growth and improve quality of life. Public finance management, however, was challenged by the need to balance economic support with fiscal sustainability.

In short, 2023 was a year of challenges and adaptation for both the global economy and Portugal. Managing inflation, adapting to tighter monetary policies and responding to geopolitical tensions were central themes that shaped the macroeconomic context. The search for sustainable and inclusive growth remained at the heart of economic policies, as countries navigate a complex and dynamic global environment.



# 03

## Activities & financial position Analysis

The year 2023 can be defined from various perspectives, covering a wide range of global events, technological advances, cultural events, natural disasters and political and economic changes. This period has proved crucial in many respects, reflecting both the progress and challenges faced by humanity, leaving a major impact that will be felt for years to come.

The global political sphere was marked by ongoing geopolitical conflicts and tensions, including the war in Ukraine and crises in the Middle East. On the economic front, inflation and changes in global economic policies influenced the financial markets, affecting economies to varying degrees. The year required rapid adaptations and innovative responses to mitigate negative economic impacts.

In the field of technology, 2023 was marked by significant advances in artificial intelligence and automation. The development of new AI applications transformed sectors such as health, finance and transportation, while space missions continued to capture the public's imagination. The exploration of Mars and the launches of new satellites and rockets highlighted the growing interest and investment in space exploration.

In the face of major challenges and changes, Vieira & Lopes achieved clearly positive results in 2023, resulting in a growing consolidation of its role and activity in both the domestic and international markets. Continuing the clearly favourable trend seen in previous years, the Vieira & Lopes group's activity throughout 2023

was characterized by the consolidation of its economic and financial position, achieved through the wide range of products in the area of air treatment and purification, in the growing offer of technological solutions, increased awareness and affirmation of the Ocraclima® brand on the national and international market, continued investment in the areas of Electrical Boards and Centralized Technical Management, the definition of new and relevant work and research partnerships with clearly relevant entities on a national and international level and the strengthening of activity on international markets.

With regard to the consolidated income statement, turnover in 2023 amounted to 10,268,769.55 euros, representing growth of 7.2% on the previous year. This is due to the success of the reorganization, restructuring of overheads and consolidation of activity in favour of technological solutions and air treatment and purification (Table 1).

EBITDA and net income were also positive. Consolidated EBITDA stood at 1,527,879.24 euros, an increase of 75.2% on the previous year. Consolidated net profit remained clearly positive at 472,597.68 euros.

The EBITDA ratio as a percentage of turnover, which is an indicator of the company's profitability, stood at 75.2%, an increase of 5.8pp on the previous year. This indicator shows the group's solid operating activity, in a demanding context of transformation and cost control restructuring (Chart 1).

	2021	2022	2023	Variation 22/23	
				Value	%
<b>Business Turnover</b>	8 583 796,06	9 583 014,59	10 268 769,55	685 754,96	7,20%
<b>Net Results</b>	339 685,83	161 499,91	472 597,68	311 098,07	192,6
<b>EBITDA</b>	856 811,19	871 891,07	1 527 879,24	655 988,17	75,20%
<b>EBITDA in % w/BT</b>	10,00%	9,10%	14,90%	5,80	pp

TABLE 1 Evolutionary analysis for consolidated results

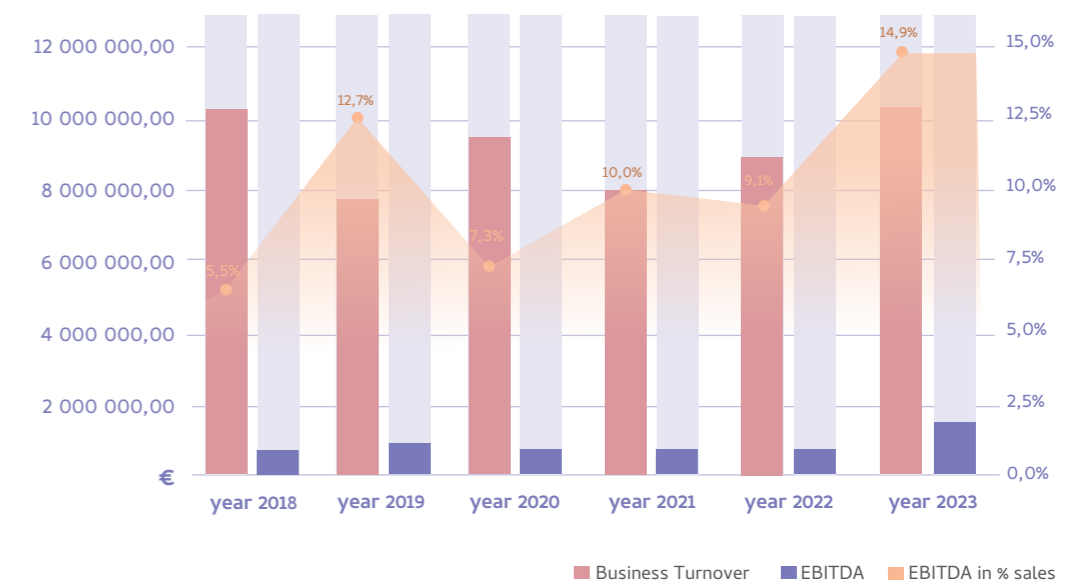


CHART 1 Evolutionary analysis for consolidated results

With regard to the destination of production and with a view to assessing the turnover destined for the domestic and international markets in 2023, and from a consolidated perspective, sales destined for foreign markets amounted to 6,895,559.98 euros, representing growth of 4.9% over the previous year and 53.7% of consolidated turnover (Table 2 and Chart 2, 3 and 4).

On the other hand, sales from the domestic market amounted to 3,373,209.57 euros, an increase of 24.5% compared to 2022, corresponding to 32.9% of consolidated turnover.

With regard to the income structure, and in order to

identify the origin of revenues given the company's strategic repositioning towards the development, production and marketing of tradable goods/equipment, it is important to highlight the growth in turnover from "finished and intermediate products", which underpin the diversification strategy towards the production and marketing of air control, treatment and purification equipment.

In 2023, revenues from Ocraclima® technological solutions amounted to 5,544,702.17 euros, an increase of 20.4% on the previous year and corresponding to 54.0% of the company's consolidated turnover (Chart 5).

	2021	2022	2023	Variation 22/23	
				Value	%
<b>National Market</b>	2 108 233,53	2 710 785,97	<b>3 373 705,57</b>	662 919,60 €	24,5%
<b>EU Market</b>	6 0030 396,59	6 397 935,43	<b>6 708 342,91</b>	310 407,48 €	4,9%
<b>Other Markets</b>	445 165,94	474 293,19	<b>187 217,07</b>	-287 076,12 €	-60,5%
<b>Global value of external markets</b>	6 475 562,53	6 872 228,62	<b>6 895 559,98</b>	23 331,36 €	0,3%

TABLE 2 Destination for the consolidated production

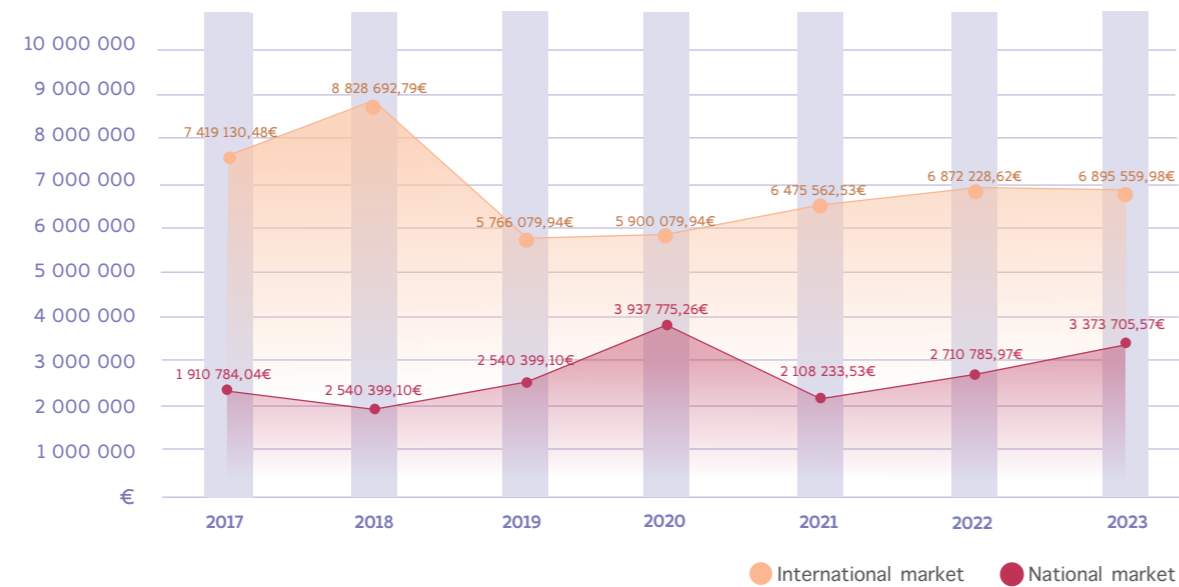


CHART 2 Evolution of destination for the consolidated production

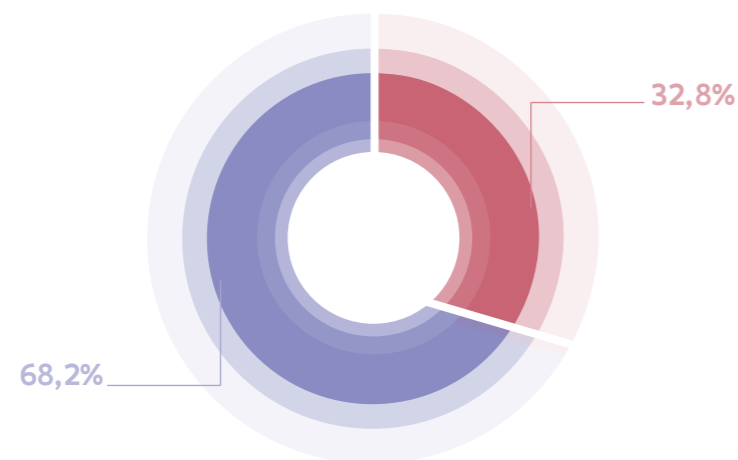


CHART 3 Destination for the consolidated production

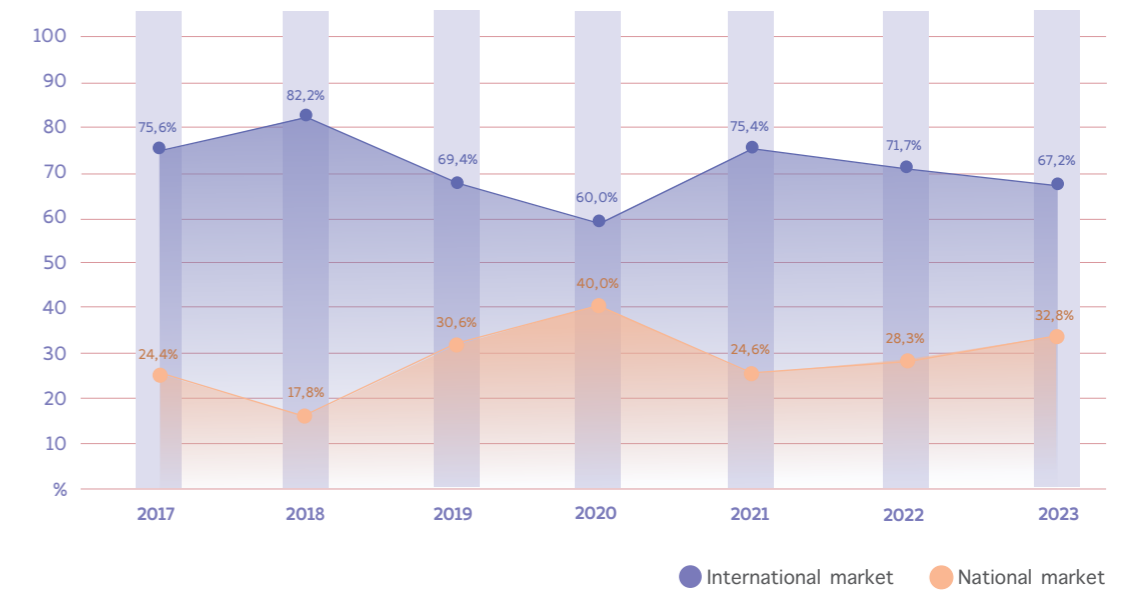


CHART 4 Evolution of destination for the consolidated production (in % of business turnover)

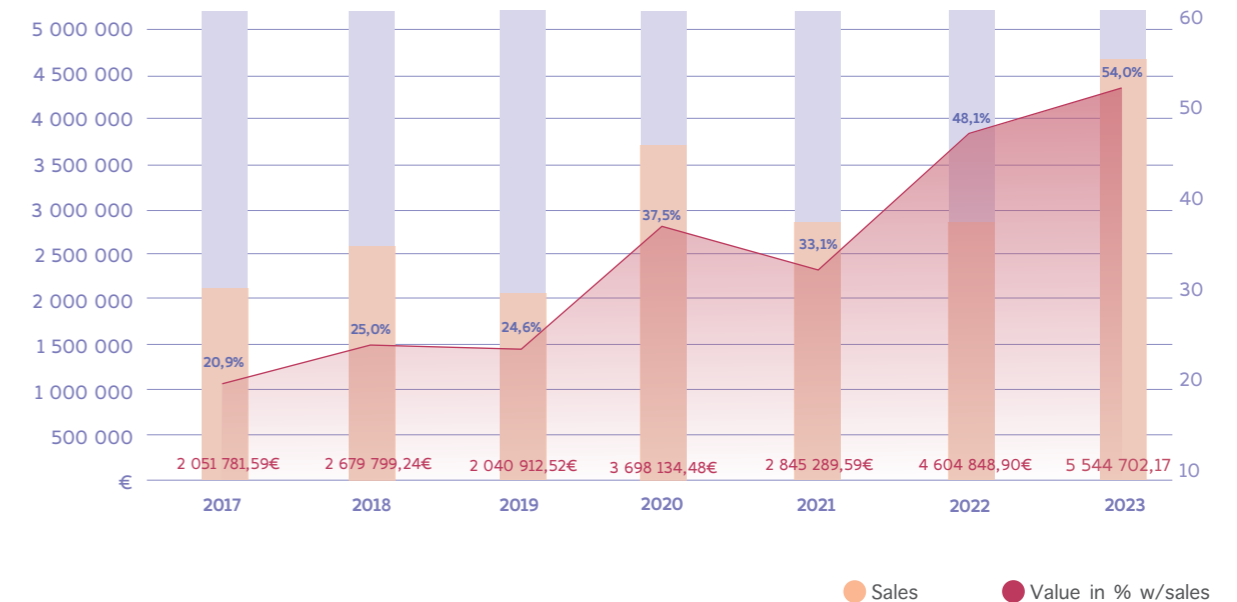


CHART 5 Income structure having Ocraclima project as source

With regard to the evolutionary analysis of the structure of expenses in the period just ended, Table 3 and Chart 6 show the distribution according to the weight of the respective item in the total expenses of Vieira & Lopes Lda. The Cost of Goods Sold and Materials Consumed amounted to 4 410 099.07 euros, representing 42.3% of the cost structure (an increase of 0.2% compared to 2022), thus representing a variation of 107 964.37 euros, corresponding to 2.5%. Personnel costs amounted to 3,182,832.91 euros, which corresponds

to 30.5% of expenditure, but was 3.2pp down on the previous year, a decrease in expenditure of 264,335.98 euros.

Of all the items evaluated and shown, the one that has the most weight in the structure and we can see in Chart 6 are the costs of goods sold and materials consumed with a percentage of 42.3 and personnel costs with 30.5% of the overall value.



Variation 22/23

	2022	2023	Value	%
<b>Cost of goods sold and materials consumed</b>	4 302 134,70	4 410 099,07	107 964,37	2,5
<b>Payroll costs</b>	3 447 168,89	3 182 832,91	-264 335,98	-7,7
<b>External supply and services</b>	1 588 815,45	1 714 243,99	125 428,54	7,9
<b>Impaired losses</b>	186 037,09	280 752,43	94 715,34	50,9
<b>Expenses and financing losses</b>	421 438,11	591 978,75	170 540,64	40,5
<b>Expenditures with depreciation and amortization</b>	-2 702,01	-67 841,51	-70 543,52	--
<b>Other expenses and losses</b>	278 739,38	306 634,18	27 894,80	10,0
	10 221 631,61	10 418 699,82	191 664,19	1,9

TABLE 3 Evolutionary analysis of the consolidated expenses structure

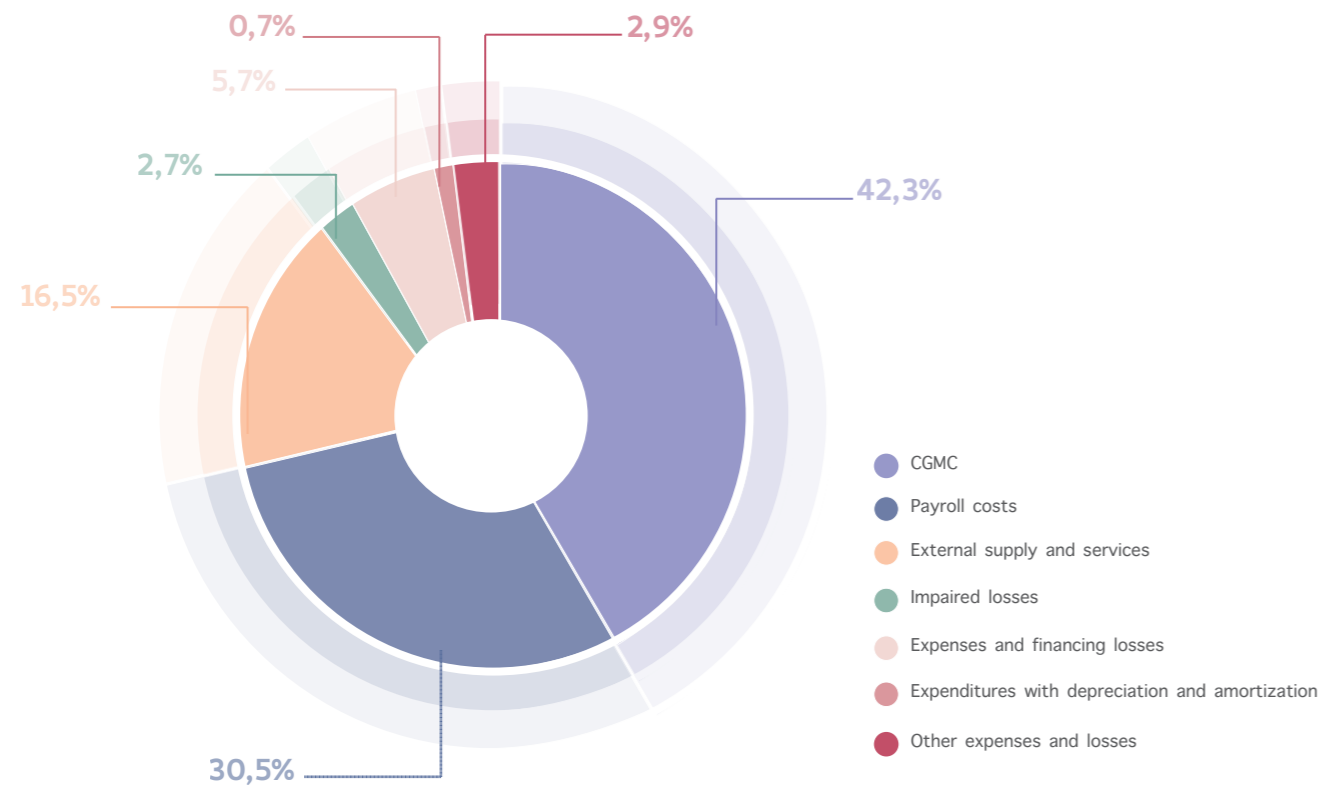


CHART 6 Consolidated structure of expenses ( in %)

External Supplies and Services amounted to 1,714,243.99 euros, representing 16.5% of expenditure, an increase of around 1.0% compared to 2022. Financing Expenses and Losses totaled 280,752.43 euros, representing 2.7% of expenditure and a variation of 50.9% compared to 2022. Depreciation and amortization costs amounted to 591 978.75 euros, representing 5.7% of expenditure, an increase of 40.5% on the previous year.

From an integrated perspective, it is possible to analyze the com-

pany's financial position through the following Balance Sheet Structure (Table 4 and Chart 7). Total Assets rose to 14,191,639.36 euros, with the highlight being the positive evolution of Current Assets to 7,777,978.19 euros. On the other hand, Non-Current Liabilities fell to 3,286,080.05 euros, while Current Liabilities increased to 7,618,125.43 euros. Equity increased to 3 287 433.88 euros, an increase of 1.8 pp on the previous year.

	2022	%	2023	%
<b>Non-current assets</b>	5 781 160,23	43,5	6 413 661,17	45,2
<b>Current assets</b>	7 521 235,93	56,5	7 777 978,19	54,8
<b>TOTAL</b>	<b>13 302 396,16</b>		<b>14 191 639,36</b>	
<b>Equity</b>	2 849 979,89	21,4	3 287 433,88	23,2
<b>Non-current liabilities</b>	3 788 349,28	28,2	3 286 080,05	23,1
<b>Current liabilities</b>	6 664 066,99	49,8	7 618 125,43	53,9
<b>TOTAL LIABILITIES</b>	<b>10 452 416,27</b>		<b>10 904 205,48</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>13 302 396,16</b>		<b>14 191 639,36</b>	

TABLE 4 Annual balance structure

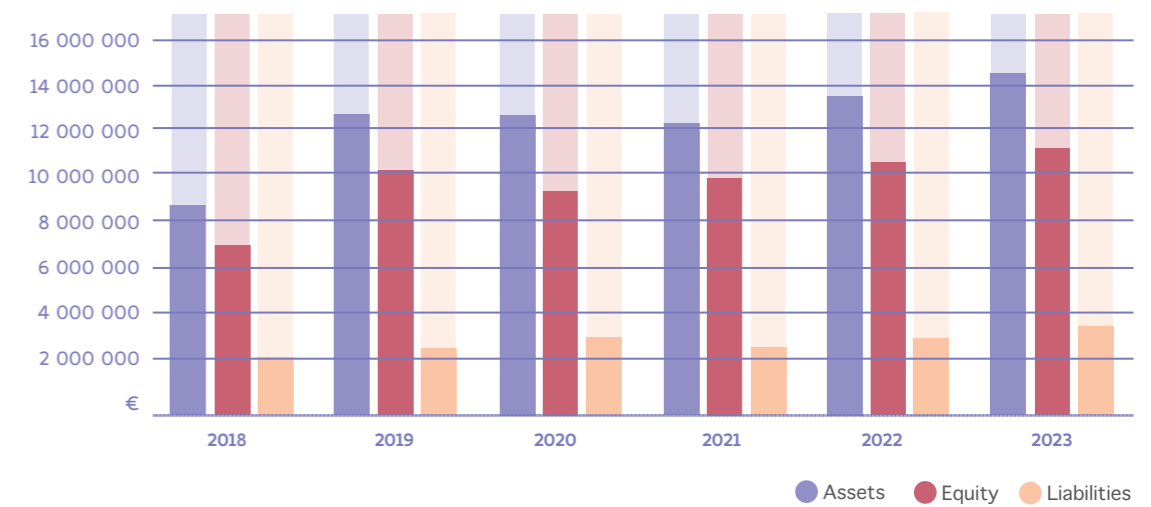


CHART 7 Evolution of consolidated Assets, Liabilities and Equity

As far as the company's human resources are concerned, we consider them to be the core of any organization and the way they are managed directly influences the achievement of the objectives of the employees and the company itself.

When organizations recognize that people are responsible for their success, they stop seeing them only as a workforce and start investing in quality of life in the workplace. We therefore believe that it is important to define and develop career plans and promote worker safety, otherwise the best talent will be lost. It is therefore essential to adopt strategic HR management, because this is the only way to gain a competitive advantage in the market and differentiate ourselves from the competition.

Under the heading of Employee Benefits, we present the data in the following table (Table 5 and Chart 8) where the points assessed

are the remuneration of governing bodies, which increased by 4% compared to 2022, rising to 60,640.00 euros; in staff remuneration, we went from 2,732,400.44 euros in 2022 to 2,267,586.48 euros, a negative variation of 17%.

Of all the items presented, there is one that really stands out, namely point 2 (Staff remuneration) where we can see in chart 8 that between 2022 and 2023 there is a 17% reduction in remuneration, from 2,732,400.44 euros to 2,267,586.48 euros. In other words, from 2022 to 2023 we managed to cut 464,813.96 euros.

The figures above relate to a number of employees that varies over the years. The following table shows the relationship between the number of employees per year, as at December 31st of each year presented, and the relationship between consolidated remuneration.

	2022	2023	%
<b>Remuneration of company officers</b>	58 501,25	60 640,00	4%
<b>Staff remuneration</b>	2 732 400,44	2 267 586,48	-17%
<b>Indemnities</b>	18 957,39	67 143,67	254%
<b>Remuneration costs</b>	583 387,00	720 224,19	23%
<b>Workmen's compensation insurance</b>	23 670,30	32 175,40	36%
<b>Other personnel costs</b>	30 252,51	35 063,17	16%
	<b>3 447 168,89</b>	<b>3 182 832,91</b>	

TABLE 5 Employees' benefits

	2020	2021	2022	2023
<b>Number of employees</b>	135	121	119	101
<b>Staff remuneration</b>	2 939 936,44	2 796 154,29	2 732 400,44	2 267 586,48

TABLE 6 Number of employees and staff costs

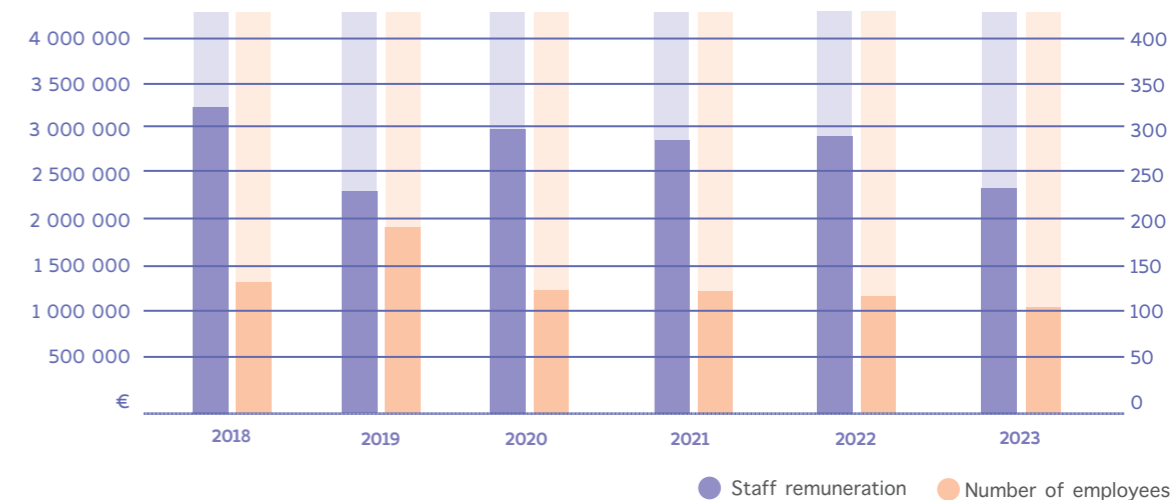


CHART 8 Changes in the number of employees and salaries

Table 7 shows a summary of the valuation of the various classes of tangible fixed assets during the period under analysis up to December 31, 2023. The various classes analyzed are as follows: land and

natural resources, buildings and other constructions, basic equipment, transport equipment, administrative equipment and other tangible assets.

Asset class \ Calculated values		Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Administrative equipment	Other tangible fixed assets	Total
31-12-2022	Start of period							
	Gross amount (a)	211 600,02	2 976 166,23	112 753,88	278 570,08	173 978,73	97 165,01	3 850 234,07
	Accumulated depreciation and impairment losses (b)	-	135 179,37	81 042,65	210 311,36	98 549,46	90 464,24	615 547,08
	Net amount (a) - (b)	211 600,02	2 840 986,98	31 711,23	68 258,72	75 429,27	6 700,77	3 234 686,99
31-12-2022	Period							
	(+) Acquisitions	-	16 233,03	7 194,00	10 440,00	6 521,29	1 525,49	41 913,81
	(-) Disposals	-	-	-	122 821,65	-	-	122 821,65
	(-) Depreciation for the period	-	83 988,61	5 581,11	20 861,29	15 011,66	1 432,64	126 875,31
	(-) Accumulated depreciation on assets sold	-	-	-	106 466,34	-	-	106 466,34
31-12-2022	Final of period							
	Gross amount (c)	211 600,02	2 992 399,38	119 947,88	166 188,43	180 500,02	98 690,50	3 769 326,23
	Depreciation and impairment losses (d)	-	219 167,98	86 623,76	124 706,31	113 561,12	91 896,88	635 956,05
	Net amount (c) - (d)	211 600,02	2 773 231,40	33 324,12	41 482,12	66 938,90	6 793,62	3 133 370,18
31-12-2023	Start of period							
	Gross amount (a)	211 600,02	2 992 399,38	119 947,88	166 188,43	180 500,02	98 690,50	3 769 326,23
	Accumulated depreciation and impairment losses (b)	-	219 167,98	86 623,76	124 706,31	113 561,12	91 896,88	635 956,05
	Net amount (a) - (b)	211 600,02	2 773 231,40	33 324,12	41 482,12	66 938,90	6 793,62	3 133 370,18
31-12-2023	Period							
	(+) Acquisitions	-	350 807,53	618 118,78	15 000,00	2 891,20	93 983,00	1 080 800,51
	(-) Disposals	-	-	-	62 350,00	-	5 932,00	68 282,00
	(-) Depreciation for the period	-	89 549,52	52 858,95	13 919,60	15 700,03	4 821,88	176 849,98
	(-) Accumulated depreciation on assets sold	-	-	-	57 612,50	-	5 058,25	62 670,75
31-12-2023	Final of period							
	Gross amount (c)	211 600,02	3 343 206,91	738 066,66	118 838,43	183 391,22	186 741,50	4 781 844,74
	Depreciation and impairment losses (d)	-	308 717,50t	139 482,71	81 013,41	129 261,15	91 660,51	750 135,28
	Net amount (c) - (d)	211 600,02	3 034 489,41	598 583,95	37 825,02	54 130,07	95 080,99	4 031 709,46

TABLE 7 Tangible fixed assets



Table 8 evaluates depreciation and the net amount between periods, and in light of Table 7, we conclude that there was an increase in depreciation between 2022 and 2023. In 2023, depreciation increased by 47,974.67 euros compared to the 2022 period, which corresponds to a positive variation of 37%. With regard to the net amount, in 2023 we increased tangible fixed assets by more than 898,339.28 euros, corresponding to a positive variation of 29% compared to 2022.

	2022	2023	Value	%
Depreciation for the period	128 875,31	176 849,98	47 974,67	37
Net amount	3 133 370,18	4 031 709,46	898 339,28	29

TABLE 8 Valuation of depreciation and net amount between periods

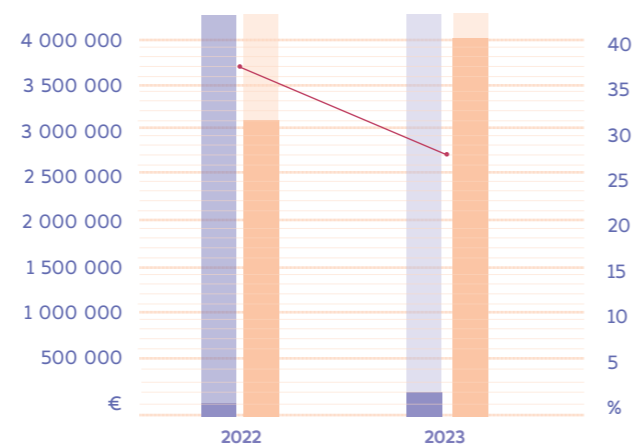


CHART 9 Analysis and relationship between depreciation for the period and the net amount

In addition to the fixed assets shown in the tables and graphs above, we also consider the following investments:

- Solar panels on the company roof, with a capacity of 140Kw;
- Heat pump for the paint booth;
- Production of nitrogen gas for the laser cutting machine;
- Purchase of an automatic sheet metal bending and aluminum cutting machine;
- Purchase of a packaging machine for machines and electrical panels in production;
- Replacement of one of the existing forklifts;
- Development of ERP for production;
- Production work optimization tools;

The year 2023 was marked by significant fluctuations in the global macroeconomic context, directly impacting companies' financial and operating results. This complex and challenging scenario was the result of a combination of economic, geopolitical and social factors that influenced the world economy.

In terms of economic growth, 2023 saw a moderate recovery in several developed economies, driven by the complete reopening after the COVID-19 pandemic. However, this recovery was not homogeneous. Some regions, particularly in Europe and Asia, faced additional challenges due to disruptions in supply chains and shortages of skilled labor. In the United States, growth remained robust, but with signs of a slowdown in the second half of the year.

Inflation was one of the most pressing issues of 2023. The persistent rise in energy and food prices, combined with problems in supply chains, resulted in high inflation rates in many countries. In the United States, inflation has reached levels not seen in decades, prompting the Federal Reserve to adopt a more aggressive monetary policy stance, raising interest rates to curb rising prices. In the eurozone, the European Central Bank also began a cycle of rate increases, despite concerns about the negative impact on economic growth.

The global labor market showed an uneven recovery. While countries like the United States and Canada saw a significant reduction in unemployment rates, other economies, especially in Europe, continued to face challenges. A shortage of skilled labor in specific sectors and rising wage costs added pressure on companies, which had to adjust their recruitment and talent retention strategies.

The energy sector was particularly volatile in 2023. The war in Ukraine and the sanctions imposed on Russia created significant uncertainties in energy supply, leading to substantial increases in oil and natural gas prices. The transition to renewable energies continued to gain momentum, but dependence on fossil fuels remained high, exacerbating the markets' vulnerability to price fluctuations.

Geopolitical tensions have had a significant impact on international trade. The war in Ukraine not only directly affected the energy markets, but also generated instability in Eastern Europe. In addition, trade relations between the United States and China have remained tense, with both powers implementing protectionist policies that have affected global supply chains and international investments.

The outlook for 2024 is cautiously optimistic, with inflation expected to start slowing down as problems in supply chains are resolved and restrictive monetary policies take effect. However, risks remain high, including possible new geopolitical conflicts, climate change and its economic repercussions, as well as the evolution of the COVID-19 pandemic and its variants.

In this challenging context, companies must remain vigilant and flexible, adjusting their strategies to navigate the uncertainties and seize the opportunities that arise. Efficient risk management and continuous innovation will be crucial to ensure resilience and sustainable growth in the global macroeconomic environment of 2023 and beyond.

## Portugal context

The Portuguese economy is expected to slow down in 2024, in a context marked by the persistence of a high degree of geopolitical uncertainty, as well as a restrictive monetary policy whose effects have not yet fully materialized.

After growing by 2.2% in 2023, with restrained growth in the second half of the year, GDP is expected to grow by 1.5% in real terms in 2024. In both years, Portuguese growth is above the euro area average (0.7% and 1%, respectively, in 2023 and 2024, according to ECB projections), maintaining the convergence process seen since 2017 and only temporarily interrupted in 2020 by the pandemic.

In 2024, GDP growth will be based mainly on domestic demand, in a context where exports, particularly goods, are expected to be less dynamic as a result of a more adverse international environment. In fact, private consumption will continue to grow moderately (1.1%). This reflects the positive dynamics of the labor market, the increase in productivity and wages, as well as the impact of a number of policy measures.

Household disposable income is expected to grow at a faster rate than inflation, while the weight of salaries in GDP will stand at 47.7% (up from 45.5% of GDP in 2019).

In the same vein, investment growth (GFCF) will accelerate sharply to 4.1%. However, this figure represents a downward revision compared to what was projected in the Stability Program (5.3%), which is mainly the result of the effects of the increase in companies' financing costs associated with interest rates remaining at high levels throughout the year.

Public investment, boosted by the implementation of the PRR and PT2030, will play a role in stabilizing domestic demand, with an expected nominal growth of 24.2%. In 2024, public investment will reach 3.3% of GDP (the highest figure since 2011), and the percentage financed by national funds will reach 67%.

Exports are expected to slow down, growing by 2.5%, in line with targeted external demand (2.6%). On the other hand, imports will accelerate, consistent with the evolution of the import content of final demand (up 1.4 pp).

Employment is expected to grow by 1.1% and 0.4% in 2023 and 2024, respectively, while the unemployment rate remains unchanged at 6.7% of the active population (6% in 2022).

In a context of economic slowdown, the trend of an increase in the activity rate and employment to historically high levels continues, assuming that companies partially absorb the shock of the economic slowdown rather than reducing the workforce.

This dynamic in the labor market will be reflected in the evolution of compensation per employee, which should grow by 8.3% in 2023 and 5% in 2024, mitigating the impact of high interest rates and inflation on disposable income.

Inflation, as measured by the change in the HICP, should slow down to 5.3% in 2023 and to 3.3% the following year. The CPI is expected to slow from 4.6% in 2023 to 2.9% in 2024, with the difference between the two indices reflecting differences in the composition of the basket. This slowdown reflects the accumulated impact of the monetary policy normalization process and, in 2024, the containment of domestic inflationary pressures reinforced by the fading of pressures originating in the international prices of energy, food and industrial raw materials.

Portugal has shown moderate economic growth in recent years. After the global financial crisis and the subsequent European sovereign debt crisis, the Portuguese economy entered a period of recovery thanks to tourism, one of the most dynamic sectors attracting millions of visitors annually, and exports of goods and services have shown a robust performance, especially in the automobile, electrical components and agricultural products sectors.

As a member of the eurozone, Portugal is subject to the monetary policies of the European Central Bank (ECB). Key considerations include the low interest rates that have facilitated access to credit and encouraged investment. The ECB has implemented measures to ensure financial stability in the eurozone, which benefits Portugal indirectly.

Portugal has made significant advances in innovation and technology. Lisbon has become a hub for tech startups, attracting international investment, and the country has invested in education and

## Predictable evolution of society

In view of the international macroeconomic scenario presented, the uncertainty and doubts about the outcome of the Ukraine-Russia conflict, and the prospects for the expansion of the Portuguese economy in the face of these contexts, Vieira & Lopes Lda's guidelines and strategies for 2024 aim to surpass the results achieved in 2023, both in terms of volume and margin, mainly based on 5 fundamental pillars for the size of the company:

- + Investment in a new pavilion for the production line for electrical switchboards, which has acquired additional importance for the development of the business and affirmation of the brand, both in the domestic and international markets;

- + Creation of strategic partnerships for marketing and enhancing the brand with products that are considered standard and which make it possible to stock in-house to meet customer needs, thus reducing delivery times and gaining more market share internationally. Partnerships will be created with renowned companies/institutions in order to build strategic alliances capable of expanding markets and strengthening the Ocraclima® brand. This pillar will enable the company to have linear production, which over time will allow the teams to work at a constant pace and sell a wide range of products that will expand the brand's portfolio;

- + Strengthen sustainability by having the company's energy efficiency certified by a reputable and independent body. With the investments made over the years, but especially in 2023, the

professional training to prepare the workforce for the challenges of the digital future.

Although Portugal's macroeconomic context is generally positive, there are challenges and opportunities to consider. There is a significant disparity between the wealthier regions, such as Lisbon and Porto, and the rural and less developed regions. Portugal has invested in renewable energies, but the transition to a green economy remains a challenge. Demographic ageing puts pressure on health and welfare systems, requiring reforms and innovations.

company will establish itself on the market as Net-Zero, since it is self-sufficient in its processes;

- + Implementation of ISO 14001 in improving environmental performance, which will further affirm the previous point and, since it will make it possible to build resilience against uncertainty, the ability to adapt to change, improve the brand's reputation and save money;

- + Strengthening the company's financial stability, which will be seen as the key to the survival of all internal minds, with priority given to marketing products and technological solutions in air purification and treatment, in order to protect market shares and margins. Basically, we want to sell more and better! With our participation and with our sights set on the world's largest telescope, which is now being erected in the Atacama Desert in Chile and will be operational in 2028, we have the notion that the brand will be more exposed in the market, will bring more contacts, more interested potential customers, more visibility and, therefore, it is our intention to absorb and take advantage of this exposure.



# 05

## *Other information*

---

After the end of the period, on December 31, 2023, and apart from the demanding context and the military conflict between Ukraine and Russia, of which there is no end in sight, there have been no events worthy of relevance that affect the economic and financial situation expressed by the Financial Statements at the end of the 2023 economic period.

The military conflict in Ukraine is not expected to have any significant effects on the company's regular activity. The entity is not exposed to financial risks that could have material effects on its financial position and the continuity of its operations. The decisions taken by the management body were based on prudence, and it is therefore understood that the obligations assumed do not generate risks that cannot be regularly borne by the entity.

There are no outstanding debts to the state public sector, nor are there any outstanding debts to social security.



# 06

## *Application of results*

---

As expressed by management, the Board of Directors proposes that the appropriation of profits for the year ended December 31, 2023, in the amount of 472,597.98 euros, be as follows:

Legal reserves: 12,030.53 euros

Unallocated profits Participated companies: 231,987.36 euros

Retained earnings: 228,580.09 euros

# 07

## *Authorization date for financial demonstration emission*

---

The financial statements for the period ending December 31, 2023 were approved by the Board of Directors and authorized for issue on July 1, 2024

# 08

## *Final Information*

---

We would like to thank all those who have shown their trust and preference, particularly our customers and suppliers, to whom we owe a large part of the growth and development of our business. They are the *raison d'être* of our company.

We would like to express our gratitude to our employees for their professionalism and commitment.

They are fundamental to the competitiveness and sustainability of the Vieira & Lopes group, and will continue to be so in the future. The following sections include consolidated financial statements for the period, comprising the Consolidated Balance Sheet, the Consolidated Income Statement by nature, the Consolidated Statement of Changes in Equity, and the Consolidated Cash Flow Statement and the Consolidated Notes.

# 09

## Consolidated balance sheet

On the 31st of december 2023

ITEMS	NOTES	31.12.2023	31.12.2022
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Tangible fix assets	6	4 077 089,46	3 150 840,74
Investment properties	16	483 000,00	879 517,27
Intangible assets	5	1 448 154,90	1 236 081,57
Financial holdings - Goodwill		5 500,00	5 500,00
Accounts receivable	16,1	2 704,13	17 958,87
Other financial investments	16,2	221 517,78	223 773,46
Deffered tax assets		175 694,90	267 488,32
		<u>6 413 661,17</u>	<u>5 781 160,23</u>
<b>CURRENT ASSETS</b>			
Inventory	10	2 468 372,23	2 233 712,32
Clients	16,1	3 082 087,35	3 470 304,87
State and other public entities	11;18	29 850,47	52 758,96
Other accounts receivable	16,1	1 484 527,65	1 614 265,01
Deferrals	18,2	24 642,37	47 822,88
Cash in hand and bank deposits	4	688 498,12	102 371,89
		<u>7 777 978,19</u>	<u>7 521 235,93</u>
<b>TOTAL ASSETS</b>		<b>14 191 639,36</b>	<b>13 302 396,16</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Subscribed capital	19,1	500 00,00	500 00,00
Other instruments of equity	19,2	303 748,00	252 148,00
Legal reserves	19,3	86 114,00	86 114,00
Others reserves	19,3	25 000,00	25 000,00
Retained earning	19,4	843 808,06	823 869,00
Adjustment/other variation on equity	19,5	1 056 166,14	1 001 348,98
		<u>2 814 836,20</u>	<u>2 688 479,98</u>
Net profit for the period			
Non-controlling interests		472 597,68	161 499,91
<b>TOTAL EQUITY</b>		<b>3 287 433,88</b>	<b>2 849 979,89</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans obtained	7	3 232 545,72	3 734 699,25
Other payable debts	7	53 534,33	53 650,03
<b>Current liabilities</b>			
Suppliers	16,1	2 837 097,17	2 103 753,44
Advance payments from customers	16,1	635 3q13,83	71 149,17
State and other public entities	18,1	394 549,32	429 239,96
Loans obtained	7	2 948 269,41	3 206 386,41
Other payable debts	16,1	665 649,52	576 249,30
Defferals	18,2	137 246,18	277 288,71
		<u>6 664 066,99</u>	<u>6 664 066,99</u>
<b>TOTAL LIABILITIES</b>		<b>10 904 205,48</b>	<b>10 452 416,27</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>14 191 639,36</b>	<b>13 302 396,16</b>

The certified accountant  
Rogério Sousa

The management  
[Signature]



# 10

## Consolidated statement of profits per nature

On the 31st of december 2023

INCOME AND EXPENSES	NOTES	2023	2022
Sales and services rendered	12	10 268 769,55	9 583 014,59
Operating subsidies	13	288 872,65	152 286,55
Imputed gains of subsidiaries, associates and joint ventures	9	-	60 000,00
Changes in inventory of production	10	148 547,94	96 787,77
Own work	5	295 991,45	402 567,02
Costs of goods sold and materials consumed	10	(4 410 099,07)	(4 302 134,70)
External supply and services	18,3	(1 714 243,99)	(1 588 815,45)
Staff costs	17	(3 182 832,91)	(3 447 168,89)
Imparity of receivables (losses/reversals)	8	(67 841,51)	2 702,01
Increases/reuctions of fair value	16,3	38 182,73	15 300,00
Other income	18,4	169 166,58	176 091,55
Other expenses	18,5	(306 634,18)	(278 739,38)
<b>Results before depreciation, financing expenses and taxes</b>		<b>1 527 879,24</b>	<b>871 891,07</b>
Expenses/reversals of depreciation and amortization	5,6	(591 978,75)	(421 438,11)
<b>Operational results (before financing expenses and taxes)</b>		<b>935 900,49</b>	<b>450 452,96</b>
Interest and similar charges obtained	18,7	23 264,00	17 639,00
Interest and similar charges supported	18,6	(280 752,43)	(186 037,09)
<b>Results before taxes</b>		<b>678 412,06</b>	<b>(282 054,87)</b>
Income tax for the period		(205 814,38)	(120 554,96)
Current tax	15	(155 669,22)	(120 554,96)
Deferred tax		(50 145,16)	-
<b>Net profit for the period</b>		<b>472 597,68</b>	<b>161 499,91</b>
Income from discontinued activities (net of tax included in the net profit for the period)			
Net results for the period attributable to:			
Equity holders of the parent company		472 597,68	161 499,91
Non-controlling interests			
<b>BASIC RESULT PER SHARE</b>			

The certified accountant  
Rafael Lisboa

The management  
[Signature]



# 20 23

## **Headquarters Portugal**

Lugar do Faial, Rua 1, 157  
4730-460  
Vila de Prado  
T: +351 253 283 370  
geral@vieiralopes.pt

## **FRANCE**

2, Rue des Investisseurs  
91560 Crosne  
Île de France - France  
T: +33 (0) 69 72 76 24

## **DENMARK**

Marielundvej 46B, 1  
2730 Herlev  
Copenhagen - Denmark  
T: +45 911 08 932

VIEIRALOPES

*Annual*  
REPORT