

ANNUAL REPORT 2023




VISTA ALEGRE
1824

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Consolidated Management Report

Dear Shareholders,

1. Introduction

Under current legislation, the Board of Directors of VAA-Vista Alegre Atlantis SGPS, S.A., (“Company”, “Society” or “Vista Alegre”), with this document, states how the social businesses were carried out during the financial year of 2023.

Thus, we elaborated and submit to the Shareholders’ approval this Consolidated Management Report and Consolidated Financial Statements, which include: the Consolidated Statement of Financial Position, the Consolidated Profit and Loss Statement by nature and Comprehensive Income, the Consolidated Statement of Changes in Equity, and the Consolidated Cash-flow Statement, all regarding the financial year, which coincides with the calendar year of 2023, as well as the corresponding Annexes. We included as well the description of the shares hold by the Corporate Bodies (article 447, no 5 of the CSC), the list of the Shareholders who own a capital share higher than 10% (article 448, no 4 of the CSC), and the listing of qualifying shares (article 6 of the CVM regulation no 11/2000 with the wording given by CVM Regulation no 24/2000).

2. Macro-economic scenario

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

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

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

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

The increase in terms of geopolitical tensions due to the conflict following Hamas terrorist attacks against Israel is a major concern in the short term, namely if the war affects other regions. The resurgence of the conflict could result in very significant disruptions in the energy markets and on the main trade routes, resulting in a further re-evaluation of risk in financial markets, which would boost a scenario of slowing growth and increasing inflation.

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

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

National Economy

According to the Bank of Portugal's economic bulletin, in December 2023, and other statistical information from INE (National statistics institute) and the Bank of Portugal, the Portuguese economy is expected to grow by 2.3% in 2023, with a slowdown in 2024 to 2% and a recovery in growth to 2.3% on average during the following two years. Inflation will continue on a downward path, with the annual Harmonised Index of Consumer Prices (HICP) decreasing from 5.3% in 2023 to 2.9% in 2024, and 2.0% in 2025-2026.

The growth of the Portuguese economy should be based on the dynamics of investment and exports. However, private and public consumption should continue to decrease.

The budget indicators continue to evolve favourably, with the budget balance as a percentage of GDP, projected to reach surplus of 1.1% of GDP by 2023, although the less favourable macroeconomic scenario places the balance forecast for 2024 at 0.1%. As for public debt ratio, it is expected to decrease from 112% in 2022 to 98.7% in 2023, continuing its downward path during the following years.

Investment growth decreased in 2023, but it should recover in 2024-2026 under the gradual improvement in the macro-financial framework and greater inflows of funds from the European

Union. The expectation of greater growth in corporate and public GFCF (Gross Fixed Capital Formation) and exports should create favourable conditions for investment in the country and lead the Portuguese economy to grow above the euro area average.

However, the weakness of GFCF in housing is likely to be more long-term. The decrease in housing affordability via credit reduces demand and creates expectations in terms of sale prices moderation, which will affect profitability and investment in new constructions.

Goods exports have decreased during 2023, in line with the reduction in demand from the main trading partners. Export growth in 2023-2026 should be more restrained than during previous years, due to the impact of less dynamic external demand.

The balance of goods and services returned to a surplus in 2023, following the deficits in 2020-2022 (on average -2.1% of GDP), reflecting a positive effect in tourism flows and a recovery in terms of trade, associated with lower energy commodity prices. During the following years, the surplus should be close to or above pre-pandemic amounts.

The improvement in the current and capital account balance in 2023 also reflects the evolution of the capital account. In terms of projection, this balance will benefit from the increase in net transfers of funds under the Recovery and Resilience Plan and the current EU funds programme. This should help to maintain the downward trend in the debt position vis-à-vis foreign countries.

In 2023, employment remained resilient, despite presenting a slowdown during the second half of the year. The Bank of Portugal's estimates include an increase in employment of 0.8% in 2023, with projections of a slowdown to 0.1% in 2024 and 0.3% in 2025-2026. The unemployment rate is estimated to have increased from 6.6% in 2023 to an average of 7.2% in 2024-2026. The average nominal wage in the economy is expected to have risen by 7.5% in 2023, with a forecast of 4.4% during 2024 and 3.8% during 2025-2026, within a context of decreasing inflation.

European Economy

According to European Commission data, the European economy lost its strength during 2023, conditioned by a context of high living costs, weak external demand and monetary restriction. According to the winter interim forecasts, economic activity is estimated to have grown by 0.5% during 2023, both in the EU and the euro zone.

Within this context, economic activity is expected to recover gradually as consumption increases, as a result of a strong labour market, sustained wage growth and continued reduction of the inflation. However, despite a tighter monetary policy, investment is expected to continue to increase, supported by the overall strong balance sheets of companies and the Recovery and Resilience Mechanism. Thus, continued growth is predicted in terms of the EU's GDP to 0.9% during 2024, increasing further to achieve 1.7% during 2025. GDP growth in the Eurozone is expected to be slightly lower - 0.8% during 2024 and 1.5% during 2025.

3. Scope of the Consolidation

The structure presented below is the structure of Grupo Vista Alegre on 31st of December 2023 and 2022:

Companies	Head office	Participation percentage	
		2023	2022
Vista Alegre Atlantis, SGPS, SA	Ílhavo	Parent Company	Parent company
Bordalgest, SA	Lisbon	-	100.00%
Cerexport - Cerâmica de exportação, SA	Ílhavo	100.00%	100.00%
Cerutil - Cerâmicas Utilitárias, SA	Sátão	100.00%	100.00%
Faianças Artísticas Bordalo Pinheiro, SA	Caldas da Rainha	86.14%	86.14%
Faianças da Capôa - Indústria Cerâmica, SA	Ílhavo	100.00%	100.00%
Mexicova, SA	Mexico City	100.00%	100.00%
Ria Stone Fábrica de Louça de Mesa em Grés, SA	Ílhavo	100.00%	100.00%
Ria Stone II, SA	Ílhavo	100.00%	100.00%
Shree Sharda Vista Alegre Private Limited	Delhi	50.00%	50.00%
VA - Vista Alegre España, SA	Madrid	100.00%	100.00%
VAA Brasil – Comércio, Importação e Exportação, SA	S. Paulo	98.03%	98.03%
VAA I.L. – Sociedade Imobiliária, SA	Ílhavo	100.00%	100.00%
Vista Alegre Atlantis Moçambique, Lda	Maputo	99.00%	99.00%
Vista Alegre Atlantis, SA	Ílhavo	100.00%	100.00%
Vista Alegre France, SAS	Paris	100.00%	100.00%
Vista Alegre USA Corporation	New York	100.00%	100.00%

Grupo Vista Alegre is made up of 16 companies in 2023 (Bordalgest was dissolved during this financial year), divided into 4 business areas (porcelain, earthenware, stoneware as well as handmade crystal and glass):

- ✓ Vista Alegre Atlantis, SGPS, S.A., has as its corporate objects the management of shareholdings in other companies as an indirect way of carrying out economic activities. Its subsidiaries develop business in production, distribution and sale of porcelain, crystal and handmade glassware, stoneware and earthenware, with HoReca, retail and private label distribution channels.
- ✓ Vista Alegre Atlantis, S.A., company of Portuguese law which holds the entire Group's production (porcelain, crystal, stoneware and handmade glass), and the national chain stores.

- ✓ *Cerutil – Cerâmicas Utilitárias, S.A.*, company of Portuguese law which holds the factory in Sátão (Viseu) that has more than 15,000 m² of productive area, in an optimised layout, which represents a national reference in the stoneware manufacture.
- ✓ *Bordalgest, S.A.*, a Portuguese company based in Lisbon, was dissolved in November 2023 as a result of an internal corporate reorganisation.
- ✓ *Faianças Artísticas Bordalo Pinheiro, S.A.* company of Portuguese law that in the scope of Grupo Vista Alegre is now autonomising as a business area in the faïence (tableware, gift ware and special editions). VAA thus owns the production units in Portugal located in Caldas da Rainha and Aradas in this business area.
- ✓ *Vista Alegre España, S.A.*, society of Spanish law which, in that country, carries out the activities of distributor and retailer owning 37 points of sale in the shops El Corte Inglés, in addition to the two stores of the brand.
- ✓ *Faianças da Capôa-Indústria de Cerâmica, S.A.*, society of Portuguese law, owner of the factory in Aradas/Aveiro where VAA has its industrial production of faïence.
- ✓ *Cerexport-Cerâmica de Exportação, S.A.*, society of Portuguese law, owner of the building in Esgueira/Taboeira/Aveiro, where VAA has its industrial production of ovenware.
- ✓ *VAA Brasil – Comércio, Importação e Exportação S.A.*, society of Brazilian law, based in the city of Vitória, state of Espírito Santo, owned in 97.57% by *Cerexport-Cerâmica de Exportação, S.A.*, 0.46% by *Faianças da Capôa-Indústria de Cerâmica, S.A.* and 1.97% by a local partner. This company was constituted in July 2011, with the objective of trading Vista Alegre Atlantis products.
- ✓ *Ria Stone, Fábrica de Louça de Mesa em Grés, S.A.*, society of Portuguese law, based in Ílhavo, constituted in June 2012, whose object consists in the production of tableware and domestic articles in stoneware, trade of articles stoneware, faïence and ceramics.
- ✓ *Ria Stone II, S.A.*, society of Portuguese law, based in Ílhavo, constituted in June 2020, whose object consists in the production of tableware and domestic articles in stoneware, trade of articles stoneware, faïence and ceramics. This company remained inactive in 2023.
- ✓ *Vista Alegre Atlantis Moçambique, Lda.*, society based in Maputo, Mozambique, constituted in December 2012, with the objective of trade porcelain articles, faïence and others, domestic crystal and glass, allowing to have a local presence in this country.
- ✓ *Vista Alegre USA Corporation* it's an American society based in New York, where is located a showroom, being the first space of the brand in the United States of America.
- ✓ *VAA I.I. – Sociedade Imobiliária S.A.* is a company based in Portugal and will exercise its activity in the real estate and tourism area.
- ✓ *Shree Sharda Vista Alegre Private Limited* is a company based in India and will exercise the Group's commercial activity (porcelain, crystal, ovenware, earthenware and handmade glass).
- ✓ *Vista Alegre France, SAS*, is a company incorporated under French law, whose main activity is the trade of porcelain and earthenware as well as related products, crystal and glass pieces and decoration items, import and export of similar products; as well as all activities whose end is related.



- ✓ *MEXICOVA, S.A.*, a company based in Mexico City, will be engaged in the commercial activity of the Group in this country (porcelain, crystal, ovenware, earthenware and handmade glass).

4. Activity Evolution

Despite the instability of the economic, political and social situation worldwide which has been felt since the beginning of the war in Ukraine, and the consequent increases in the cost of electricity and some raw materials, Grupo Vista Alegre's results showed growth in 2023, compared to the 2022 financial year.

Consolidated turnover in December 2023 reached 129.6 million euros, representing a decline of 9.6% compared to the same period of 2022.

The Group's own-brand products, Vista Alegre and Bordallo Pinheiro, performed well in retail (physical and online) and the horeca channel (hotels and restaurants) nationally and internationally, growing by 4.4% compared to the same period of 2022. Thus, with this evolution and continuing the Group's strategy, the weight of its branded products in total annual sales grew by 7.5% compared to 2022.

In terms of segments, the highlight was a 7.4% growth in earthenware revenue and a 2.9% growth in crystal and glass revenue, compared to 2022 revenues.

M€			
Segments	12M 2023	12M 2022	Var 12M (%)
Porcelain and related products	47.0	49.8	-5.5%
Earthenware	17.1	15.9	7.4%
Stoneware	49.7	62.3	-20.2%
Crystal and Glass	15.7	15.3	2.9%
Total	129.6	143.3	-9.6%

Due to the continuous strategy of investing in branded products, there was a reduction in the sale of ovenware to the private label channel, resulting in a reduction of 20.2% in sales volume in the stoneware segment compared to the same period of the previous year.

Foreign market represented 69.2% of Vista Alegre's turnover, with 89.7 million euros of sales.

Internationally, the European markets of France, Spain, Germany and Italy, as well as Brazil and the USA further afield, represented the main contributors to sales in foreign markets.

5. Results

The consolidated results of Grupo Vista Alegre in 2023 show a positive performance, compared to the previous year.

EBITDA reached 28.3 million euros, an increase of 2.6% over the same period last year; The EBITDA margin reached a significant 21.8%, an improvement of 2.6 p.p. compared to 2022.

The continuous focus on the efficient management of operations and the positive evolution in the sales of Vista Alegre branded porcelain and crystal products, as well as the artistic earthenware of Bordallo Pinheiro, allowed for an improvement in overall profitability year-on-year.

Headings	31-12-2023	31-12-2022	Variation	
			Amount	%
Turnover	129.6	143.3	-13.7	-9.6%
E B I T D A	28.3	27.5	0.7	2.6%
<i>EBITDA Margin</i>	21.8%	19.2%		2.6 pp
Operating Income	13.9	11.3	2.6	22.9%
<i>Operating Margin</i>	10.8%	7.9%		2.8 pp
Income before taxes	9.1	6.5	2.6	40.0%
Income tax	-2.2	-0.9		
Net income	6.8	5.6	1.2	22.3%

Grupo Vista Alegre registered an operating income of 13.9 million euros, an increase of 22.9% compared to the previous year; notable in 2023, is the growth of 40% in the result before taxes, an increase of 2.6 million euros compared to the previous year. Net income for the year grew 22.3% compared to 2022, standing at 6.8 million euros.

6. Investments and Debt

Cumulative investment in 2023 was 15.6 million euros. Of this investment, 9.3 million euros was directed towards the Cerexport production unit, in order to install a more energy-efficient kiln, as well as giving greater flexibility to production lines, so as to respond more efficiently to the market fluctuations in demand.

The efficient management of debt led to a reduction in gross debt by more than 8.5 million euros in 2023 due to reduced cash equivalents. Despite the increase in net debt by 2.4 million euros compared to the previous year, Grupo's good operating performance led to the maintenance of the net debt-to-EBITDA LTM ratio (last 12 months) at 2.5x.

	M€	31-12-2023	31-12-2022	Variation 2023/2022
Financial debt (bank loans, bond and leasing)		74.6	82.7	-8.1
Operating debt (export remittances, confirming and factoring)		6.9	7.2	-0.3
Operating lease (IFRS 16)		7.1	7.2	-0.1
Consolidated debt		88.6	97.1	-8.5
Cash and cash equivalents		-16.8	-27.7	10.9
Consolidated net debt		71.8	69.4	2.4
EBITDA LTM		28.3	27.5	0.8
Net debt / EBITDA		2.5x	2.5x	0.0x

7. Final performance analysis

7.1. Introduction

Vista Alegre presents documented information of its Consolidated Non-Financial Statement, which is transversal to the Group, which aims at defining and implementing a set of initiatives to strengthen Grupo Vista Alegre's sustainability foundations (ESG), adapting and strengthening the different initiatives as policies already in place in most of the Group's companies.

Throughout the years Vista Alegre has been incorporating Social Responsibility and environmental concern to all its activities, becoming involved, directly and indirectly, in the community, undertaking permanently to support culture, leisure, education, sports, health and well-being. In this regard, Vista Alegre and its companies maintained a proactive and consistent attitude in 2023, implementing these goals in several actions and initiatives.

To comply with the requirements of DL 89/2017, on the 28th July 2017 (Article 508-G) and for the general approval by the shareholders at the annual general meeting, Vista Alegre intends to disclosure more objectively and quicker this Non-Financial Consolidated Statement, which has the adequate information to perceive the evolution, performance, position and impact of the Group's activities. Activities which regard, at least, environmental questions, social and employees' questions, gender equality, non-discrimination, respect for human rights, fight against corruption and attempts of bribery.

This final document is available on Vista Alegre site, and for any further information this e-mail address is always available geral@vistaalegre.com.

7.2. Overall

a. Description of the Group's corporate model

Grupo Vista Alegre defines itself as a corporate structure, with the parent company, VAA – Vista Alegre Atlantis, SGPS, S.A., on top, which is a Holding Company, whose objects is the management of its subsidiaries shares. The scope of each of the companies includes purchase and sale options as well as portfolio, as well as the exercise of the shareholder functions which impart their principles, values and a coordinated strategy.

The structure of Grupo Vista Alegre Atlantis on the 31st of December 2023 is detailed in point 3 of this report.

The corporate model, more than a structure or a relationship dynamics, should be understood within the context of its activities and its specific processes. This is the result of the Management Report, the Corporate Governance Report and other accountability elements, to which it refers. Vista Alegre's mission (see b)) is relevant to understand the governance model, so it is important to mention however briefly, that it fits the current reality, but there is a greater ambition: to be recognised as a brand of excellence and prestige, both at a domestic and international level.

Grupo Vista Alegre consists of 16 companies, divided into four business areas (Porcelain and related products, Earthenware, Tableware Stoneware, Crystal and handmade Glass). The model adopted inevitably lies between the advantages of unity and coordination under Vista Alegre leadership, with a constant synergy between the different areas, thus transmitting a sense of cooperation, removing all the inherent benefits of the ceramics and crystal sector.

b. Mission

In 2024, Vista Alegre celebrates its 200th anniversary, and the company's strategic vision remains dedicated to the global brand recognition as one of the world's leading prestige, quality and design brands. In this case it has strengthened its commitment towards internationalisation and relevant strategic partnerships to create added value for customers and shareholders, always maintaining a strong connection to design and culture.

As a mission, VAA seeks to provide a comprehensive response to satisfy the needs of its different markets (tableware, decoration, giftware, hotelware) with an offer that complies with the highest quality standards, based on a close and permanent relationship with its customers.

In Portugal the brand has an index of spontaneous notoriety superior to 95%, being identified by specialists as porcelain of high quality and recurrently chosen to serve celebrities of several countries. In a more comprehensive way, the main mission is to know, manufacture and market tableware, giftware, collecting and corporate pieces, dominating whenever possible the manufacturing process and its value chain.

Vista Alegre's strategic purposes include sustained growth in line with the SDGs (Sustainable Development Goals) defined by the United Nations, through programmes for decarbonisation and energy transition, circularity and digitalisation of processes and products, as well as internationalisation and differentiation of its products. Building on the knowledge it has of its manufacturing processes and markets, the growing commitment and incorporation of design in its products are thus extremely important for the rejuvenation and modernisation of the brand, promoting the loyalty and broadening of the consumer base that are also considered as strategic purposes.

c. Sustainability Governance

The redefinition of a management structure for all the Grupo's activities in the area of sustainability is an objective to be achieved in the short term. This strategy will make it possible to better integrate all that has already been done in terms of operating companies, develop an integrated activity plan with regular monitoring and aim this management towards a common vision that sets new levels of ambition, committing to contribute to the targets of the SDGs.

d. Strategic View

Vista Alegre is focused on improving its overall performance, ensuring the necessary balance between the three pillars of sustainability (Environment, Social and Governance), strengthening the internationalisation of Grupo Vista Alegre by investing in new global markets, investing in more efficient industrial equipment, presenting innovative and complementary products by establishing partnerships with internationally renowned and prestigious entities, which are also committed to sustainability:

- Associate modern elements to the brand Vista Alegre, preserving the prestige of a unique and global Portuguese brand;
- Focus on crystal products on the luxury packaging segment;
- Reinforce the development of hotelware aiming at the strategic importance of this business area.

e. Values

Vista Alegre's intrinsic values are a constant focus on Commitment, Entrepreneurship, Ambition, Dynamics, Innovation, Continuous Improvement and Promptness.

f. Economic performance

In 2023, Grupo Vista Alegre's results showed a growth compared to the same period in 2022, despite the instability of the macroeconomic context, notably inflation in several markets.

Turnover totalled approximately 130 million euros, down by 9.6% compared to the previous year, and EBITDA amounted to 28.3 million euros, up 2.6% year on year. It is important to emphasise the 22% increase in net profit, from 5.6 million euros in 2022 to 6.8 million euros in 2023.

The external market reached 89.7 million euros in sales, currently representing 69% of Vista Alegre's turnover. In Europe, France, Spain, Germany and Italy stood out with the greatest increases.


The performance of Vista Alegre is guided by the sustainability of its economic results. These results are extensively detailed throughout the Annual Report of which this Sustainability Information is part of.

7.3. General sustainability policies


To ensure its sustainability, supported by the ESG (Environmental, Social and Governance) pillars: Environment, Social and Governance (economic and ethical), satisfying all relevant parties (customers, business and government parties, employees, partners, suppliers and society), in a balanced way and, adopting the following: ISO 9001 in terms of quality management model; the Union Customs Code (UCC) in terms of security; ISO 45001 in terms of occupational health and safety; and ISO 14001 in terms of environment. Vista Alegre undertakes to:




- Identify resources and technological needs for innovative products and business processes, minimising environmental impacts and safety risks, promoting the rational use of natural resources, preventing pollution and prioritising the elimination and/or reduction of risks underlying all activities;
- Ensure control of the product life cycle stages, taking into account the concept of circularity;
- Preserve the integrity of equipment, through proper inspection, control and the best maintenance techniques, in order to obtain compliant products, in a safe and environmentally responsible manner;


 Ensure and develop partnerships with suppliers for ongoing improvement of products and services, encouraging and guiding them in their responsibilities to ethical, environmental and safety values, taking into account the scope of sustainable purchasing.





 Implement a Human Resources policy which promotes equality, motivation, cohesion, development of employees' skills, as well as rejection of any form of discrimination, fostering ongoing continuous improvement, business profitability, consultation and active participation;


 Ensure suitable hygiene, safety and health protection conditions at work and recognising the importance of training courses for all employees, implementing good practices in a cost-effective way and in order to guide them towards understanding their responsibilities.




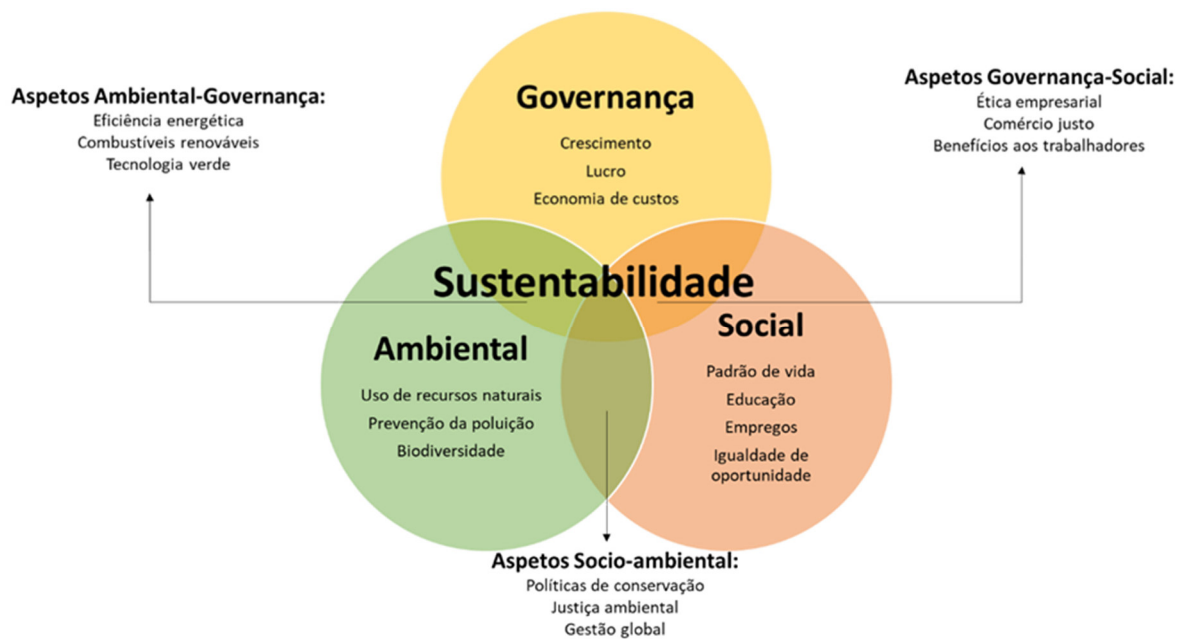
 Ensure customers' loyalty, continuously monitoring its satisfaction, ensuring high quality and service;

 Attract new customers and new markets through marketing campaigns, participation in design competitions, participation at international fairs and the establishment of strategic partnerships with world-renowned designers, artists and brands;

 Comply with the requirements, law, as well as statutory and regulatory demands identified; and continually improve the effectiveness of the Integrated Management System in terms of complying with the compliance obligations;

 Define, monitor and systematically analyse the purposes/indicators and targets that implement this policy in order to continuously improve performance;

 Guarantee the security of the international logistics chain, supply chain security (involving commercial partners, suppliers and customers, employees, physical facilities, information and finished products), AEO - Authorised Economic Operator.



7.4. Results of these Policies

Within this context, as the plants are intensive consumers of energy, around 80% NG (natural gas) and 20% electricity, a number of measures were defined to reduce CO2 emissions and energy consumption, which resulted in projects under the Recovery and Resilience Plan: *ECP - Ecocerâmica e Cristalaria de Portugal*; and Decarbonisation.

As of 2025, we will be monitoring the metrics of the progress of these projects in line with the implementation of the main planned investments:

- (i) Reducing electricity consumption by installing 1 MW of photovoltaic panels at each of the six plants, a measure which is estimated to reduce electricity consumption by 20 to 30%;
- (ii) Improving energy efficiency by reusing hot air from the kilns to be reused in the combustion processes themselves and for other drying processes;

- (iii) Converting kilns for them to use new gases of renewable origin, such as green H2 (hydrogen) and biomethane. With these projects, our kilns will be prepared to incorporate up to 50% green H2 and 100% biomethane, depending on availability, quality and competitiveness.

7.5. Risk Management

Vista Alegre regularly performs and disclosures an analysis of the risks which may affect its activity, as it is described on the Annual Reports released.

Disclosure of financial risk management can be viewed in note 33 of the Consolidated Financial Statements.

Within the context of identifying the important issues, the risk analysis also included social and environmental issues.

Regarding the regulatory risk, aware of the implications that any changes to the European community and national legal framework may have on its activity, Vista Alegre follows all the legal and regulatory processes related to its activities.

Vista Alegre also assumes the risks and opportunities that any weather changes may cause to its activities. This context is continuously worked closely with the strategic and operational activities of the companies. Nonetheless, participating in associative or corporate forums, where these challenges are discussed, was defined as a future priority of the Group.

Vista Alegre participates in forums and works related to governance, circular economy, environment, sustainability, industrial policy and other, as a way of gathering information on its risk analysis.

7.6. Specific areas of activity - Key performance indicators

a. Quality, Environment and Safety

The evolution in the management of organisations has led to a new culture that encompasses not only the quality of products and/or services offered, but also environmental issues, health and safety in the workplace, and even social and ethical issues.

In the present context, the responsibility of the organisations is not limited to creating wealth, protecting the environment and reducing the risks associated with their activities, areas where legal and management requirements are increasing. It is the growing assumption of their social responsibility.

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

Also within the scope of Occupational Health and Safety, its focus on certification for the companies' main Management

Systems, combined with various actions to prevent accidents and with the continuous commitment training employees, allowed optimising working conditions and professional performance, which significantly improved indices in these areas.

In other words, in order to have quality and excellence in its products/services and companies it is important to continuously improve the Quality, Environment, Safety, and Health Management Systems. So, in 2023, a set of activities stand out within the scope of continuous improvement in the areas of quality, environment and safety, summarised below:

- ✓ Reinforcement of the commitments towards sustainability, by focusing on field visits, training, area and supplier checks, which allowed not only continuous safe and transparent work for customers, but also validation of supplier's reliability;
- ✓ Continuous improvement of the response capacity in situations of environmental emergency, by accident simulation, which allow an effective performance by the employees in the event of accidents of an environment nature;
- ✓ Continuous monitoring of environmental aspects, calculation of the respective impacts on the environment and permanent reassessment of mitigation and minimisation measures implemented;
- ✓ Continuous optimisation of the Geolocation system in vehicles, allowing efficient management of technical resources in their daily activities. This system represents an important step towards the sustainability of the Company, since it allows obvious gains under the economic aspect, and especially in the environmental aspect;
- ✓ Environmental concern about the purchase of work equipment, by elaborating specifications for the main materials groups and equipment, giving priority to those with lower environmental impact while ensuring the user's safety;
- ✓ In terms of marketing communications and product packaging prioritise the use of FSC-certified materials, ensuring that the paper comes from sustainable forests.

Regarding Vista Alegre's Quality Management System, we have:

- ✓ Company certified to ISO 9001 by SGS ICS, to be renewed in July 2024;

- ✓ In March 2022, the stoneware production unit obtained certification according to the 45001 standard reference (Health and Safety at Work), which is extended to the rest of the organisation;
- ✓ The stoneware production plant is scheduled for a certification audit under the 14001 (Environment) standard in May 2024;
- ✓ The planning and execution of internal audits is an essential tool for assessing the functioning of the Integrated Management System implemented, an important input in terms of the annual System Review activity, with active participation of top management;
- ✓ Is a member of SEDEX, as a supplier, a platform where customers and suppliers can “meet” with the assurance that ethics/social responsibility issues are assured; each of Vista Alegre’s manufacturing units updates its self-assessment and is subject to audits, SMETA. Ethical Supplier Data Interchange (SEDEX) is an online system designed to help organisations manage data on work practices in their supply chains. Members have the benefit of being able to publish their SMETA audit reports directly into the SEDEX system to be viewed by all customers;
- ✓ Vista Alegre is a member of the Ecovadis platform, with regular evaluation of its performance, in the following areas: environment, labour practices and human rights, and sustainable purchases;
- ✓ As a compulsory requirement of the customer IKEA, which buys us ovenware stoneware – at the Taboeira plant -, we carry out annually a sustainability evaluation according to the parameters/criteria established by this customer, aiming at the constant improvement of results, namely in terms of energy efficiency and the use of natural resources.

b. The People

Vista Alegre recognises that it privileges the virtuous triangle that articulates the quality of its services and products, the geographic expansion of its activities and the dynamics and rigour of its activities as the fundamental vectors of its positioning.

People, their skills, their professional development and their capacities, flexibility, mobility and adaptability are key components which come together in the accuracy and demand as an individual attitude.

It represents an important challenge for the entire organisation, the geographic dispersion which characterises the Group, effective knowledge management, optimised team management and efficient sharing of the company’s strategy and values.

Therefore, it is the Group’s mission to promote good practices, to articulate them with the management of people’s personal and professional expectations, and strategic alignment with the performance quality and goals achievement.

Within this framework, the Group’s human resource policy is geared towards a permanent continuous improvement of productivity and customer satisfaction. This action is based on the

constant reinforcement of the employees' training, their professional development and the development of their competences.

The Group is a reference employer, recognised in the market for its capacity to train technicians and to manage careers, promoting multi-sectorial opportunities for the career development of each of its employees.

Vista Alegre, with its characteristic multi-activity and multi-continental company identity, it values and strengthens partnerships with educational institutions, universities, professional schools and all the academic organisations with which it articulates and maximises the promotion of the best conditions of success for the young graduates, designing the best frameworks for their successful integration into working life.

c. Gender Equality Plan

Gender equality is one of the founding principles of the *Grupo Vista Alegre* and its companies. Aiming to ensure equality between women and men, decisive for attracting and developing talent, as well as building a more inclusive, fair, diverse and responsible society.

Sharing common values and principles, such as equal treatment and opportunities for women and men and the promotion of the elimination of discrimination, mainly on the grounds of gender.

Vista Alegre Atlantis has been preparing its Equality Plans, defining measures and goals to be achieved, in order to promote equality between women and men. The company has identified organisational aspects where it appears necessary to intervene and introduce changes, a reality that translates into a dynamic, evolutionary process, whose scope is optimising the measures adopted with a view to meeting the goals identified.

The Gender Equality Committee, created in 2021, has been monitoring compliance with the Equality Plan being implemented in 2023, contributing decisively to ensure it being carried out well.

You can view the complete document on Vista Alegre website.

d. Professional training

Within a changing professional context, training, in its various aspects, is increasingly a necessity felt by the professionals and encouraged by the Group's companies in order to value their skills and abilities.

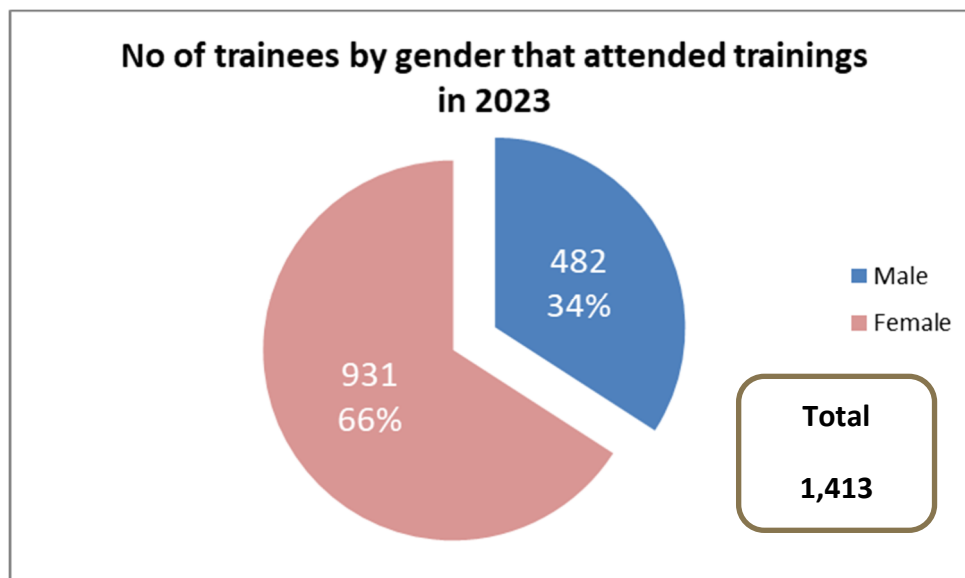
Vista Alegre has as privileged customer the Group's companies and their respective service providers and partners. Within this scenario, were carried out 70 training courses during 2023, in different training areas, among which stand out:

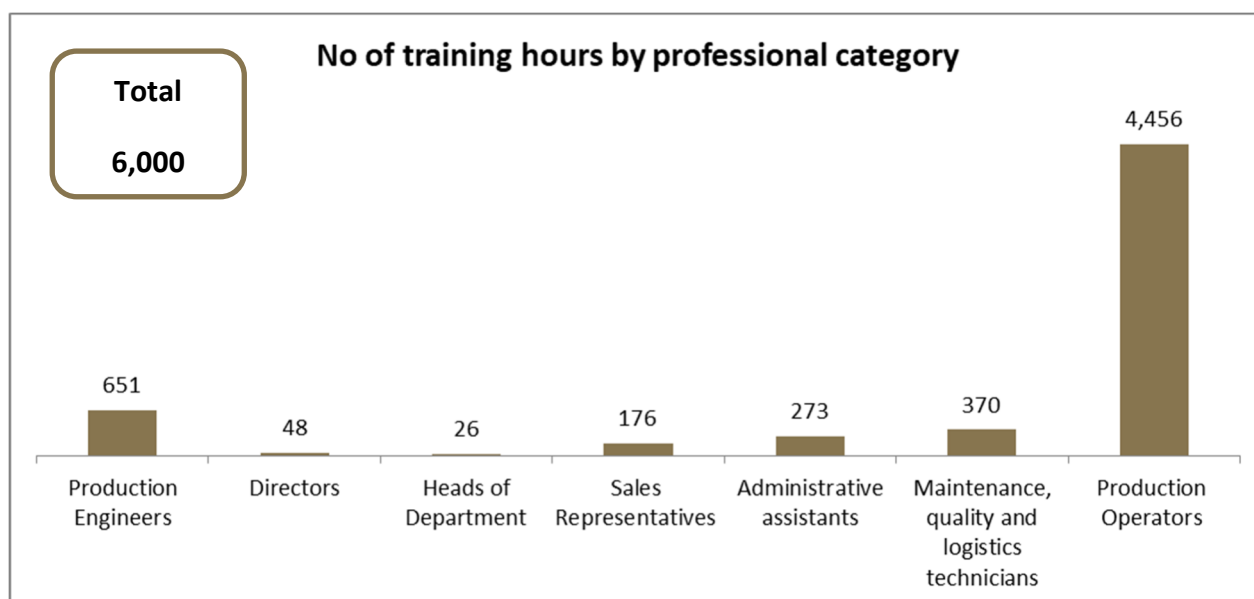
- Information technologies
- Management
- Company's framework
- Behaviour
- Quality/Continuous Improvement
- Environment protection technology
- Occupational Safety and Hygiene
- Commercial

No of hours and trainees per training courses:

Training	No of hours	Trainees
Commercial	174	68
Overall / Management	65	193
OHS / Environment	108	596
Academic Education	50	5
Quality/Continuous Improvement	21	34
Technologies / procedures	197	49
Information technologies	56	59
Behaviour	48	402
Maintenance	102	7
Total	820	1413

The 70 training actions carried out during 2023 involved 1.413 trainees and 820 training hours, distributed as follows:





The main goal of the organisation is the promotion of innovative and sustainable value training projects, which contribute efficiently to the maximisation of the human potential, supporting a strategy which aims to maximise service standards and product quality.

Within this context, 2023 was once again a year to consolidate training covering the different business areas of Vista Alegre and which stands as a fundamental pillar of the success of each of its activities.

For 2024, Vista Alegre expects an increase in the number of training courses to be carried out, in order to meet the need to qualify technicians for new products and manufacturing techniques, as well as their adaptation to the new challenges ahead.

e. Communication

The approaching celebrations of the 200th anniversary of this porcelain, crystal and glass factory were the subject of multiple news stories during the last few months of 2023, given the brand's long life. An example is the article published in the weekly newspaper *Expresso*. The operating results released every quarter were also worth mentioning, namely in the business media.

The launch of various collections, such as the new *Home Cosmetics* segment; the new pieces in the textile line; *The Meaning* (a collection that brings Vista Alegre and Bordallo Pinheiro together) and the pieces produced exclusively for World Youth Day, among others, were all in the spotlight.

The regular participation of Vista Alegre and Bordallo Pinheiro at two of the most important international fairs - *Maison&Objet* in Paris and *Ambiente* in Frankfurt, where they presented bold

new products, award-winning collections and always surprising pieces – was also the subject of several news items. The *Futurismo* collection was awarded at the *Ambiente* fair, with the prize for “Best Tableware Design” in the porcelain area, awarded by the prestigious Tableware International magazine, which was the subject of international publications in the sector.

The launch of the *Home Cosmetics* collection, a differentiating proposal from Vista Alegre, which is both decorative and highly perfumed for the home, was also in the media. The entry into this new segment began with good news – the collection was the winner of the *Silver* award, at the *Muse Design Awards*, an international competition that honours design professionals of various specialities, whose works chart a path towards the future, while leaving its mark on history. Moreover, it is important to note the launch of new products in the textile segment – *carrés*, *twillys* and *pocket squares* – which were added to a collection that has been successful since it was launched and has been widely publicised in the specialised media. The partnership with the *Academia da Cachaça*, in Brazil, aiming at developing a glass with the perfect characteristics for tasting the Brazilian drink *Cachaça* is also worth mentioning. This partnership has made it possible to fulfil an old wish: to give the Brazilian national drink the perfect glass, as is the case with gin, whiskey, Port wine, champagne or even with famous cocktails, such as the “Dry Martini”.

The fact that Vista Alegre is recognised as the brand with the best reputation in terms of “Industrial Products” category in an annual study that OnStrategy promotes to evaluate brands in Portugal has strengthened the brand’s image and communication.

Vista Alegre was also featured in the program “Pitch Brand & Contest”, presented by Marta Leite Castro, on CNN Portugal. Carla Graça, Chief Digital Officer, explained the key factors that lead to success on a global scale, praising Vista Alegre’s latest creations. There was also a feature in *Sábado* magazine, which travelled through the 200-year history of Vista Alegre and the Ferreira Pinto Basto family, who established the company in Ílhavo in 1824.

Also of significant interest was the fact that Vista Alegre is hosting and leading the *Ecocerâmica e Cristal de Portugal* consortium, as part of the Recovery and Resilience Programme (PRR) for the Portuguese ceramics and crystal sector, with a view to improving its sustainability, reducing its carbon footprint, among other benefits with significant impacts on the sector, in a mobilising project involving 30 entities and with a completion deadline by the end of 2025. The first meeting of the consortium “ECP – Ecocerâmica e Cristal de Portugal”, green agenda integrated in the so-called “European bazooka” took place at the end of January at Vista Alegre’s facilities in Ílhavo, serving to bring together the entire project team, analyse what has been done so far, present the governance model of the ECP and align the next steps for the future.

Several Bordallo Pinheiro launches were also highlighted in the media. The *PAC - Projeto Artistas Contemporâneos* [Contemporary Artists Project] has created unique pieces of unprecedented cultural and artistic value. Vista Alegre celebrated the life and work of Lourdes Castro by launching two vases - “Sombra” by Lourdes Castro - at an event in Lisbon, at *Galeria 111*. In a constant dialogue between different ways of seeing the world, the pieces in the *WorldWide Bordallianos* (WWB) collection are bearers of a unique beauty and a constant questioning of everyday life. The

result was another work by Bordallo Pinheiro - *Câmera Obtusa*, by Rosângela Rennó - the twelfth in the collection. "Um Prato com Peixes", the latest work in Bordallo Pinheiro's WWB - World Wide Bordallianos collection, signed by Pedro Cabrita Reis, maintains the universal spirit of this collection. Was executed by the artist with the assistance of specialists from the Fábrica Bordallo, and the final result shows us a set of various fish arranged on a plate, in an amalgam as if they were real fish.

It is also important to highlight what was said in the media about Bordallo Pinheiro's other two launches: the new tableware pieces of the *Cloudy Butterflies* collection, by Claudia Schiffer. The new pieces, which are crowded with earthy butterflies and praise the craftsmanship and magical characteristics of the collection, include dishes, mugs, bowls, cake plates and vases; and the *Sardinhas by Bordallo* collection, which was launched with the traditional meal of sardines in Lisbon, and a long article in Sapo Lifestyle on Bordallo with the title "The factory created by men is led by women", a clear reference to the fact that the company is run by a woman.

The traditional festival in honour of *Nossa Senhora da Penha de França*, also known as the "Vista Alegre Festivities" sponsored by the company, with a wide-ranging musical, cultural and recreational programme offered to the local community, was featured prominently in the news.

The international awards to various Vista Alegre collections at the most important design exhibitions was another news item in the media.

f. Social responsibility

Social responsibility of Grupo Vista Alegre results from the social and environment concern of the different operations in the different operations when integrating with customers, employees, partners and suppliers.

Social responsibility of Grupo Vista Alegre is based on an ethic code supporting several social concepts which Vista Alegre undertakes to comply with:

- ✓ The commitment to lead its business respecting its employees' rights, the satisfaction of the current customers and the engagement of new customers, the development of new and more efficient products, continuous improvement of the processes, as well as the creation of value to its shareholders;
- ✓ To remunerate employees fairly, paying salaries and benefits in accordance with national laws, European and international standards and directives and the applicable collective bargaining agreements;
- ✓ Allows working hours in accordance with applicable legal and contractual provisions in order to balance professional life and leisure;
- ✓ Doesn't employ and condemns child labour;
- ✓ Doesn't employ and condemns forced labour, does not use prisoners' labour;

- ✓ Doesn't comply with and condemns corruption, it is firmly committed to being a responsible entity in all areas of its activity and govern the conduct of business honestly, ethically and in accordance with the law;
- ✓ To respect all legislation regarding holidays and public holidays, absence from work, leave and exemption from duties, especially those related to maternity and paternity;
- ✓ To promote occupational safety by providing safe and healthy workplace conditions;
- ✓ To promote health in the workplace by enforcing the relevant legislation on occupational health;
- ✓ Allows and respects freedom of association and the exercise of trade union rights within its facilities;
- ✓ Does not discriminate on the basis of gender, race, religion or other, whether during the recruitment and selection processes or carrying out the professional activity in the course of employment contracts;
- ✓ Promotes employment of foreign workers, applying the effective legal rules regarding work of foreigners, respecting the same rules and rights applicable to national workers;
- ✓ Develops its disciplinary practices with the strict compliance with the procedural and contradictory rules, provided for by law;
- ✓ Promotes lifelong learning both inside and outside the Company;
- ✓ Promotes the reduction of energy use and the elimination of energy waste;
- ✓ Carries out a strict separation of waste by promoting its treatment and recovery through duly authorised transporters and dealers;
- ✓ Monitors its pollutant emission sources in order to promote the environmental compatibility and sustainability of its processes and products;
- ✓ Promotes the treatment of customer complaints in order to continuously improve their performance and service levels;
- ✓ Promotes good integration with the surrounding local environment, so as to participate in problem solving of local populations;
- ✓ Promotes the use of responsible marketing in its communication with the market;
- ✓ Promotes to deal with its customers, partners and suppliers on equal terms in order to establish long-term relationships;
- ✓ Does not comply with and condemns harassment or abuse, promotes the right of workers to report and to file a complaint whenever they are aware of any legal or duties violation or any other identical situation that legitimises the complaint, and the company ensures that the complaint is monitored. For this purpose, employees must submit a complaint to the human resources department, either verbally, in writing, or via e-mail, provedor@grupovisabeira.com;
- ✓ Allows and promotes that any interested party related to VAA or its subsidiaries, namely employees, members of corporate bodies, shareholders, investors, customers, suppliers or business partners, to communicate to the Supervisory Board the knowledge or well-founded suspicions of the existence of any severe irregularities which are likely to violate the rules of conduct or legal, regulatory, statutory, professional ethics or other provisions in force at the Grupo Vista Alegre, in particular those relating to administration and the financial,

accounting and internal control, audit and anti-corruption areas through the e-mail com.irregularidadesVAA@vistaalegre.com.

7.7. Commitment towards the future

a. Sustainable Development Goals (SDG)

The United Nations Sustainable Development (“ODS”) Goals, amended by almost all countries, including Portugal, have identified 17 priority themes aimed at ensuring sustainable development.

SDG explicitly undertakes the importance of companies and economic agents in achieving their goals. Vista Alegre undertakes its responsibility in this process and the commitment towards society, intending to be an active part in the pursuit of these goals.

Vista Alegre is perfectly aware of which goals it should prioritise and where to concentrate its efforts, always keeping in mind its capabilities and the chain value of its subsidiaries.

Under this commitment, based on the SDG Compass methodology and taking into account the nature of Vista Alegre’s activity, the Sustainable Development Goals considered as priority will be identified.

b. Climate changes – task force on climate-related financial disclosure (TCDF)

TCFD encourages large companies to conduct robustness and resilience analyses of their strategies against a range of climate change scenarios. As part of its analysis and monitoring of risks, Vista Alegre is aware of the importance of this project and will monitor its developments during subsequent years.

8. Prospects

For 2024, Vista Alegre’s 200th anniversary, the brand is expected to grow in terms of retail sales and hotels channels, mainly in subsidiaries and emerging markets.

However, moderate growth is expected in private label projects in the ceramic sector, in the stoneware segment. This type of situation is cyclical and typical of this type of business – years with large sale loyalty programmes are usually followed by slowdown years, depending on how the respective campaigns are structured.

The variability of the economic, political and social situation worldwide, which has been felt since the start of the war in Ukraine, and the consequent increases in the costs of some raw materials and electricity in 2023 have forced us to be moderately optimistic about the growth of the Grupo Vista Alegre's global sales in 2024. However, as this year is the 200th anniversary of the brand, we are confident that we will once again be able to achieve the purposes we set in terms of budget.

In terms of the Latin American market, a sales growth for Vista Alegre and Bordallo Pinheiro predicted during 2023, especially at the retail level, mainly in Argentina, Colombia Ecuador and Venezuela. Growth on this continent has been quite regular and the signs that it will remain so are very positive.

In Europe, consumption is expected a recover, mainly in the retail sector. The order book already secured for the first quarter ensures that the sales curve will remain positive and the forecast is that it will exceed 2023 (without including the Vista Alegre Espanha subsidiary): the Bordallo Pinheiro brand excelling in the retail sector in the UK, Germany and Nordic countries; and Vista Alegre excelling in the hotel sector in the French and Italian markets.

In the Middle East and Asia/Pacific market, it is expected to be a year of growth in Brand sales, with emphasis on Saudi Arabia, Qatar and Turkey, in terms of the Middle Eastern market, and China, South Korea and Japan in terms of the Asian market. It is important to highlight the remarkable growth of the *horeca* channel, where the Vista Alegre brand has been strengthening its position as an increasingly recognised player in this segment. This eastern market will account for more than €5 million in turnover.

Vista Alegre's subsidiaries (USA, Brazil, Spain, Mexico and Mozambique) will account for more than 20 million euros in retail and hospitality turnover. The expected average growth compared to 2023 will be 10%.

Portugal is the market where Vista Alegre will continue to be the leader in terms of retail sales, where the hotel sector has been recording remarkable growth, with a combined total of sales amounting to 40 million euros.

It should be noted that since the end of February 2024, VAA's management has been working on organising and setting up a bond loan with a public subscription, together with coordinating banks, legal advisors and sustainability consultants, who are actively working to successfully complete this operation by the end of the first semester of 2024. More information regarding this operation is available in note 35 of the Notes to the Consolidated Financial Statements.

9. Statement pursuant to Article 29-H, no 1, c) of the CVM

In accordance and for the purposes of the article 29-H, paragraph 1 - c) of the Securities Market Code, the Parties, individually, declare that, according to their knowledge, the Management Report, the Consolidated Financial Statements and other documents of account required by law or regulation have been prepared in accordance with applicable International Financial Reporting Standards, giving a true and fair view, in all materially relevant aspects, of the assets and liabilities, the financial situation and the consolidated income issuer, and that the Management Report faithfully reflects the evolution of the business, performance and position of the issuer, as well as of the companies included in the consolidation companies, and it contains a description of the main risks and uncertainties they face.

Ílhavo, 8th of April 2024

The Board of Directors

Consolidated Statements of Financial Position on the 31st of December 2023 and 2022

		T €	
	Notes	31-12-2023	31-12-2022
ASSETS			
Non-current assets			
Tangible fixed assets	8	135,543	129,410
Goodwill	9	4,711	4,711
Investment properties	12	938	938
Intangible assets	10	1,190	1,984
Financial investments	13	1,097	1,183
Assets by rights of use	14	7,397	7,257
Deferred taxes	15	4,874	4,984
Total non-current assets		155,749	150,467
Current assets			
Inventories	16	51,463	43,081
Accounts receivable and others	17	17,719	15,941
State and other public entities	23	1,408	1,144
Cash and cash equivalents	7	16,804	27,746
Total current assets		87,394	87,913
TOTAL ASSETS		243,142	238,380
SHARE CAPITAL			
Share capital	18	134,120	134,120
Treasury shares	18	-2	-2
Issue premiums	18	25,113	25,113
Supplementary benefits	18	38,182	38,182
Reserves and retained earnings	19	-122,887	-128,560
Net income for the financial year		6,535	5,334
Equity excluding non-controlling interests		81,061	74,187
Non-controlling interests		1,663	1,392
Total equity		82,724	75,579
LIABILITIES			
Non-current liabilities			
Loans obtained	20	16,035	73,767
Subsidies	24	14,994	10,936
Lease liabilities	14	5,052	4,477
Provisions	22	90	208
Provisions for pensions	22	2,407	2,458
Deferred taxes	15	8,874	8,903
Total non-current liabilities		47,451	100,748
Current liabilities			
Loans obtained	20	65,148	16,134
Lease liabilities	14	2,383	2,726
Accounts payable and other debts	21	42,908	41,957
State and other public entities	23	2,528	1,236
Total current assets		112,967	62,053
Total liabilities		160,418	162,801
TOTAL EQUITY AND LIABILITIES		243,142	238,380

Consolidated Statements of Results by Nature for the periods ended on the 31st of December 2023 and 2022

T €

Headings	Notes	31-12-2023	31-12-2022
Sales and services provided	6 and 25	129,599	143,326
Cost of goods sold and material consumed	16	-41,785	-56,852
Production variation	16	6,200	2,528
Gross margin		94,013	89,002
Works for the company itself	8	368	0
External supplies and services	27	-21,498	-19,544
Staff costs	26	-51,024	-48,357
Amortization and depreciation	8, 10, 14	-14,020	-13,727
Impairments	11	-95	-66
Provisions for the financial year	22	118	-2,458
Other operating expenses and losses	28	-1,582	-1,422
Impairment of assets depreciation	8, 10, 11	-322	57
Other profit and operating income	28	7,973	7,848
Operating income		13,933	11,334
Interest and similar expenses incurred	29	-5,473	-5,413
Interest and similar income obtained	29	615	563
Financial result		-4,858	-4,850
Result before taxes		9,075	6,484
Income tax	15	-2,234	-889
Consolidated income for the financial year		6,841	5,595
Attributable:			
Shareholders		6,535	5,334
Non-controlling interests		306	261
Basic earnings per share (€)	30	0.0390	0.0318
Diluted earnings per share (€)	30	0.0390	0.0318

Consolidated Statement of Comprehensive Income for the periods ended on 31st of December 2023 and 2022

	Notes	31-12-2023	31-12-2022
Consolidated income for the financial year (a)		6,841	5,595
Other comprehensive income:			
Amounts that will not be reclassified later in results			
Retirement benefits			
Actuarial gains and losses	22	-376	-145
Revaluation of fixed assets			
Change in fair value of tangible fixed assets	8	1,094	1,824
Tax impact of the above mentioned effect	15	-222	-354
		497	1,326
Amounts that will be reclassified later in results			
Adjustments of exchange conversion		-15	135
Other adjustments			
Gross amount		-204	52
Tax impact - Others	15	26	-18
		-192	169
Other comprehensive income for the financial year (b):		304	1,495
Total comprehensive income for the financial year (a) + (b)		7,145	7,090
Comprehensive income for the financial year attributable to:			
Shareholders		6,874	6,740
Non-controlling interests		271	350
		7,145	7,090

Consolidated Statement of Changes in Equity for the periods ended on 31st of December 2023 and 2022

Headings	Equity attributable to shareholders of parent company						Total	Non-controlling interests	Total equity
	Equity (note 18)	Treasury shares (note 18)	Issue premiums (note 18)	Supplementary benefits (note 18)	Reserves and retained earnings (note 19)	Net income for the financial year			
Balance on the 1 st of January 2022	134,120	-2	25,113	38,182	-131,558	1,592	67,447	1,111	68,558
Application of net result for the financial year	0	0	0	0	1,592	-1,592	0		0
Total comprehensive income									
Net income for the financial year	0	0	0	0	0	5,334	5,334	261	5,595
Other comprehensive income for the financial year	0	0	0	0	1,406	0	1,406	90	1,495
Dividend distribution	0	0	0	0	0	0	0	-69	-69
Total	0	0	0	0	2,998	3,742	6,740	281	7,021
Balance on the 31 st of December 2022	134,120	-2	25,113	38,182	-128,560	5,334	74,187	1,392	75,579

Headings	Equity attributable to shareholders of parent company						Total	Non-controlling interests	Total equity
	Equity (note 18)	Treasury shares (note 18)	Issue premiums (note 18)	Supplementary benefits (note 18)	Reserves and retained earnings (note 19)	Net income for the financial year			
Balance on the 1 st of January 2023	134,120	-2	25,113	38,182	-128,560	5,334	74,187	1,392	75,579
Application of net result for the financial year	0	0	0	0	5,334	-5,334	0		0
Total comprehensive income									
Net income for the financial year	0	0	0	0	0	6,535	6,535	306	6,841
Other comprehensive income for the financial year	0	0	0	0	339	0	339	-35	304
Total	0	0	0	0	5,673	1,201	6,874	271	7,145
Balance on the 31 st of December 2023	134,120	-2	25,113	38,182	-122,887	6,535	81,061	1,663	82,724

Consolidated Statement of Cash Flow for the periods ended on the 31st of December 2023 and 2022

Headings	31-12-2023	31-12-2022
1. OPERATING ACTIVITIES:		
Receivables from clients	143,763	156,160
Payments to suppliers	-79,834	-86,007
Payments to staff	-50,252	-47,232
Flows generated by operations	13,677	22,921
Income tax payments/receivables	-219	426
Other operating (payments)/receivables	763	394
Flows from operating activities	14,221	23,741
2. INVESTMENT ACTIVITIES:		
Receivables from:		
Loans to related parties (Note 7)	22,935	26,880
Other investments	0	13,000
Investment grants	4,742	345
27,677	40,225	
Payments relating to:		
Loans to related parties (Note 7)	-22,935	-26,880
Tangible / intangible assets	-15,198	-7,780
Other investments (Note 13)	0	-500
-38,133	-35,160	
Flows from investment activities	-10,456	5,065
3. INVESTMENT ACTIVITIES:		
Receivables from:		
Loans granted (Note 7)	3,327	7,535
Interest	0	563
3,327	8,098	
Payments relating to:		
Loans granted (Note 7)	-10,768	-12,324
Amortisation of financial leasing contracts (Note 7)	-3,088	-2,908
Interest and similar	-4,202	-5,034
-18,057	-20,266	
Flows generated by investment activities	-14,729	-12,168
4. CASH AND CASH EQUIVALENTS VARIATION	-10,965	16,638
5. EFFECT OF CURRENCY EXCHANGE DIFFERENCES	23	49
6. INITIAL CASH AND BANK DEPOSITS (NOTE 7)	27,746	11,060
7. FINAL CASH AND BANK DEPOSITS (NOTE 7)	16,804	27,746

Notes to the Consolidated Financial Statements

The amounts are in thousands of euros, except in the cases indicated otherwise

1. General Information

Grupo Vista Alegre Atlantis (“Grupo” or “Group”) is formed by VAA - Vista Alegre Atlantis, S.G.P.S., S.A. (VAA - SGPS, S.A. or “Company”) and subsidiary companies (“Grupo VAA”) (Note 5). VAA - SGPS, S.A. was established in 1980 as a private limited company with the company Vista Alegre Porcelain Factory, Ltd. The company’s general object is the industry of porcelain as well as other ceramic products. This activity had already been carried out since 1824 by another company belonging to the Grupo, which at that time, and due to restructuring reasons, decided to empower certain business areas. Since the late 1987, the Company has been listed in the Lisbon and Oporto Stock Exchange.

Currently called VAA – Vista Alegre Atlantis, SGPS, S.A., the company has the corporate purpose of managing shareholding in other companies, as an indirect form of economic activities, which consist of the production, distribution and sale of porcelain, earthenware, stoneware, crystal and handmade glass, through its own retail network, with independent retailers and distributors and online sales. VAA - SGPS, S.A. is based at Lugar da Vista Alegre, 3830-292, Ílhavo. The company has its shares listed on the Stock Exchange of the official *Euronext Lisbon* market.

In January 2009, Vista Alegre Atlantis, SGPS, SA was informed, pursuant to and under the terms of article 175 of the CMV, by the Caixa-Banco de Investimento, S.A. and the Banco Millennium BCP Investimento, S.A., in the name and representing Cerutil-Cerâmicas Utilitárias, S.A., that it had decided to carry out a Public Offering for General Acquisition of the shares representing the share capital of VAA – SGPS. S.A..

At the end of all negotiations and credits assignment, Cerutil - Cerâmica Utilitária, S.A. (“Cerutil”, a company which is part of Grupo Visabeira), owns 92.042.696 shares, which represented 63.46% of Vista Alegre Atlantis, SGPS, S.A. share capital.

Subsequently, in July 2010, Vista Alegre Atlantis, SGPS, S.A. witnessed its social capital growing from 11,603,199.20 euros to 92,507,861.92 euros, owing to the issuance of 1,011,308,284 common shares, registered and to the holder, with the nominal value of 0.08 euros each, of which:

- 125.000.000 shares were subscribed through a private offering by Fundo de Capital de Risco AICEP Capital Global Grandes Projetos de Investimento;
- 562.500.000 shares were subscribed by Cerutil – Cerâmicas Utilitárias, S.A.;
- and the remaining 323.808.284 shares were subscribed through a public subscription offering reserved to shareholders, exercising their pre-emptive rights. At the end of the process, Cerutil strengthened its position to 76.47%.

The VAA, SGPS, S.A.'s Board of Directors believes that regarding the Grupo Vista Alegre situation, the capital increase operation in 2019 was a key factor for the success of the business restructuring that followed. The inflow of funds aimed at restoring the financial balance of the company, providing its structure with the capacity of meeting its commitments and allowing the necessary expansion and replacement investment.

On the 16th of October 2013, through a share purchase agreement signed with the *Banco Comercial Português, S.A.*, GRUPO VISABEIRA, S.A. purchased, on that date, from the above mentioned bank, a total of 51.761.957 shares representing 4.48% of the share social and voting rights of VAA – VISTA ALEGRE ATLANTIS, SGPS, S.A.. As a result of such acquisition, GRUPO VISABEIRA, S.A. become directly entitled to this number of shares representing 4.48% of VAA – SGPS, S.A.. In 2017 the percentage of representative shares was 3.64% (2016: 4.798%).

On the 22nd of December 2017, Vista Alegre Atlantis, SGPS, S.A. witnessed its social capital growing from 92,507,861.92 euros to 121,927,317.04 euros, owing to the issuance of 367,743,189 common shares, registered and to the holder, being made up of 1,524,091,463 shares with the nominal value of 0.08 euros each, of which:

- 10,600,331 shares were subscribed through public offering for subscription with subscription reserved for VAA shareholders, in exercising their pre-emption rights (with the legal pre-emption rights having been withdrawn from shareholders of Visabeira Indústria SGPS, S.A., Grupo Visabeira SGPS, S.A., FCR Portugal Ventures Grandes Projetos de Investimento, Caixa Geral de Depósitos, S.A. and the Fundo de Capital de Risco Grupo CGD – Caixa Capital and limited to shareholder pre-emption rights of shareholders of CERUTIL in subscribing to actions in the instalment of the increase to be paid in cash);
- 357.142.858 shares were subscribed by CERUTIL in cash contributions through the conversion of CERUTIL credits to VAA, SGPS, S.A. to the amount of 50,000,000.12 euros.

Under the terms and pursuant to the article 248-B of the Securities Code, and article 14 of CMVM Regulation no. 5/2008, VAA – Vista Alegre Atlantis, SGPS, S.A. received a communication that, under two share purchase and sale agreements signed on the 27th of December 2017, VISABEIRA INDÚSTRIA SGPS, S.A. acquired from CERUTIL – Cerâmicas Utilitárias, S.A., 1.252.453.447 shares representing the share capital of VAA – Vista Alegre Atlantis, SGPS, S.A.. After such transactions, VISABEIRA INDÚSTRIA SGPS, S.A. became the holder of 82.27% of the share capital and voting rights of a VAA – Vista Alegre Atlantis, SGPS, S.A..

Through a share purchase and sale agreement signed on the 28th December 2017, VISABEIRA INDÚSTRIA SGPS, S.A. acquired, outside the stock exchange, from the company Portugal Capital Ventures – Sociedade de Capital de Risco, S.A., 125.000.000 shares representing 8.20% of the share capital of VAA – Vista Alegre Atlantis, SGPS, S.A., after such transactions, became the direct owner of 1.378.923.847 shares, representing 90.48% of the share capital and voting rights of VAA – Vista Alegre Atlantis, SGPS, S.A..

Following VAA's reorganisation program, which included the capital increase operation carried out on December 2017, VAA followed this process recently purchasing Cerutil and Bordalo Pinheiro (through Bordalgest, which was entirely owned by Cerutil and, in turn, owned a share of 83.99% in Bordalo Pinheiro) as well as the sale of VA Grupo, Vista Alegre Participações, S.A. on the 31st of August 2018, having thus, on September 2018, completed the reorganisation program.

The purpose of these operations was to concentrate all holdings of the ceramics sector in VAA, in order to strengthen the financial and economic situation of the Group, as well as to strengthen its position within the context of the sector and towards the competing companies, allowing VA to demonstrate a greater importance and diversification of the century old brand "Bordallo Pinheiro".

On the 9th of October 2018 the reverse stock split was completed. It was based on the regrouping of the 1.524.091.460 shares representing the company's share capital, by applying a regrouping ratio of 1:10, corresponding to every 10 (ten) shares 1 (one) new share, rounded up to the nearest whole number.

On the 22nd of October 2019, a process was carried out to issue guaranteed bonds in the amount of 45,000,000 euros, with a fixed annual rate of 4.5% and maturity in October 2024, and guaranteed bonds in the amount of 5,000,000 euros with a fixed annual rate of 3.5% and final maturity in October 2024, with only institutional investors (Note 20).

On the 12th of December 2019, VAA - Vista Alegre Atlantis, SGPS, SA increased its capital by new cash inflows, with the suppression of shareholders' pre-emptive rights, in the amount of 12,192,731.20 euros, resulting in a change in the capital of Vista Alegre from 121,927,316.80 euros to 134,120,048.00 euros, by issuing 15,240,914 new shares, with a nominal value of 0.80 euros each, as communicated to the market in due course. This capital increase operation also generated an issue to the amount of 3.048.183 euros (Note 18).

Despite Visabeira Indústria, SGPS, S.A. maintaining ownership of 137,965,420 shares representing the share capital and voting rights of Vista Alegre as a result of the aforementioned, as a result of the capital increase (with the purpose, among others, of diversifying the VAA shareholder base) and of Visabeira Indústria, SGPS, S.A. not having subscribed to any new shares in this scope, its qualified shareholding in VAA has been reduced to 82.29% of VAA's share capital and voting rights, with reference to the share capital of VAA 134,120,048.00 euros represented by 167,650,060 shares after the Capital Increase.

Visabeira Indústria SGPS, S.A. share capital is entirely owned by (100%) by Grupo Visabeira, S.A. (based on Rua do Palácio do Gelo, n.º 1, Palácio do Gelo Shopping, Piso 3, Viseu, with the share capital of 116.540.215,00 Euro, registered at the *Conservatória do Registo Comercial de Viseu* [Commercial Registry of Viseu] under the single registration and VAT number 502.263.628), whereby the voting rights of Visabeira Indústria SGPS, S.A. are also attributable to Grupo Visabeira, S.A., which, in turn, also owns directly 5,548,417 shares representing 3.31% of VAA – Vista Alegre Atlantis, SGPS, S.A.'s share capital and voting rights.

It should also be noted that 98.25% of the share capital and voting rights of GRUPO VISABEIRA, S.A. is directly held by the company NCFGEST, S.A., based at Repeses, Viseu, with a share capital of 138,051,852.60 Euros, registered at the *Conservatória do Registo Comercial de Viseu* [Commercial Registry of Viseu] under the single registration and VAT number 508.959.756, and therefore the voting rights representing VAA's share capital, mentioned above, are also attributable to NCFGEST, S.A.

In 2023, the company NCFTRADETUR, S.A., 100% of whose share capital and voting rights are held directly by the company NCFGEST, S.A., has 2,836,541 shares representing 1.69% of the share capital and voting rights of VAA - Vista Alegre Atlantis, SGPS, S.A., with 2,383,641 shares having been acquired over the counter.

On the 31st of December 2023, NCFGEST, S.A. directly held 5,821,476 shares representing 3.47% of the share capital and voting rights of VAA - Vista Alegre Atlantis, SGPS, S.A.

Grupo VAA owns six factories in Portugal, three in Ílhavo, one in Caldas da Rainha, another one in Alcobaça e another in Sátão (Viseu); and it sells mainly in the Euro zone countries, especially in Portugal, Spain, Germany, France and Italy.

These consolidated financial statements were approved and authorised for issue at the Board of Directors meeting held on the 8th of Abril 2024.

2. Significant accounting policies

The main accounting policies adopted in preparing the attached consolidated financial statements for the year ending on the 31st of December 2023, which include the Material Accounting Policies, are as follows:

2.1 Basis of presentation

According to the Regulation (CE) no 1606/2002 of the European Parliament and Council of the 19th of July 2002, which transposed to into the Portuguese law through the Decree Law no 35/2005, of the 17th of February, subsequently amended by Dec. Law no 98/2015 of the 2nd of June. These consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union (EU). The IFRS includes standards issued by the International Accounting Standards Board ("IASB"), as well as Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and its predecessor bodies, effective on the 1st of January 2023.

The consolidated financial statements were prepared based on the continuity of operations, according to the accounting records of the companies included in the consolidation, maintained in

accordance with the accounting principles and policies of each jurisdiction, adjusted in the consolidation process for IFRS. The historical cost principle was accounted for, except in terms of investment properties, lands and factory buildings, and regarding other financial assets corresponding to shares in risk capital funds, which were measured at fair value. When elaborating the consolidated financial statements, the Board of Directors of Grupo Vista Alegre Atlantis uses estimates and assumptions which affect the application of policies and the amounts of assets and liabilities. The associated estimates and assumptions are based on historical experience and other factors considered reasonable under the circumstances and are the basis for judgements on the values of the assets and liabilities whose valuation is not evident from other sources. Actual results may differ from estimates. Issues that require a higher judgement or complexity, or for which assumptions and estimates are considered significant, are presented in Note 3.

The Board of Directors evaluated the Company's and its subsidiaries' ability to operate on a continuous basis, based on all relevant information, facts and circumstances of financial, commercial or other nature, including events subsequent to the reporting date of the consolidated financial statements, available about the future. The Board of Directors came to the conclusion that it has the adequate resources to maintain its activities, with no intention of ceasing activities in the short term, and it has considered appropriate to use the assumption of continuity of operations in the preparation of condensed consolidated financial statements on the 31st of December 2023.

Regarding the working capital, the VAA Board of Directors believes that it will be sufficient for its current needs, which is to say, for a 12-month period from the date of publication of this report. On the 31st of December 2023, excluding the bond loan of 47.5 million euros (which matures in full in October 2024), the Grupo's current assets exceeded its current liabilities by approximately 21.9 million euros. Additionally, on the 31st of December 2023 Grupo Vista Alegre has approved and unused financing lines in the amount of approximately 49 million euros.

Taking into account the expected maturity of the bond loan contracted in 2019, Grupo Vista Alegre launched a refinancing programme to be carried out in 2024 in order to align the maturity of its financial debt with the strategic plan for the coming years. The company's Board of Directors expects this refinancing programme, which is currently underway, to be successfully completed by the end of the first semester of 2024 (Note 35).

In 2021, as announced to the market in July, the Company saw the amendment of clause 9.5 of the Contractual Terms and Conditions of the bond loan contracted in October 2019 approved by the General Meeting of Bondholders, to the Financial Covenant provided for in this provision regarding the ratio between Net Debt¹ and EBITDA² was changed in relation to the Relevant Periods up to the "Maturity Date", with the ratio levels detailed in Note 20 to apply instead.

¹ Net Debt= Bank loans + Lease liabilities - Cash and cash equivalents

² EBITDA = Operating income – Amortisation and depreciation - Impairments - Provisions for the financial year - Impairment of assets depreciation

During the 2023 financial year, no change was requested to the mentioned contractual terms and conditions of the bond loan, as Grupo VAA complied with the limits of the established financial covenants with effect on the 30th of June 2023 and on the 31st of December 2023.

2.2 Basis of consolidation

2.2.1 Subsidiaries

The consolidated financial statements include, in reference to the 31st of December 2023, the assets, liabilities and profit and loss of the companies of the Group, understood as the entirety of Grupo VAA and its subsidiaries, which are presented in Notes 5. It is important to note that Bordalgest, a company incorporated under Portuguese law based in Lisbon, was dissolved in November 2023. This dissolution had no impact on the consolidated financial statements for the year ending on the 31st of December 2023.

An entity is classified as subsidiary when it is controlled by the Group. Control exists only where the Group has, cumulatively: (a) power over the investee; (b) exposure to or rights over variable results derived from its relationship with the investee; and (c) the ability to use its power over the investee to affect the amount of the results for investors.

Generally, it is assumed that there is control when the Group holds the majority of voting rights. In order to support this assumption and in cases where the Group does not hold the majority of voting rights in the investee, all relevant facts and circumstances are taken into account when determining the existence of power and control, such as: (a) any contractual agreements with other holders of voting rights; (b) any rights arising from other contractual agreements; and (c) existing and potential voting rights.

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

The subsidiary companies are included in the consolidation by the full consolidation method. The results of the subsidiaries acquired or sold during the year are included in the consolidation by the full consolidation method, from the date the control is acquired until the date on which the control effectively ends.

Balances, transactions, dividends and unrealised gains on transactions between the Group's companies are eliminated from the consolidation process. Unrealised losses are also eliminated, unless the transaction reveals evidence of impairment of a transferred asset.

The accounting policies of the subsidiary companies are amended whenever necessary in order to ensure consistency with the policies adopted by the Group.

A change in the participating interest in a subsidiary that does not entail loss of control is recorded as a transaction between shareholders. If the Group loses control over the subsidiary, the corresponding assets (including goodwill), liabilities, non-controlling interests and other equity

components are derecognised and any gains or losses are recognised in the income statement. The investment held is recognised at fair value at the time of the control loss.

Regarding the situations where the Group holds, in substance, control of entities created for a specific purpose (including structured entities or *Special purpose vehicle* “SPV”), even though it does not hold capital shares directly in these entities, they are consolidated by the full consolidation method.

The net result and other elements of the other comprehensive income and the equity of the subsidiaries corresponding to the participation of third parties in them (non-controlling interest) are presented in the consolidated financial statement and in the consolidated income statement, and other comprehensive income in specific headings of non-controlling interests. The comprehensive income of the subsidiaries is attributed to the Group’s owners and to the non-controlling interests, even if the situation results in a deficit balance of the latter.

2.2.2 Business combinations and goodwill

Concentrations of business activities are recorded according to the purchase method.

Under the acquisition method the difference between: i) the cost of concentration and (ii) the net amount of the acquired identifiable assets and assumed liabilities, is recognised, on the acquisition date, as goodwill if positive, or as gain, if it is negative.

The cost of the concentration is calculated at fair value, consisting of the sum, on the acquisition date of the control, of: (i) the fair value of the assets transferred by the Group; (ii) the fair value of the liabilities assumed by the Group upon the acquisition of control; and (iii) the fair value of the equity instruments issued by the Group in exchange for the acquisition of control. Expenses related to concentrations of business activities are recorded in results when incurred.

At the cost of the concentration, any expenses regarding other transactions (e.g. remuneration for future services or for settlement of pre-existing relationships) are recognised, the margin of which is recognised separately in profit or loss.

The amount of future contingent payments, if any, are recognised as liabilities or equity at fair value at the time of acquisition. Subsequent changes in this value are recognised: (i) as equity if the contingent payment is classified as equity, (ii) as expenses or income in the income statement or as other comprehensive income if the contingent payment is classified as a financial asset or liability within the scope of IAS 39 and (iii) as expenses under IAS 37 or other applicable standards, in all other cases.

At the acquisition date, the classification and designation of all assets acquired and liabilities transferred in accordance with IFRS are revalued, except for leases and insurance contracts that are classified and designated based on the contractual terms and conditions at the date of commencement of the contract.

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

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

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

Whenever a combination is not completed at the reporting date, the provisional amounts recognised at the acquisition date and/or recognised assets and additional liabilities will be retrospectively adjusted for a period of 12 months from the date of acquisition, if obtained from facts and circumstances that existed at the date of the acquisition, and if they had been known these assets and liabilities would be recognised at that date.

2.2.3 Jointly-owned and jointly entities

Associated companies are the companies over which the Group exercises significant influence, understood as the power to participate in the operational and financial policies, without however exercising control or joint control. Generally, it is assumed that there is a significant influence whenever the holding percentage exceeds 20% and 50%.

The classification of financial holdings in jointly controlled entities is determined on the basis of contracts which demonstrate and regulate joint control, which is understood when decisions on the relevant activities of the enterprise require unanimous agreement between the parties. The Group has no interest in jointly controlled operations as defined in IFRS 11.20. The Group owns no interests in joint ventures, as defined in IFRS 11.

Investments in associates and joint ventures are recorded under the equity method. Under the equity method, financial investments are initially recorded at acquisition cost, which is subsequently adjusted: (a) at the value corresponding to the Group’s participation on the comprehensive income (including net income for the year) of associates and joint ventures - in consideration of other comprehensive income of the Group or of gains or losses for the year, as applicable; (b) for the dividends received - in exchange for an account receivable or cash; and (c) for possible gains or losses on operations with other companies of the Group.

When the proportion of the Group in accumulated losses of the associate companies or joint ventures exceeds the value by which the investment is registered, the investment is reported at a

null value as long as the equity of the associate or joint venture is not positive, unless the Group has undertaken commitments with the associate or joint venture, reporting in such cases, a responsibility to meet those obligations.

Any excess regarding the cost of acquisition of a financial investment over the Group's interest in the fair value of the assets, liabilities and contingent liabilities identified at the date of acquisition of the associated company or jointly controlled entity is recognised as goodwill, which is included in the value of the shareholding, and its recovery is assessed annually as a comprehensive part of the financial investment. If the acquisition cost is lower than the fair value of the assets of the associate company or jointly controlled entity acquired, the difference is recorded directly in the income statement.

Unrealised gains on transactions between the Group and its associated companies and jointly controlled entity are eliminated according to the Group's participation in the associated companies and jointly controlled entities. Unrealised losses are also eliminated, unless the transaction reveals evidence of impairment of a transferred good.

Whenever necessary, adjustments are made to the financial statements of associate companies and joint ventures to ensure consistency with the accounting policies adopted by the Group.

An impairment analysis is made for financial investments in associate companies and joint ventures when there is evidence that the asset may be impaired, and a loss is recorded in the income statement whenever this is confirmed. The recoverable amount of financial investments in associated companies is, for this purpose, determined in accordance with IAS 36. When impairment losses recognised in prior periods cease to exist, they are reversed (with the corresponding gain on the income statement). Impairment losses are recorded as a deduction from the carrying amount of the investments.

2.2.4 Conversion of financial statements of foreign entities

The elements included in the financial statements of each of the Group's companies are measured using the economic environment currency in which the company operates (the functional currency). The consolidated financial statements are presented in Euros, the functional and reporting currency of the Group.

Assets and liabilities expressed in the financial statements of foreign entities (entities that do not use the euro as their functional currency) are translated into Euro using the exchange rates prevailing at the reference date of the financial statement. Income and expenses, as well as cash flows, are translated into Euro using the average exchange rate recorded during the year. The resulting exchange difference, generated after the 1st January 2004, is recorded on equity under "Exchange reserve". Exchange differences generated until the 1st January 2004 (date of transition to IFRS) were written off against "Other reserves and retained earnings".

Goodwill and fair value adjustments resulting from the acquisition of foreign entities are treated as assets and liabilities of these entities and converted to Euro at the exchange rate effective at the end of the year.

Whenever a foreign entity is sold (wholly or partially), the corresponding share of the accumulated exchange difference is recognised in the consolidated income statement as a gain or loss, in the event of loss of control, or transferred to interests which they do not control in case there is no loss of control.

The exchange rates (closing and average) used on the 31st of December 2023 and 2022 in the conversion to Euro of the financial statements of the main subsidiaries, jointly controlled companies and foreign associate companies (entities that do not use the Euro as functional currency) were the following:

Currency	Closing currency exchange		Average currency exchange	
	31-12-2023	31-12-2022	31-12-2023	31-12-2022
American dollar	0.9050 €	0.9376 €	0.9235 €	0.9524 €
Mozambican Metical	0.0142 €	0.0147 €	0.0144 €	0.0149 €
Mexican peso	0.0533 €	0.0484 €	0.0520 €	0.0475 €
Brazilian real	0.1863 €	0.1785 €	0.1855 €	0.1849 €
Indian rupee	0.0108 €	0.0113 €	0.0112 €	0.0121 €

As provided for in IAS 21, Grupo Vista Alegre reclassifies a portion of the exchange differences associated with the subsidiaries Vista Alegre Brasil and Vista Alegre USA Corporation to other reserves, equivalent to a net investment, as it understands that these are exchange differences arising from monetary items for which settlement is not foreseen nor is it likely to occur in the near future, and as such, in substance, these are items that are part of the Group's net investment in operations in Brazil and the United States of America.

2.3 Main valuation criteria

2.3.1 Intangible Assets

Intangible assets are reported at acquisition cost, less amortisations and eventual impairment losses, and are only recognised if they are likely to generate future economic benefits for the Group if it is reasonably possible to measure their cost and if the Group has control over them.

The Group's intangible assets mainly relate to Ownership Transfer, Development projects, software and other related to new products and processes, developed in-house.

The depreciations are calculated over the acquisition amounts, according to the constant quota method, on a duodecimal basis, according to the useful life period, for a period of 3 years (except in the case of ownership transfer that are to be depreciated in 6 years, and in the rights of stores in shopping centers that are amortised for the term of the respective contracts).

Costs from its own brands and internally generated intangible assets are reported in the consolidated income statement as they are incurred.

The research expenses, carried out for the research of new technical and scientific knowledge, or for the search of alternative solutions, are recognised as results when they are incurred. The development expenses are capitalised whenever the product or the process' technical feasibility is demonstrated, and the Group intends to and has the ability to complete its development and to start selling or using it.

The CO₂ (carbon dioxide) permits held by the Group are intended to be used in the course of the operation of its subsidiary "Ria Stone" (stoneware segment). These are being recorded as "Intangible Assets" and are valued at market prices, at the end of each period, against income, under the heading "Other operating gains and income"/"Other operating expenses and losses". The consumption associated with the CO₂ permits carried out during the year are recognised under the heading "Amortisation and depreciation".

2.3.2 Goodwill

Differences between the acquisition cost of investments in subsidiary companies were recorded under the heading "goodwill", as a result of business combination processes carried out in previous years. Such goodwill is allocated to the business segments associated with such acquisitions.

Goodwill cannot be amortised, and it is annually subject to impairment testing, regardless of whether there are impairment indicators.

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

Any value loss, impairment, is reported in the final result of the period, and cannot be subsequently reverted.

2.3.3 Fixed tangible assets

Tangible fixed assets corresponding to land and buildings, which essentially comprise factories, warehouses, retail stores and offices, are recorded according to the revaluation model, corresponding to their carrying amount on the reporting date at their fair value, on the date of the last revaluation less accumulated depreciation and impairment losses. Revaluations are made periodically and whenever any significant differences to the fair value of the respective assets, based on independent external real estate reviews.

According to the revaluation model, the increases on the assets carrying amount as a result of the land and buildings reassessment are credited under a specific item in equity. The decreases which compensate for prior increases regarding the same asset are reported under the same item as the increases were recorded; the remaining decreases are recognised as expenses regarding the period spent in the consolidated income statement. Annually, the difference between depreciation based on the carrying amount reassessed, regarding the period expenses and the depreciation based on the assets' original cost, is transferred from the fair value reserve to the retained earnings.

The tangible fixed assets corresponding to the Group's Artistic Collection ("Espólio Vista Alegre") are initially recorded at fair value based on external expert valuations dating from 2014 and 2015 and updated on the period ended on the 31st of December 2022 and 2023, and subsequently deducted from amortisations and losses due to accumulated impairment. It should be noted that, since the residual value of collection items which are part of the "Espólio Vista Alegre" is equal to or greater than its book value, no depreciation is taken, but periodic evaluations of a sample of items are carried out to calculate the respective value of realisation. The Group's Artistic Collection is related to the collection pieces, associated, among others, with the production of the Fábrica de Porcelana da Vista Alegre, as well as donations, which have been collected and classified since the establishment of Vista Alegre. This collection, unique in the country, reflects not only the two centuries of the Group, but mainly the history of porcelain in Portugal and in the World. Besides the pieces on display at the Vista Alegre Museum (about 2000), the Group has a considerable number of objects in reserve which include porcelain and glass, but also other collections associated with the history of the Group that cover different areas such as decorative arts, technology and technique, social and local history or religious history. The collection was formed through direct transfers from the industrial plant, acquisitions or donations, comprising a broad chronological period, which runs from the 17th to the 21st century.

The remaining tangible fixed assets are initially measured at acquisition cost and subsequently are deducted from depreciation and impairment losses, or acquisition cost plus legal revaluations prior to the date of transition to IFRS, less depreciation and impairment losses.

The acquisition cost includes all expenditures directly attributable to the activities required to place the assets in the location and condition required to operate as required.

The subsequent costs are included in the assets' carrying amount, or recognised as separate assets, as adequate, only when it is possible that the economic benefits will flow to the Group and the cost

may be measured with reliability. All other subsequent expenditure is recognised as expenses in the period they are incurred.

Depreciations

Land is not depreciated, as the depreciations of the remaining assets calculated over the acquisition or reassessment values, by the according to the constant quota method, on a duodecimal basis. The annual rates applied successfully reflect the economic useful life of the assets, which is determined according to the expected use. The depreciation rates correspond, on average, to the following estimated useful lives:

	31-12-2023	31-12-2022
Buildings and Other construction	3-50	3-50
Basic equipment	3-14	3-14
Transport equipment	4-8	4-8
Tools and utensils	3-7	3-7
Office equipment	4-10	4-10

The depreciation process starts on the month the asset becomes available for operation.

The assets' residual values, the useful lives and the amortisation methods are reviewed and adjusted annually. In case the carrying amount is superior to the assets' recoverable value, its readjustment to the estimated recoverable values should be carried out.

Regarding the Group's Artistic Collection the Group's Artistic Estate, its residual value is equal to or greater than its book value, which is why it is not suffering any depreciation.

Tangible fixed assets in progress represent tangible assets still under construction / development, and are recorded at acquisition cost less accumulated impairment losses. These assets are transferred to tangible assets and are depreciated from the moment underlying assets are available for use, and under the conditions necessary to operate as envisaged by management.

Gains or losses arising from write-off or sale are determined by the difference between sale's receivables and the asset carrying amount, and are recognised as income or expenses in the consolidated financial statements. When revaluated assets are sold, the amount included in other reserves is transferred to retained earnings.

2.3.4 Usage rights

Location identification

A lease is defined as a contract, or part of a contract, whereby the right to control the use of an asset (the underlying asset), for a specified period of time is granted in exchange for a fee. At the beginning of each contract, it is assessed and identified whether it is or contains a lease. This assessment involves exercising judgement as to whether each contract depends on a specific asset,

whether the Group, as a lessee, obtains substantially all the economic benefits from using that asset and whether it has the right to control the use of the asset.

All contracts that constitute a lease are accounted for by the lessee based on a single model of recognition in the consolidated statement of financial position.

At the commencement date of the lease, the Group recognise the liability related to the lease payments (i.e. the lease liability) and the asset that represents the right to use the underlying asset during the lease period (i.e. the right-of-use or “RoU”). The cost of interest cost on lease liability and depreciation of the RoU are recognised separately.

The lease liability is remeasured when certain events occur (such as a change in the lease period, a change in future payments that result from a change in the benchmark or the rate used to determine those payments). This remeasurement of lease liability is recognised as an adjustment in the RoU.

Asset usage rights

The Group recognises the right to use assets on the effective date (that is to say, the date in which the underlying asset is available for use). The right to use assets is recorded in the acquisition cost, minus accumulated depreciation and accumulated impairment losses and adjusted for any new measurements of lease liabilities. The cost of the right to use assets includes the initial value of the lease liability, any direct costs initially incurred and payments already made before the effective date, less any incentives received and plus restoration costs, if any. The usage rights are recorded in an autonomous item in the consolidated statement of financial position, “Assets for usage rights”.

Whenever the Group incurs an obligation to dismantle and remove a leased asset, restore the location in which it is located, or restore the underlying asset to the condition required by the lease terms and conditions, a provision is recognised in accordance with IAS 37. Expenses are included in the respective right of use.

Leasing incentives (e.g., rent grace periods) are recognised as elements of measuring the right to use and lease liabilities. Variable rents that do not depend on an index or rate are recognised as expenses in the year in which they are incurred or payment is made.

Rights of use are depreciated according to the lease term, using the straight-line method, or according to the estimated useful life of the asset under right of use, when it is longer than the lease period and management intends to exercise the purchase option.

Unless it is reasonably certain that the Group will obtain ownership of the leased asset at the end of the lease term, the recognised right to use the assets is depreciated using the straight-line method based on the lease term.

Impairment of use rights is tested in accordance with IAS 36 to replace the recognition of provisions for costly lease agreements.

In case of low value asset leases (the underlying asset has an acquisition price equal to or less than 5,000 euros), the Group does not recognise the rights to use assets or liability for leases, recognising the expenditures associated with these leases as expenses for the year during the life of the contracts.

Lease agreements can contain both lease and non-lease components. Consideration was given, however, to the expedient in the standard of not separating the service components from the lease components, accounting for them as a single lease component.

On the 31st of December 2023 and on the 31st of December 2022, the Group did not hold any contractual position in which it acted as lessor, except for intra-group leases, which were eliminated in these consolidated financial statements.

Lease liabilities

On the date of entry into force, the Group recognises liabilities measured at the present value of future payments to be made until the end of the lease, and includes said balances in the consolidated statement of financial position "Lease liabilities".

Lease payments include fixed payments (including fixed payments in substance), less any incentives to receive, variable payments, dependent on an index or rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the price of a call option, if the Group is reasonably certain to exercise the purchase option, and penalty payments for terminating the contract, if the Group is reasonably certain to terminate the contract.

Payments for non-lease components are not recognised as lease liabilities. Variable payments that do not depend on an index or a rate are recognised as an operational expense (in the item "External supplies and services") in the year in which the event giving rise to them occurs.

For calculating the present value of lease payments, the Group uses an incremental interest rate at the lease start date, in case the interest rate implied is not immediately determined.

Extension and termination options are provided for in several lease agreements and their application is based on operational maximisation. To determine the lease term, the Board of Directors considers all the facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Most of the extension options were not included in the lease liability and, when exercised, are included by the Group and not by the lessor.

The term is revised only if a significant event or a significant change in circumstances occurs that may affect this assessment and is under the lessee's control.

After the effective date, the value of the lease liability increases to reflect accrued interest and reduces by payments made. In addition, the carrying amount of the lease liability is remeasured if there is a change, such as a change in the lease term, fixed payments or decision to purchase the underlying asset.

2.3.5 Investment properties

Investment properties, which correspond to real estate assets held to earn income or for capital appreciation, or both, and not for use producing or supplying goods and services or for administrative purposes, are recorded at their fair value, determined by assessment carried out by an independent specialised entity.

Changes in the fair value of investment properties are shown in the consolidated income statement in the year in which they are generated, in the fair value Increase/(Decrease) line.

Investment properties are derecognised when they are disposed of or when they are decommissioned with no expectations of future economic benefits resulting from their decommissioning. Any gains or losses arising from the derecognition of investment properties are recognised in the Consolidated statement of results in that year.

Costs incurred with investment properties in use, such as maintenance, repairs, insurance and property taxes, are recognised in the consolidated income statement, in the period to which they relate. The improvements, which are estimated to generate future additional economic benefits, are capitalised.

2.3.6 Impairment of tangible and intangible fixed assets (other than goodwill)

An impairment assessment of the Group's assets is made at the date of each consolidated financial statement and whenever an event or change in circumstances is identified indicating that the amount for which an asset is registered may not be recoverable. Whenever the amount by which an asset is recorded is greater than its recoverable amount (defined as the highest of the net selling price and the value in use, or as the net sale price of assets for sale) impairment loss, recorded in the income statement under the caption "Fair value increases / (reductions)". The net selling price is the amount that would be obtained from the asset sale in a transaction between independent and knowledgeable entities, less cost directly attributable to the sale. Value in use is the current value of the estimated future cash flows that are expected to arise from the continued use of the asset and its sale at the end of its useful life. The recoverable amount is estimated for each asset, individually or, if it is not possible, for the cash-generating unit to which the asset belongs.

The reversal of impairment losses recognised in prior periods is recorded when it is concluded that recognised impairment losses no longer exist or have decreased. This analysis is performed whenever there is evidence that the previously recognised impairment loss has reversed. The reversal of impairment losses is recognised in the consolidated income statement. However, the reversal of the impairment loss is made up to the amount that would be recognised (net of amortisation or depreciation) if the impairment loss had not been recorded in previous years.

Impairment losses are identified in Note 11.

2.3.7 Inventories

Inventories are valued according to the following criteria:

a) Goods and raw materials, subsidiaries and consumables

Goods and raw materials, subsidiaries and consumables are registered on the acquisition cost, which is lowest to the correspondent market value, using the weighted average method.

b) Finished and intermediate products and undergoing products and works

The finished and intermediate products as well as undergoing products and works were valued at a “standard cost” production.

The structure of the cost calculation will be supported by the computer system - “SAP” based on “technical listings” (structured summary of the components of the product) and “scripts” (description of the operations carried out to produce a product) of each product, which have the essential master data for the planning, production control and product’s industrial cost, adding value as the product goes through the different stages up to the end stage. The calculation of the standard cost is based on the costs’ structure necessary for the normal use of the production capacity installed in the different plant, excluding the inactivity and restructuring costs. Occasionally, are carried out reviews in case there are significant changes in the product’s structure.

The Group periodically analyses the impairment of its inventories in order to reduce their value to their realisable value, based on both their estimated selling price and their rotation. Regarding this latter factor, the Group mainly structures its products between “Line products” and “Products off-line”, having defined criteria of impairment according to its historical evolution, nature, typology and rotation, criteria approved and monitored by the Board of Directors.

Annually, the reinforcement or reversal of impairments on inventories is recognised under the heading “Cost of goods sold and materials consumed” and “Variation in production”.

2.3.8 Financial Instruments

2.3.8.1 Factoring and discounted bills

The Group derecognises financial assets in its consolidated financial statements, only when the contractual right to cash flows inherent in such assets has expired or when the Group transfers substantially all the risks and benefits inherent in the ownership of those assets to a third party. If the Group substantially retains the risks and benefits inherent in the ownership of such assets, it continues to recognise them in its consolidated financial statements, recording in the liability under the caption “Financing obtained” the monetary counterpart for the assets assigned.

Consequently, the balances of customers in the form of discounted and not due bills and accounts receivable assigned in factoring at the date of each consolidated statement of financial position,

with the exception of “non-recourse factoring” operations (and for which it is clear that the risks and benefits inherent to these accounts receivable are transferred) are recognised in the Group’s financial statements until they are received.

2.3.8.2 Confirming

The Group keeps protocols with financial entities in order to allow its suppliers access to an advantageous management tool for their working capital, upon confirmation by the said subsidiary of the validity of the credits that the suppliers hold over it.

Under these protocols, some suppliers have freely entered into agreements with these financial institutions (“confirming” contracts) that allow them to anticipate receipt of the covered loans immediately after confirmation by the subsidiary of its validity to the financial institution.

For suppliers whose payment does not exceed 120 days, from the due date of the invoices, the Group considers that the economic substance of these financial liabilities does not change and therefore maintains the accounting classification of such credits in the “Suppliers” assuming that it has inherent the normal maturity of the supply contract concluded between the Group and the supplier, namely (i) the maturity period corresponds to a period of time practice by the industry in which the subsidiary is located, as there are no changes to payment deadlines for periods outside the range that normally apply to other suppliers that are not part of the aforementioned program, and (ii) the subsidiary does not bear liquid charges with the prepayment transaction in relation to the alternative payment at normal maturity. In some situations, the said subsidiary receives from the financial institution a commission for credit collection. In the event that the terms of the debts to suppliers exceed the normal payment period and the amount due has accrued interest at market rates, the corresponding liability is accounted for under “Loans obtained” (Note 21).

On the maturity date of said invoices, the amount is paid by the subsidiaries to the financial institution regardless of whether or not they have paid those amounts in advance to the suppliers.

2.3.8.3 Investments in financial assets

Recognition

Purchases and sales in investments in financial assets are recorded on the date of the transaction, that is, on the date the Group undertakes to buy or sell the asset.

The classification of financial assets depends on the business model followed by the Group in the management of financial assets (receipt of cash flows or appropriation of fair value changes) and the contractual terms of the cash flows receivable.

Changes in the classification of financial assets can only be made when the business model is changed, except for financial assets at fair value through other comprehensive income, which are equity instruments, which can never be reclassified to another category.

Financial assets may be classified into the following measurement categories:

(i) Financial assets at amortised cost: it comprises the financial assets that correspond only to the payment of nominal value and interest, and whose business model chosen by the management is the receipt of contractual cash flows;

(ii) Financial assets at fair value through other comprehensive income: this category may include financial assets that qualify as debt instruments (contractual obligation to deliver cash flows) or equity instruments (residual interest in a company); a) in the case of debt instruments, this category includes financial assets that correspond to the payment of nominal value and interest for which the business model chosen by the management is the receipt of contractual cash flows or occasionally its sale; b) in the case of equity instruments, this category includes the percentage of interest held in companies over which the Group does not have any control, joint control or significant influence and which the Group has irrevocably chosen on the date of its initial recognition designate at fair value through other comprehensive income;

(iii) Financial assets at fair value through loss and profit: includes assets that do not meet the criteria for classification as financial assets at amortised cost or at fair value through other comprehensive income, whether they refer to debt instruments or equity instruments that were not classified at fair value through other comprehensive income;

Measurement

The Group initially measures financial assets at fair value, plus transaction costs directly attributable to the purchase of financial assets, for financial assets that are not measured at fair value through profit or loss. The transaction costs of financial assets at fair value through profit or loss are recorded in the income statement of the fiscal year they are incurred.

Financial assets at amortised cost are subsequently measured in accordance with the effective interest rate method and deducted from impairment losses. Interest income on these financial assets is included in "Interest income" on financial income.

Financial assets at fair value through other comprehensive income that are equity instruments are measured at fair value on the date of initial registration and subsequently, and the fair value changes are recorded directly in the other comprehensive income, in the equity, but with no future reclassification even after derecognition of the investment.

Impairment losses

Vista Alegre assesses in a forward-looking manner the estimated credit losses associated with financial assets, which are debt instruments, classified at amortised cost and at fair value through other comprehensive income. The applied impairment method takes into account the credit risk profile of the debtors, and different approaches are applied depending on the nature of the debtors.

Regarding receivables under "Customers" and "Other third party debt" and Customers contracts assets, the Group uses a simplified approach permitted by IFRS 9, according to which estimated

credit losses are recognised from the initial recognition of the balances receivable and for the whole period up to maturity, considering a matrix of historical default rates for the maturity of the balances receivable, adjusted by prospective estimates.

Regarding the balances receivable from related companies, which are not considered as part of the financial investment in these companies, the credit impairment is assessed according to the following criteria: i) if the balance receivable is immediately due (“on demand”); ii) if the balance receivable is low risk; or iii) if it has a maturity of less than 12 months.

In cases where the amount receivable is immediately payable and the related company is able to pay, the probability of non-compliance is close to 0% and therefore the impairment is considered equal to zero. In cases where the receivable balance is not immediately due, the related company’s credit risk is assessed and if it is “low” or if the maturity is less than 12 months, then the Group only evaluates the probability of a non-compliance occurring for the cash flows that mature during the next 12 months.

For all other situations and nature of receivables, Vista Alegre uses the general approach of the impairment model, evaluating at each reporting date whether there has been a significant increase in credit risk since the date of the initial recognition of the asset. If there is no increase in credit risk, the Group calculates an impairment corresponding to the amount equivalent to expected losses within a period of 12 months. If there has been an increase in credit risk, impairment is calculated corresponding to the amount equivalent to expected losses for all contractual flows until the maturity of the asset.

Derecognition of financial assets

Vista Alegre derecognises financial assets when and only when contractual rights to cash flows have expired or they have been transferred, and the Group has substantially transferred all the risks and rewards of ownership of the asset.

2.3.8.4 Third party’s debts

“Customer” and “Other third party debt” heading are initially recognised at fair value and are subsequently measured at amortised cost, net of impairment adjustments.

2.3.8.5 Loans

Loans are recorded in liabilities at the nominal value received, net of expenses with the issuance of these loans. Financial charges, calculated according to the effective interest rate, including premiums payable, are accounted for on an accruals basis, added to the book value of the loan if not paid during the year.

2.3.8.6 Debts to third parties

Debts to third parties to non-interest bearing are recorded at their nominal value, except in situations where the effect of the financial update is considered material.

2.3.8.7 Equity instruments and the distinction between financial liabilities

Financial liabilities and equity instruments are classified according to the contractual substance of the transaction. The Group considers equity instruments those in which the contractual support of the transaction shows that the Group has a residual interest in a group of assets after deducting a set of liabilities.

Equity instruments issued by the companies of the Group are recorded at the value of proceeds received, net of any costs related to their issuance. The treasury shares are accounted for by its acquisition value as a reduction to equity.

The gains or losses resulting from the disposal of treasury shares are registered in “Reserves and retained earnings”, not being considered in the results of the period in which they occur.

2.3.8.8 Derivatives and hedge accounting

Derivative financial instruments are initially recorded at the fair value of the transaction date and subsequently measured at fair value. The method of recognising fair value gains and losses depends on the designation of derivative financial instruments, such as trading or hedging.

The hedging requirements are met when:

- i) there is an economic relationship between the hedged item and the hedging instrument, and the amount of the hedged item and the hedging instrument move in opposite directions;
- ii) fair value changes do not result mostly in credit risk; and
- iii) the hedging ratio designated by Vista Alegre, on each transaction, is the result of the amount of the hedged item and the amount of the hedging instrument that the entity effectively uses to cover that amount of the hedged item.

The derivative instruments used by Grupo VAA defined as cash flow hedging instruments regard mainly the interest rate hedging instruments resulting from loans and exchange rates. Indexes, calculation conventions, interest rate repricing dates and repayment plans for interest rate and foreign exchange hedging instruments are the most consistent with the conditions established for the underlying loans contracted, therefore the present perfect heading relationships. The inefficiencies that might exist are recorded in the headings “Financial Income and Gains” and “Financial Expenses and Losses” of the consolidated statement of income.

Grupo VAA uses as well financial instruments as cash flow hedging, which regard mainly to the exchange rate hedging (“forwards”) of loans and commercial operations.

Some exchange rate hedges commercial operations provide perfect hedging relationships and therefore receive hedge accounting treatment. In some situations, loan exchange rate hedges and the remaining commercial operations hedges, since they do not constitute perfect hedge

relationships, do not receive hedge accounting treatment, but effectively reduce, in a very significant way, the effect of exchange variations of loans and balances receivable/payable, in foreign currency, regarding which Grupo VAA intends to cover exchange rate risk.

In some particular situations, Group may use derivative instruments over the exchange rates in order to carry out the risk hedging related to the future cash flow variations caused by the variation of that variable, and that may not qualify as hedging instruments according to IFRS 9, given that in these situations the fair value revaluation effect of such derivatives is recorded in the consolidated income statement.

Derivative instruments, although used as mentioned above (mainly as exchange forwards, and derivative under or including interest rate options), regarding which the Group did not use hedge accounting, are initially recorded at its cost, which corresponds at its fair value, if any, and afterwards they are re-evaluated to its fair value, whose variations, calculated using specific computer tools, directly affect the headings “Financial Income and Gains” and “Financial Expenses and Losses” of the consolidated income statement.

When there are derivatives embedded in other financial instruments or other contracts, they are treated as separate derivatives in situations where the risks and characteristics are not closely related to contracts and in situations in that the contracts are not presented by its fair value with unrealised gains or losses registered in the consolidated income statement.

Under special conditions, Grupo VAA may use interest rate derivatives aiming at carrying out fair value hedging. Under these situations, derivatives are recorded at their fair value using the consolidated income statement. In the cases, when the hedging instrument is not measured at fair value (namely, loans measured at amortised cost), the effective hedge portion will be adjusted in the book value of the hedged instrument, through the income statement.

On 31st of December 2023 and 2022, the Group had not hired any derivative instruments.

2.3.8.9 Cash and cash equivalents

The amounts included under “Cash and cash equivalents” correspond to cash, bank deposits, time deposits and other cash investments, which mature less than three months and can be immediately mobilised with insignificant risk of change in value.

2.3.9 Equity

- ***Share Capital:***

The share capital is fully represented by bearer share certificates, which are classified in the Equity.

Legal Reserve:

According to the Portuguese commercial legislation, at least 5% of annual net income, established in the Company’s individual accounts, which must be allocated to the legal reserve until it represents at least 20% of the Share Capital. The legal reserve is non-distributable unless in case of liquidation

of the Company, but can be used to absorb losses, after exhausting all other reserves, or for incorporation in the share capital.

2.3.10 Employee benefits

2.3.10.1 Provisions for retirement pensions – defined benefit plan

Some Group companies have pension plans assigned to former employees, in the form of a defined benefit plan; this is a pension plan that defines the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. The Group has in place several plans of retirement benefits, some at the expense of the Group and others in charge of the *Futuro – Sociedade Gestora de Fundos de Pensões, S.A.* (Grupo Montepio).

The liability recognised in the statement of the consolidated position, in relation to the benefit plan defined, is the present amount of the benefits obligation defined at the date of the consolidated financial statements. The obligations of the defined benefit plans are annually determined by independent actuaries, using the credit method of the projected unit (“Projected Unit Credit Method”). The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows, using interest rates of high-quality bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approaching the terms of the related pension liability.

All actuarial gains and losses arising from adjustments related to the experience and changes in actuarial assumptions are directly recognised in equity and presented in other comprehensive income.

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

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

2.3.10.2 Employment termination

Termination benefits are due when there is termination of employment before the normal retirement date or when an employee accepts voluntary redundancy in exchange for those benefits. The Group recognises these benefits when it can prove to be forced to eliminate current positions, according to a detailed formal plan for termination and there is no realistic alternative or these benefits are granted to encourage voluntary termination. Where termination benefits fall due more

than 12 months after the statement of financial position date, they shall be discounted to their current value.

2.3.10.3 Holiday, holiday pay and bonuses

The Labour Code approved by law 7/2009, on the 12th of February, amended by Laws 105/2009, of the 14th of September and 53/2011, of the 14th of October, established in paragraph 3 of article 238 the conditions under which the right to holiday leave, due at the beginning of each year, should be increased by up to 25 days. The Law no 23/2012 of the 25th of June, revoked this rule, with the right to holiday leave having a maximum duration of 22 days. The Constitutional Court later declared the unconstitutionality of some of the rules of this law, namely the increase of holidays, when this increase was already received in a collective recruitment.

The collective contracting applicable to the ceramics industry, negotiated between APICER and the unions, had accepted the rules for the increase and applied directly or indirectly to about 2/3 of the VAA, S.A. workers. The VAA, S.A. Management has decided, for reasons of equity, to extend the right to increase the vacation due on 01/01/2013 to all employees. It is understood that the criteria underlying the calculation of holidays and holiday allowances, recorded in the 2013 accounts and due on 01/01/2014 should follow the same principle.

2.3.10.4 Labour Compensation Fund (LCF) and Labour Compensation Guarantee Fund (LCGF)

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

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

Monthly payments made by the employer to the LCGF are recognised as expenses for the period when they occur.

The monthly payments made by the employer to the LCF are recognised as a financial asset of that entity, measured at fair value and with the respective changes recognised in profit or loss.

2.3.11 Provisions, assets and contingent liabilities

Provisions are recognised when, and only when, the Group has a current obligation (legal or implicit) resulting from a past event, it is probable that an outflow of resources will occur and the amount of the obligation can be reasonably estimated. Provisions are reviewed at the date of each financial statement and adjusted to reflect the best estimate at that date (expected value of the outflow to be incurred), taking into account the risks and uncertainties inherent in such estimates. When a

provision is determined taking into consideration the future cash flows required to settle the obligation, it is recorded at their current value. The discount rate in the aforementioned financial update correspond to the average rate of financing of the respective company at the reporting date.

Restructuring: provisions for restructuring are only recognised by the Group whenever there is a formal and detailed restructuring plan, and it has already been informed to the parties.

Onerous contracts: obligations resulting from onerous contracts are recognised and measured as provisions. There is an onerous contract whenever the Group is before a situation in which the inevitable costs to meet the contract's obligations exceed the economic benefits foreseen to be received.

Contingent assets are not recognised in the consolidated financial statements, but they are reported on the annex when a future economic benefit is foreseen.

Contingent liabilities are not recognised in the consolidated financial statements, but they are reported on the annex, unless the idea of an outflow of resources may affect future economic benefits is a remote one.

Provisions are reviewed and updated on the consolidated statement of financial position date, so as to reflect the best estimate of the obligation in question at that time.

2.3.12 Fair value measurement

The Group measures part of its financial assets, as financial assets available for sale and trading, and part of its non-financial assets, as investment properties and tangible fixed assets (lands and buildings), at fair value at the reference date of the financial statements.

The fair value measurement assumes that the asset or liability is exchanged in a transaction between market participants to sell the asset or transfer the liability, on the measurement date, under the current market conditions.

The measurement of fair value is based on the assumption that the transaction of selling the asset or transferring the liability may occur:

- In the main asset and liability market, or
- In the absence of a primary market, the transaction should take place in the most advantageous market. This is that which maximises the amount that would be received upon the sale of the asset or that minimises the amount that would be paid to transfer the liability, after considering transaction and transportation costs.

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

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

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

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

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

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

Level 3 – Valuation techniques that use inputs which are not based on observable market data, i.e., based on unobservable data.

The measurement at fair value is fully classified on the same hierarchy level as the lowest level of the input which is more significant for the measurement as a whole.

2.3.13 Recognition of revenue

Revenue comprises the fair value of the sale of goods and services, net of taxes and discounts, and after elimination of domestic sales.

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

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

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

Net financial results

Net financial results essentially comprise interest from loans obtained, net of interest from financial investments. Financial costs and income are recognised in income on an accrual basis over the period to which they relate.

Loans costs that are directly attributable to the acquisition, construction or production of a qualifying asset (that is, an asset that necessarily takes a substantial period of time to be ready for its intended use or sale, such as for example, inventories that require a substantial period of time to be in a saleable condition, industrial facilities, power plants and investment properties) are capitalised as part of that asset cost, if recoverable. On the 31st of December 2023 and 2022, there are no capitalised loans.

Dividends

These revenues are recognised when the shareholder's right to receive is established.

Works for the company

Internal costs (e.g. labour, materials, and transportation) incurred in the production of tangible fixed assets and inventories are capitalised only when the following conditions are met: (i) assets are reliably identifiable and measurable; and (ii) there is a strong possibility that they will generate future economic benefits. No margins generated internally in this capitalisation process are recognised.

2.3.14 Accrual basis

Income and costs are recorded in accordance with the accrual basis principle, whereby income and expenses are recognised to the extent they are generated, regardless of when they are received or paid. The differences between the amounts received and paid and the corresponding revenues and expenses generated are recorded in the consolidated balance sheet under "Other current assets" and "Other current liabilities", respectively

2.3.15 Government subsidies or other public entities

Government subsidies are recognised at their fair value when there is reasonable assurance that they will be received and that the Group will meet the conditions required for granting them, regardless of their formal approval by the promoting body. Subsidies and grants received as non-repayable to finance tangible fixed assets are recorded only when there is a reasonable guarantee of receipt under "Other non-current liabilities" and "Other current liabilities", and are recognised in the income statement proportionally to the amortisation of subsidised tangible fixed assets.

Subsidies related to costs incurred are recorded as income to the extent that there is a reasonable guarantee that they will be received, that the Group has already incurred in subsidised costs and that it complies with the conditions required for granting it. This type of subsidies includes government support as a result of the effects of the pandemic, as well as government contributions to cover the significant increase in costs incurred due to gas consumption.

2.3.16 Income before taxes

The current tax is determined based on the accounting results of the companies included in the consolidation to fiscal rules in force at the location of the Group's head offices and considers the tax deferred.

Deferred tax is calculated on the basis of the liability method of the balance sheet, on temporary differences between the book amounts of assets and liabilities and the respective tax base. No deferred tax is calculated on the differences of consolidation, and the difference in the initial recognition of an asset and a liability when it does not affect either the accounting or fiscal result. The tax base of assets and liabilities is determined in order to reflect the tax consequences arising from the way the Group expects, on the consolidated financial statements' date, to recover or settle the carrying amount of its assets and liabilities, based on fiscal decisions substantially implemented at the balance sheet date.

Since 2014, and with the exception of the subsidiary *Faiança Artísticas Bordalo Pinheiro, SA*, which continues to be taxed under the Corporate Income Tax in the respective individual context, the remaining subsidiary companies of Grupo Vista Alegre based in Portugal are part of Grupo Visabeira, under the Special Taxation Regime for Groups of Companies ("RETGS").

The tax amount to be included in both current and deferred tax, resulting from transactions or events recognised in reserves, is recorded directly in these same headings, without affecting the result for the year.

Deferred tax assets are recognised whenever there is reasonable assurance that future profits are generated against which the assets may be used. Deferred tax assets are reviewed annually and reduced whenever they are no longer likely to be used.

Deferred taxes are determined by the tax rates (and laws) decreed or substantially decreed at the statement of financial position date and are expected to be applicable in the accrual basis of deferred tax assets or settlement of deferred tax liabilities.

2.3.17 Subsequent events

Events occurred after the statement of financial position date which provide additional information about conditions that existed on the statement of financial position date ("adjusting events") are reflected in the consolidated financial statements. Events occurred after the statement of financial position date that provide information about conditions which occur after the consolidated statement of financial position date ("non-adjusting events"), if materials, are disclosed in the Annex to the consolidated financial statements.

2.3.18 Segments reporting

A business segment is a group of assets and operations that are subject to risks and returns that are different from those of other business segments. A geographical segment is involved in providing products or services in a particular economic environment that is subject to risks and benefits other

than those segments operating in other economic environments. The Group presents the operational segments based on the Management information produced internally.

Information regarding the financial information at the level of the identified business segments is included in Note 6.

3. Significant accounting estimates and judgements

When preparing the consolidated financial statements, the Group's Board of Directors is based on the experience of past and/or current events, considering certain assumptions related to future events.

The most significant accounting estimates reflected in the consolidated financial statements of the year ended on the 31st of December 2023 include:

- Analysis of impairment and realisation of Goodwill and tangible and intangible fixed assets;
- Record of impairment on inventories and accounts receivable;
- Recognition of provisions;
- Realisation of deferred tax assets;
- Calculation of responsibilities associated with defined benefit plans.
- Fair value of tangible fixed assets (land and buildings and other construction and "Espólio Vista Alegre") and investment properties;
- Determine the term of leases in contracts that contain options for termination and renewal;
- Determine the incremental interest rate, in leases.

Estimates were determined based on the best information available at the date of preparation of the consolidated financial statements and based on the best knowledge and experience of past and/or current events. However, situations may occur in subsequent periods, which, not being foreseeable at the time, were not considered in these estimates.

Changes in these estimates, which occur after the date of the consolidated financial statements, will be adjusted in the income statement prospectively, as required by IAS 8. For this reason and given the degree of uncertainty associated, the actual results of the transactions in question may differ from the corresponding estimates.

The main estimates and assumptions regarding future events included in the preparation of the consolidated financial statements are described in the annexed notes.

4. Changes in the accounting policies

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

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

1- Standards, interpretations, amendments and revisions with effect in the exercise

Until the date of the approval of these consolidated financial statements, were adopted (“endorsed”) by the European Union the following accounting standards, interpretations, amendments and revisions, with mandatory application to the exercise started on the 1st of January 2023:

Standard / Interpretation	Applicable in the European Union in the exercises started on or after	
IFRS 17 - Insurance Contracts (including amendments to IFRS 17)	1-Jan-23	This standard establishes, for insurance contracts within its scope of application, the principles for its recognition, measurement, presentation and disclosure. This standard substitutes the standard IFRS 4 – Insurance Contracts.
Amendment to IAS 8 – Accounting policies, changes in accounting estimates and errors – Definition of accounting estimates	1-Jan-23	This amendment published by the IASB defines an accounting estimate as a monetary amount in the financial statements that is subject to measurement uncertainty.
Amendment to IAS 1 - Presentation of financial statements and IFRS Practice Statement 2 - Disclosure of accounting policies	1-Jan-23	This amendment published by the IASB in February 2021 clarifies that material accounting policies should be disclosed, rather than significant accounting policies, and has introduced examples to identify material accounting policies.
Amendment to IAS 12 Income taxes - Deferred taxes relating to assets and liabilities arising from a single transaction	1-Jan-23	This amendment published by the IASB in May 2021 clarifies that the exemption from initial recognition of deferred taxes does not apply to transactions that produce equal amounts of taxable and deductible temporary differences.

Amendment to IFRS 17 - Insurance contracts - initial application of IFRS 17 and IFRS 9 - comparative information	1-Jan-23	This amendment published by the IASB in December 2021 introduces changes to comparative information to be presented when an entity adopts both IFRS 17 and IFRS 9 simultaneously.
Amendment to IAS 12 - Income taxes - International Tax Reform (Pillar Two)	1-Jan-23	This amendment published by the IASB in May 2023 includes a temporary exemption from the requirement to recognise deferred taxes and disclose information on taxes arising from the Pillar Two model of the international tax reform, and it must be disclosed that this exemption has been used.

There were no significant effects on the Group's consolidated financial statements for the year ending on the 31st of December 2023, owing to the adoption of the standards, interpretations, amendments and revisions mentioned above.

2- Standards, interpretations, amendments and revisions with effect in future exercises

These accounting standards and interpretations whose application is mandatory only in future periods, were, until the approval date of these financial statements, approved ("endorsed") by the European Union:

Standard / Interpretation	Applicable in the European Union in the exercises started on or after	
Amendment to IAS 1 Presentation of financial statements - Classification of liabilities as current and non-current; Deferral of application date; Non-current liabilities with covenants	1-Jan-24	These amendments published by the IASB clarifies the classification of liabilities as current and non-current by analysing the contractual conditions existing on the reporting date. The amendment relating to non-current liabilities with covenants clarified that only the conditions that must be complied with before or on the reference date of the financial statements are relevant for the purposes of classification as current/non-current. Further postponing the date of application to the 1 st of January 2024.
Amendment to IFRS 16 - Leases - Lease liability in a	1-Jan-24	This amendment published by the IASB in September 2022 clarifies how a lessee

sale and leaseback
transaction

seller accounts for a sale and leaseback
transaction meeting the criteria of IFRS 15
to be classified as a sale.

Although these amendments were approved (“*endorsed*”) by the European Union, were not adopted by the Company in 2023, due to its application is not mandatory. The future adoption of these amendments is not expected to have significant impacts on consolidated financial statements.

3- Standards, interpretations, amendments and revisions so far not endorsed by the European Union

The following accounting standards and interpretations have been issued by the IASB and are not yet approved (“*endorsed*”) by the European Union:

Standard / Interpretation	Applicable to financial years beginning on or after	
Amendment to IAS 7 - Cash Flow Statements - and IFRS 7 - Financial Instruments: Disclosures - Supplier Finance Arrangements	1-Jan-24	These amendments published by the IASB in May 2023 include additional disclosure requirements for qualitative and quantitative information on supplier financing arrangements.
Amendment to IAS 21 - The Effects of Changes in Foreign Exchange Rates - Lack of exchangeability	1-Jan-25	This amendment published by the IASB in August 2023 defines the approach to assessing whether or not a currency can be exchanged for another currency. If the currency cannot be exchanged for another, it indicates how the exchange rate to be applied is determined and the additional disclosures required.

These standards so far not adopted (“*endorsed*”) by the European Union, but so far not applied by the Grupo for the period ended on the 31st of December 2023.

Regarding these standards and interpretations issued by IASB but so far not approved (“*endorsed*”) by the European Union, the future adoption of these amendments is not expected to have significant impacts on consolidated financial statements.

5. Companies of the Group included in the consolidation

On the 31st of December 2023 and 2022, the subsidiary companies of Grupo Vista Alegre that were included in the consolidated financial statements, their respective head offices and percentage of shares held, may be summarised as follows:

Companies	Head office	Participation percentage	
		31-12-2023	31-12-2022
Vista Alegre Atlantis, SGPS, SA	Ílhavo	Parent Company	Parent company
Bordalgest, SA	Lisbon	-	100.00%
Cerexport - Cerâmica de exportação, SA	Ílhavo	100.00%	100.00%
Cerutil - Cerâmicas Utilitárias, SA	Sátão	100.00%	100.00%
Faianças Artísticas Bordalo Pinheiro, SA	Caldas da Rainha	86.14%	86.14%
Faianças da Capôa - Indústria Cerâmica, SA	Ílhavo	100.00%	100.00%
Mexicova, SA	Mexico City	100.00%	100.00%
Ria Stone Fábrica de Louça de Mesa em Grés, SA	Ílhavo	100.00%	100.00%
Ria Stone II, SA	Ílhavo	100.00%	100.00%
Shree Sharda Vista Alegre Private Limited	Delhi	50.00%	50.00%
VA - Vista Alegre España, SA	Madrid	100.00%	100.00%
VAA Brasil – Comércio, Importação e Exportação, SA	S. Paulo	98.03%	98.03%
VAA I.L. – Sociedade Imobiliária, SA	Ílhavo	100.00%	100.00%
Vista Alegre Atlantis Moçambique, Lda	Maputo	99.00%	99.00%
Vista Alegre Atlantis, SA	Ílhavo	100.00%	100.00%
Vista Alegre France, SAS	Paris	100.00%	100.00%
Vista Alegre USA Corporation	New York	100.00%	100.00%

It is important to note that Bordalgest, a company incorporated under Portuguese law based in Lisbon, was dissolved in November 2023. This dissolution had no effect on the consolidated financial statements on the 31st of December 2023.

6. Segment reporting

Segment information is presented in relation to the Group's geographic and business segments and is based on the different types of materials that are produced in industrial plants on different locations. The results, assets and liabilities of each segment correspond to those that are directly attributable to them, as well as those that can reasonably be attributed to them. Moreover, common assets ("corporate assets") are allocated to each operating segment based on their weight in the overall activity of Grupo Vista Alegre.

In each year, all the business segments applicable to the Group are identified. They are defined in accordance with the Group's functional organisation chart and the way in which management information is organised.

On the 31st of December 2023 and 2022, the Group was organised into four main business segments: (1) Porcelain and related products, (2) Stoneware, (3) Crystal and handmade glass and (4) Earthenware.

In accordance with IFRS 8, segments may be combined into a single segment if they have similar economic characteristics and the segments are similar in each of the following aspects:

- I. the nature of the products and services;
- II. the nature of production processes;
- III. the type or class of customer for your products and services; and
- IV. the methods used to distribute your products or provide your services.

6.1- Information by segments

The breakdown of turnover by business segment on the 31st of December 2023 and 2022 is as follows:

	Porcelain and related products	Earthenware	Stoneware	Crystal and handmade glass	Total
December 2023					
Gross sales by segment	47,047	17,079	49,735	15,738	129,599
Sales %	36%	13%	38%	12%	100%
	Porcelain and related products	Earthenware	Stoneware	Crystal and handmade glass	Total
December 2022					
Gross sales by segment	49,835	15,855	62,349	15,287	143,326
Sales %	35%	11%	44%	11%	100%

The results by business segment on the 31st of December 2023 and 2022 are as follows:

	31/12/2023					
	Porcelain and related products	Earthenware	Stoneware	Crystal and handmade glass	Others not imputed	Total
Operating profit	4,597	3,613	5,416	307	0	13,933
Net financial costs	-3,105	-633	-585	-535	0	-4,858
Profit before taxes	1,492	2,980	4,831	-229	0	9,075
Income tax					-2,234	-2,234
Net income for the financial year	1,492	2,980	4,831	-229	-2,234	6,841
Non-controlling interests	0	0	0	0	306	306
Net income for the financial year to shareholders	1,492	2,980	4,831	-229	-2,540	6,535

	31/12/2022					
	Porcelain and related products	Earthenware	Stoneware	Crystal and handmade glass	Others not imputed	Total
Operating profit	1,673	1,962	7,963	36	-300	11,334
Net financial costs	-3,294	-493	-615	-448	0	-4,850
Profit before taxes	-1,621	1,469	7,348	-412	-300	6,484
Income tax					-889	-889
Net income for the financial year	-1,621	1,469	7,348	-412	-1,189	5,595
Non-controlling interests	0	0	0	0	261	261
Net income for the financial year to shareholders	-1,621	1,469	7,348	-412	-1,450	5,334

Other elements by business segment (non-cash expenses) on the 31st of December 2023 and 2022 are as follows:

	31/12/2023					
	Porcelain and related products	Earthenware	Stoneware	Crystal and handmade glass	Others not imputed	Total
Amortisation and Depreciation	4,765	1,557	5,647	2,051	0	14,020
Impairment and impairment of depreciable ass	311	3	38	64	0	417
Provisions (increases/decreases)	0	0	0	0	-118	-118
Total	5,077	1,560	5,685	2,114	-118	14,318

	31/12/2022					
	Porcelain and related products	Earthenware	Stoneware	Crystal and handmade glass	Others not imputed	Total
Amortization and Depreciation	4,762	1,480	5,399	2,086	0	13,727
Impairment and impairment of depreciable ass	-240	-8	-19	-25	300	9
Provisions (increases/decreases)	0	0	0	0	2,458	2,458
Total	4,522	1,472	5,380	2,061	2,758	16,193

The assets and liabilities by segment on the 31st of December 2023 and 2022 are as follows:

	31/12/2023					
	Porcelain and related products	Earthenware	Stoneware	Crystal and handmade glass	Others not imputed	Total
Tangible fixed assets	40,463	13,729	58,769	16,737	5,845	135,543
Investment properties	0	0	0	0	938	938
Intangible assets and Goodwill	2,712	46	3,123	19	0	5,901
Financial investments	0	0	0	0	1,097	1,097
Deferred taxes	0	0	0	0	4,874	4,874
Assets by rights of use	5,155	1,205	136	901	0	7,397
Non-current assets	48,330	14,981	62,028	17,657	12,753	155,749
Current assets	33,156	4,356	16,900	16,178	16,804	87,394
Total Assets	81,487	19,336	78,928	33,834	29,557	243,142
Loans obtained	0	0	0	0	16,035	16,035
Subsidies	3,196	1,388	7,190	3,219	0	14,994
Lease liabilities	3,393	916	87	656	0	5,052
Provisions	90	0	0	0	0	90
Provisions for pensions	0	0	0	0	2,407	2,407
Deferred taxes	0	0	0	0	8,874	8,874
Non-current liabilities	9,086	2,304	7,276	3,876	24,909	47,451
Loans obtained	0	0	0	0	65,148	65,148
Lease liabilities	1,601	432	41	310	0	2,383
Asset suppliers	1,304	126	1,320	446	0	3,197
Other current liabilities	2,905	558	1,361	756	65,148	70,728
Operating liabilities	14,369	4,997	17,913	4,960	0	42,239
Total liabilities	26,342	7,873	26,554	9,592	90,057	160,418

31/12/2022

	Porcelain and related products	Earthenware	Stoneware	Crystal and handmade glass	Others not imputed	Total
Tangible fixed assets	40,048	14,400	51,390	17,728	5,845	129,410
Investment properties	0	0	0	0	938	938
Intangible assets and Goodwill	3,288	41	3,272	94	0	6,695
Financial investments	0	0	0	0	1,183	1,183
Deferred taxes	0	0	0	0	4,984	4,984
Assets by rights of use	4,916	1,164	173	1,004	0	7,257
Non-current assets	48,252	15,605	54,835	18,826	12,949	150,467
Current assets	30,256	3,021	13,776	13,113	27,746	87,913
Total Assets	78,508	18,626	68,611	31,939	40,696	238,380
Loans obtained	0	0	0	0	73,767	73,767
Subsidies	2,018	1,465	5,181	2,272	0	10,936
Lease liabilities	2,902	748	128	700	0	4,477
Provisions	0	0	0	0	208	208
Provisions for pensions	0	0	0	0	2,458	2,458
Deferred taxes	0	0	0	0	8,903	8,903
Non-current liabilities	7,856	2,213	5,308	2,972	82,669	100,748
Loans obtained	0	0	0	0	16,134	16,134
Lease liabilities	1,767	455	78	426	0	2,726
Asset suppliers	947	61	1,260	282	0	2,551
Other current liabilities	2,714	517	1,338	708	16,134	21,411
Operating liabilities	13,471	3,618	19,646	3,907	0	40,642
Total liabilities	23,771	6,347	26,292	7,587	98,803	162,801

Segment assets mainly include tangible fixed assets, intangible assets, inventories, accounts receivable and cash and cash equivalents. It should be noted that in terms of the stoneware segment, a significant part of the activity volume (around 30% of the consolidated turnover) and allocated assets (tangible fixed assets of Ria Stone subsidiary factory, inventories and accounts receivable) correspond to one particular customer, IKEA, as a result of the strong partnership, based on competitiveness, customer service and the ability to develop new products. VAA has managed to hold onto the loyalty of this client, keeping up its production capacity, with good results in terms of sales and results.

As its subsidiary, Ria Stone is a “Prioritised Supplier” for IKEA, which has been extending its distribution to other destinations, namely the UK, the Netherlands and the USA, allowing the Ria Stone factory to continue producing at full capacity. It should be noted that the current contract between Ria Stone and IKEA ends in December 2026. Although the extension of this contract has not yet been formalised as of the date of this report, VAA’s Board of Directors is very confident that it will be renewed for another 7 years, due to (i) an existing and recurring track record of renewals, (ii) a long-standing relationship of partnership and trust, based on the continuous improvement of operational efficiency, (iii) excellent customer service (with delivery times of 5-7 days, with around 70% direct deliveries to IKEA stores), and (iv) a capacity for innovation and the development of new products.

Segment liabilities correspond to operating liabilities and exclude provisions and deferred taxes that are not directly allocated to the business segments.

6.2- Information by geographical area

The four segments of the Group's industrial-based business component operate in three major geographic areas, despite being managed on a global scale. The breakdown of turnover by geographic segment on the 31st of December 2023 and 2022 is as follows:

January to December 2023

Geographical area	Porcelain and related products	Earthenware	Stoneware	Crystal and handmade glass	Overall Total
Portugal	25,163	7,636	1,894	5,212	39,904
The Netherlands	130	643	5,648	4	6,426
France	1,361	831	7,485	6,114	15,791
Spain	6,000	668	6,879	686	14,232
Germany	156	177	9,968	39	10,339
Italy	1,197	491	6,810	27	8,527
USA	2,697	1,711	899	804	6,110
Brazil	3,587	272	1,324	196	5,380
The United Kingdom	353	742	2,844	813	4,752
Belgium	16	278	2,608	0	2,902
Rest of Europe	2,202	1,586	2,456	748	6,992
Other countries	4,185	2,043	920	1,095	8,243
Overall Total	47,047	17,079	49,735	15,738	129,599

January to December 2022

Geographical area	Porcelain and related products	Earthenware	Stoneware	Crystal and handmade	Overall Total
Portugal	24,486	7,270	3,205	5,157	40,119
Spain	175	776	17,857	27	18,835
France	970	653	7,293	5,700	14,617
Germany	5,984	629	6,506	1,002	14,122
Italy	150	119	10,366	15	10,649
The Netherlands	1,380	330	5,792	24	7,525
Australia	2,921	1,470	994	891	6,276
USA	3,757	380	496	152	4,786
The United Kingdom	320	959	2,635	563	4,477
Brazil	3,459	62	56	6	3,583
Rest of Europe	2,306	1,918	5,786	645	10,655
Other countries	3,926	1,288	1,364	1,105	7,683
Overall Total	49,835	15,855	62,349	15,287	143,326

Total assets by geographical area

	31-12-2023	31-12-2022
Portugal	230,471	225,912
Rest of Europe	4,374	4,849
Other countries	8,298	7,619
	243,142	238,380

Total liabilities by geographical area:

	31-12-2023	31-12-2022
Portugal	149,664	160,233
Rest of Europe	3,424	460
Other countries	7,331	2,108
	160,418	162,801

Total investments by geographical area:

	31-12-2023	31-12-2022
Portugal	15,791	7,835
Rest of Europe	77	38
Other countries	64	125
	15,931	7,999

7. Financial instruments by class

The financial instruments 31st of December 2023 and 2022 were classified as follows:

	Notes	Amount to the Consolidated Financial Position	
		31-12-2023	31-12-2022
Financial assets			
Financial investments	13	1,097	1,183
Loans and accounts receivable			
Accounts receivable and others	17	17,719	15,941
Financial assets recorded at amortised cost			
Cash and cash equivalents		16,804	27,746
Total		35,620	44,871
Financial liabilities			
Loans obtained			
Interest-bearing bank loans at variable interest rates	20	22,958	26,609
Interest-bearing bank loans at fixed interest rates	20	47,261	48,235
Unpaid loans (subsidies)	20	4,538	8,036
Operating loans	20	6,426	7,021
Lease liability	14	7,435	7,203
Accounts payable			
Suppliers	21	23,124	25,195
Accrued expenses	21	11,631	11,992
Other creditors	21	866	668
Investors	21	3,197	2,551
Advances from clients	21	530	400
Total		127,966	137,909

Financial assets include a share in the venture capital company “Capital Criativo, SCR” and in the “Lince Capital” which are measured at its fair value, in the total amount of 450 thousand euros, 500 thousand euros in 2023 (Note 13). The remaining financial investments were measured at acquisition cost as they are investments in non-listed companies, whose fair value cannot be measured reliably. The Board of Directors believes that the amount by which these assets are reflected is lower than the respective realisation value.

Cash and cash equivalents on the 31st of December 2023 and 2022 and the respective reconciliation with Cash and cash equivalents of cash flows is as follows:

	31-12-2023	31-12-2022
Demand deposits	7,798	11,743
Term deposits	9,001	16,000
Cash	6	3
Cash and cash equivalents in cash flow statement	16,804	27,746

For the purposes of the consolidated cash flow statement, cash and cash equivalents include cash and immediately withdrawable bank deposits (with a maturity of three months or less).

On the 31st of December 2023, time deposits were made free of charge.

On the 31st of December 2023 and 2022, the Group's liquidity position is detailed as follows:

	Balance Sheet Amount	
	Financing obtained and lease liabilities	Loans from related parties
Balance on the 1st of January 2022	105,095	0
Cash Flow:		
Receivables from obtained loans	7,535	26,880
Payments from obtained loans	-12,324	-26,880
Payments related to amortising lease agreements (Note 14)	-2,908	0
Receivables from subsidies	289	0
Other areas without financial flow		
Conversion of incentives (Note 20 and 24)	-3,752	0
Recognition of a amortised cost and fair value (Note 29)	1,241	0
Increases in lease agreements (Note 14)	1,613	0
Financial cost of lease agreements (Note 29)	315	0
Balance on the 31st of December 2022	97,104	0
Cash Flow:		
Receivables from obtained loans	3,060	22,935
Payments from obtained loans	-7,328	-22,935
Payments relating to reimbursable subsidies	-3,440	0
Payments related to amortising lease agreements (Note 14)	-3,088	0
Receivables from reimbursable grants	267	0
Other areas without financial flow		
Conversion of investment incentives (Note 24)	-726	0
Conversion of exploration incentives (Note 28)	-1,260	0
Recognition of a amortised cost and fair value (Note 29)	709	0
Increases in lease agreements (Note 14)	2,918	0
Financial cost of lease agreements (Note 29)	402	0
Balance on the 31st of December 2023	88,618	0

During the 2023 financial year (as well as during 2022), Grupo Vista Alegre granted short-term loans to the related party and shareholder Visabeira Indústria, SGPS, S.A. totalling 22.9 million euros (26.9 million euros in 2022), and on the 31st of December 2023 and 2022 these loans were fully repaid by that related party. Additionally, these loans bear interest at market rates, in the amount of approximately 568 thousand euros (547 thousand euros on the 31st of December 2022) (Note 29). These loans granted are classified in the consolidated statement of cash flows as investing activities.

In January 2024 a new short-term loan of 6.3 million euros was granted to the shareholder Visabeira Indústria, SGPS, S.A., remunerated as part of an addendum to the treasury contract signed between that shareholder and Vista Alegre Atlantis, SGPS, S.A., with a new remuneration rate indexed to the 3-month Euribor plus a spread of 2% per year.

8. Fixed tangible assets

During the financial years ended on the 31st of December 2023 and 2022, the movement in the net value of tangible fixed assets was as follows:

	Lands and buildings	Transp. equip. and Basic Equipment	Office Equipment	Other fixed assets Tools Utensils	Assets in progress	Espólio Cultural	Total
Financial year 2023							
Initial net amount	66,933	51,665	288	1,233	3,447	5,845	129,410
Increases	3,481	8,402	50	79	3,582	0	15,594
Sales and write-offs (net amount)	-3	-748	-3	-20	0	0	-773
Impairments (Note 11)	0	53	0	0	0	0	53
Revaluations	1,094	0	0	0	0	0	1,094
Transfers	1,173	2,430	1	0	-3,656	0	-52
Depreciation of the financial year	-2,510	-6,967	-95	-211	0	0	-9,784
Exchange rate effect	6	0	-1	-3	0	0	2
Final net amount December 2023	70,174	54,835	240	1,077	3,372	5,845	135,543
	Lands and buildings	Transp. equip. and Basic Equipment	Office Equipment	Other fixed assets Tools Utens.	Assets in progress	Espólio Cultural	Total
Financial year 2022							
Initial net amount	67,377	54,299	90	1,270	1,153	5,845	130,034
Increases	374	2,430	284	219	3,820	0	7,128
Sales and write-offs (net amount)	0	-117	0	-1	0	0	-118
Impairments (Note 11)	0	56	0	1	0	0	57
Revaluations	1,824	0	0	0	0	0	1,824
Transfers	-29	1,543	4	5	-1,523	0	0
Depreciation of the financial year	-2,686	-6,550	-91	-257	-13	0	-9,599
Exchange rate effect	73	3	2	-4	11	0	85
Final net amount December 2022	66,933	51,665	288	1,233	3,447	5,845	129,410

Increases in tangible fixed assets on the 31st of December 2023 are mainly related to the acquisition of new equipment and improvements at the Cerexport factory (approximately 9.3 million euros), which mainly works for the stoneware segment. This investment will allow for more flexibility and improved productivity levels at the plant, increasing its production capacity through process innovation by redesigning the layout of the entire production flow. Moreover, during the financial year ending on the 31st of December 2023, costs (“Works for the company itself”) related to tangible assets totalling 368,000 euros, were capitalised in terms of the development of this investment, in order to meet the growing demand for this type of products.

The increases in tangible fixed assets that were classified “in progress” on the 31st of December 2023 and 2022, are essentially related to investment projects in the development and implementation phase. The completion of these investments is foreseen for the end of the financial year 2024.

On the 31st of December 2023, there were accumulated impairments recorded in the amount of 739 thousand euros (Note 11), of which 298 thousand euros regard production equipment (old kiln at the Alcobaça factory)

The “Espólio Cultural” corresponds to the Vista Alegre collection pieces, which make up a collection that has been formed by direct transfers from the factory, acquisitions or donations, comprising an

extended chronological period, from the 17th to the 21st century. Moreover, during the fiscal year ended on 31st of December 2017, aiming at analysing the realisation value of the Vista Alegre's "Espólio Cultural", a specialised external entity (Cabral Moncada Auctions) carried out an assessment of a significant number of pieces, of which resulted an impairment loss of 214 thousand euros (Note 11). The criterion used by the assessor corresponds to the value that the owner will have to spend in order to acquire an asset equal or similar in the Art Market.

The Vista Alegre collection pieces mentioned above are not subject to depreciation, since it is understood that the respective residual value is equal to or higher than the net book value. At the end of the financial year 2023 and 2022, the external independent appraiser (Cabral Moncada Leilões) was asked to carry out an updated analysis on the recovery/realisation value of a set of pieces, with no need to record additional impairments as a result of such analysis.

-Methods to evaluate revalued property, plant and equipment

Tangible fixed assets corresponding to land and buildings, which essentially comprise factories, warehouses, retail stores and offices, are recorded according to the revaluation model, corresponding to their carrying amount on the reporting date at their fair value, on the date of the last revaluation less accumulated depreciation and impairment losses.

According to the revaluation model, the increases on the assets carrying amount as a result of the land and buildings reassessment are credited under a specific item in equity. The decreases which compensate for prior increases regarding the same asset are reported under the same item as the increases; the remaining decreases are recognised as expenses regarding the period (equivalent to an impairment). Annually, the difference between depreciation based on the carrying amount reassessed, regarding the period expenses and the depreciation based on the assets' original cost, is transferred from the fair value reserve to the retained earnings.

For tangible fixed assets relating to land and buildings held by the Group, their fair value was calculated taking into consideration the methodology applied to each asset:

- Market comparison method:
 - Geographic Location of real estate assets;
 - Marketing value per m².
- Income method:
 - Rent value per m²;
 - Capitalisation rate / discount.
- Depreciated replacement cost method:
 - Construction unit cost;
 - Percentage of project execution;
 - Percentage of depreciation / Current status.

The assessment of land and buildings included in Tangible Fixed Assets was carried out essentially by independent appraisers according to one of the following methods, applied according to the specific situation of each property:

Market method: The market comparison criterion refers to the transaction value of similar properties which are comparable to the property under study, obtained through market prospecting in the area where it is located.

Income method: The aim of this method is to estimate the value of the property from the capitalisation of its net income, updated to the present moment, using the discounted cash flow method.

Depreciated replacement cost method: This method considers that the property's value arises from the sum of all the costs incurred during the project, from the purchase of land to its trading, with the replacement cost being estimated once again at the valuation date.

Real Estate	Evaluation year	Expert	Evaluation method
Factory (VAA, SA)	2023	"Engineering Valuation & Investment Advisory".	Income method
Atlantis Factory	2023	"Engineering Valuation & Investment Advisory".	Income method
Ria Stone Factory	2023	"Engineering Valuation & Investment Advisory".	Average between the income method and the depreciated replacement cost method
Cerexport Factory	2023	"Engineering Valuation & Investment Advisory".	Average between the income method and the depreciated replacement cost method
Braga Store	2021	"Engineering Valuation & Investment Advisory".	Income method
Store of Massarelos/Edif Galiza	2021	"Engineering Valuation & Investment Advisory".	Income method
Câpoa Factory	2022	"Figueira Center Imobiliari"	Depreciated replacement cost method
Quinta Nova Factory	2022	"Figueira Center Imobiliari"	Depreciated replacement cost method
Fábrica Cerutil	2022	"Figueira Center Imobiliari"	Depreciated replacement cost method
Fábrica Bordalo Pinheiro	2022	"Figueira Center Imobiliari"	Depreciated replacement cost method

The assessments carried out on the aforementioned properties were carried out with reference to the 31st of December 2023 and 2022 by an independent and specialised experts, who are accredited by the Securities Market Commission (CMVM): (i) valuations with effect from the 31st of December 2023 onwards carried out by "Engineering Valuation & Investment Advisory, Unipessoal, Lda."; and (ii) assessments with effect on the 31st of December 2022 carried out by "Figueira Center Imobiliaria – Sociedade de Mediação Imobiliária, Lda.".

Although the above mentioned assessments were carried out on the basis of market data and transactions (essentially disclosed by real estate agencies), their low liquidity and the characteristics and specificities of each property do not allow the market to be classified as an asset. Thus, the calculation of the fair value of the Grupo's tangible fixed assets falls within Level 3 of IFRS 13, which is to say, it involves valuation techniques that use inputs not based on observable market data.

The market prices per m² of the most relevant assets that were based on the valuations carried out in 2023 and 2022 are as follows:

		31-12-2023				
Real Estate	Location	Fair value (in m€)	Market price per m2 of Building	Market price per m2 of Land	Depreciation Factor	Yield
<u>Tangible fixed assets</u>						
Factory (VAA, SA)	Ílhavo	22,199	n.a	n.a	n.a	8.00%
Atlantis Factory	Cós Alcobaça	4,750	n.a	n.a	n.a	9.50%
Câpoa Factory	Aradas - Aveiro	3,422	[400 a 600]	42	74.6%	7.50%
Cerexport Factory	Tabueira - Esgueira	8,549	[300 a 525]	50	1.0%	8.00%
Braga Store	Pct. Stª Bárbara - Braga	128	n.a	n.a	n.a	6.00%
Store of Massarelos/Edif Galiza	R.Piedade - Massarelos	314	n.a	n.a	n.a	6.50%
Ria Stone Factory	Ílhavo	12,308	[300 a 500]	17.5	5.0%	7.75%
Quinta Nova Factory	Ílhavo	4,703	[400 a 600]	24	81.3%	8.75%
Fábrica Cerutil	Sátão	4,403	[500 a 600]	18	63.8%	8.00%
Fábrica Bordalo Pinheiro	Caldas da Rainha	5,694	[550 a 750]	28	[6.73% a 49.3%]	7.50%
Total		66,471				

		31-12-2022				
Real Estate	Location	Fair value (in m€)	Market price per m2 of Building	Market price per m2 of Land	Depreciation Factor	Yield
<u>Tangible fixed assets</u>						
Factory (VAA, SA)	Ílhavo	21,750	n.a	n.a	n.a	8.00%
Atlantis Factory	Cós Alcobaça	4,930	[200 a 525]	14	71.4%	9.50%
Câpoa Factory	Aradas - Aveiro	3,422	[400 a 600]	42	74.6%	7.50%
Cerexport Factory	Tabueira - Esgueira	6,302	[400 a 600]	47	45.8%	8.00%
Braga Store	Pct. Stª Bárbara - Braga	128	n.a	n.a	n.a	6.00%
Store of Massarelos/Edif Galiza	R.Piedade - Massarelos	314	n.a	n.a	n.a	6.50%
Ria Stone Factory	Ílhavo	12,148	n.a	n.a	n.a	7.75%
Quinta Nova Factory	Ílhavo	4,703	[400 a 600]	24	81.3%	8.75%
Fábrica Cerutil	Sátão	4,403	[500 a 600]	18	63.8%	8.00%
Fábrica Bordalo Pinheiro	Caldas da Rainha	5,694	[550 a 750]	28	[6.73% a 49.3%]	7.50%
Total		63,794				

It should be noted that during 2023, assessments were carried out at Ílhavo Factory, Atlantis Factory in Alcobaça, Cerexport Factory and Ria Stone Factory real estate.

The Group's Board of Directors believes that the fair value of the real estate assets described above that were valued on the 31st of December 2022 and 2021 did not undergo significant changes in their fair value during 2023.

9. Goodwill

On the 31st of December 2023 and 2022, the detail of goodwill (resulting from business combinations carried out in previous years) is as follows:

GOODWILL	Porcelain	Stoneware	Total
Gross amount (31 st of December 2022 = 31 st of December 2023)	2,018	4,303	6,321
Accumulated impairments (31 st of December 2022 = 31 st of December 2023)	0	-1,610	-1,610
Net Amount	2,018	2,693	4,711

Impairment tests

In accordance with Notes 2.3.1 and 2.3.2, the Group annually carries out impairment tests on goodwill (Porcelain and Stoneware segments), as well as in relation to non-current assets allocated to each of the operating segments for which it identifies impairment indicators (Crystal segment and Handmade Glass). Whenever the registered amount of the asset is greater than its recoverable amount, an impairment loss is recognised. The recoverable amount is the highest of the net selling price and the value in use.

For the purposes of assessing if there are indicators of impairment, the following topics were considered by the Group:

- Physical / technical obsolescence of assets;
- Low or negative ³ EBITDA value;
- Changes in average financing interest rates and risk-free interest rate;
- Generation of negative cash-flows.

The impairment analysis of goodwill and non-current assets allocated to each of the business segments (Note 6) are carried out using the “*Discounted Cash Flows*”, method, based on the five-year financial projections of cash flows for each generating unit of cash and considering continuity from the fifth year onward.

Financial projections are prepared based on assumptions as to the evolution of the activity (budgets approved by management) of the cash-generating units, which the Board of Directors considers to be consistent with the history and market trends, being reasonable, prudent and reflecting its vision. In addition, whenever possible, market data obtained from external entities were considered, which were compared with historical data and the Group’s experience.

Discount rates used reflect the level of indebtedness and the cost of debt capital for Grupo Vista Alegre (given that it is common to the various segments), as well as the level of risk and profitability expected by the market. In addition, it should be noted that, in determining the discount rates, the interest rate on a risk-free asset is referenced to the German bonds interest rate plus a risk premium for Portugal. The discount rates used also include a market risk premium.

³ EBITDA = Operating income – Amortisation and depreciation - Impairments - Provisions for the financial year - Impairment of assets depreciation

The perpetuity growth rate is estimated based on an analysis of the market potential of each cash-generating unit, based on the expectations of the Board of Directors (usually associated with the long-term inflation rate obtained from commonly used databases).

The aforementioned assumptions were quantified based on historical data, as well as on the expectations of the Group's Board of Directors. However, such assumptions may be affected by phenomena of a political, economic or legal nature that are currently unpredictable (namely those associated with the impacts that will result from the current armed conflict between Ukraine and the Russian Federation, which have caused an unstable situation that has been translated into increases in raw materials and energy resources prices, as well as an increase in inflation and market interest rates, despite the current trajectory of improvement in terms of these factors).

Cash flow projections in each of the cash-generating units have the sales prospects in the various segments and the projections regarding the evolution of production costs as key variables, with emphasis on the costs of raw materials and energy costs, namely the costs incurred from electricity and natural gas.

As a result of the impairment analyses carried out, based on the aforementioned methods and assumptions, the Board of Directors considers that there are no impairment losses to be recognised on the 31st of December 2023.

On the 31st of December 2023, the methods and assumptions used in preparing impairment tests with regards to Goodwill and non-current assets for the Group (and for the respective cash-generating units ("CGU") to which they belong), which showed evidence of impairment, were as follows:

Assumptions impairment tests	Porcelain	Stoneware	Crystal and handmade glass	Earthenware
Method used	Updated cash flow methods			
Basis used	Projection of results for the next 5 years			
Projection years	5 years			
Growth sales in N+1 (2024)	13.9%	6.9%	10.0%	16.7%
CAGR sales 2024-2028	4.2%	4.2%	2.9%	1.7%
EBITDA Margin	18.9%	21.7%	15.2%	29.4%
Perpetuity growth rate	1.96%			
WACC used in perpetuity	7.81%			

For each business areas, based on expectations of future results over a five-year horizon, the method of discounting the respective cash flows (earnings before depreciation, provisions, adjustments, financial results, and income tax) to test whether the recoverable value of each business area is greater than the book value of its assets. Was applied a discount rate of 7.81% (2022: 8.02%).

The growth rate in sales in the Porcelain, Crystal, Glass and Earthenware segments for 2024 takes into account a strong order portfolio and growing demand for private label products with a strong impact on sales in its own retail commerce and in the *Horeca* channel.

For the first year of projection, EBITDA margins show moderate growth compared to those in 2023, particularly due to the variability of the economic, political and social situation worldwide.

The growth rate after 2028 was set at 1.96% (2.03% in 2022).

Sensitivity analysis

Regarding the Porcelain, Stoneware and Earthenware segments, any reasonable change to the main assumptions considered in the projections would not result in the need to record any impairment loss.

Regarding the Crystal and Handmade Glass segment, the impairment test carried out shows that the non-current assets allocated to this segment are marginally above their net book value. Thus, with effect on the 31st of December 2023, the Group developed a sensitivity analysis to determine the variability in the valuation of this segment, taking into account the assumptions presented below (the values presented refer to the *Enterprise value* calculated for the segment):

Variation in the discount rate (WACC): an increase/decrease in the discount rate of between {-1 p.p. and +1 p.p.} in these units, would have the following impacts:

WACC	6.81%	7.31%	7.81%	8.31%	8.81%
Var WACC	-1 p.p.	-0.5 p.p.	Base	0.5 p.p.	1 p.p.
Crystal and Glass	30,372	27,820	25,698	23,903	22,365

- i) **Variation of the perpetuity growth rate:** an increase/decrease in the perpetuity growth rate of between {-1 p.p. and +1 p.p.} in these units, would have the following impacts:

g	0.96%	1.46%	1.96%	2.46%	2.96%
Var g	-1 p.p.	-0.5 p.p.	Base	0.5 p.p.	1 p.p.
Crystal and Glass	24,480	25,041	25,698	26,478	27,419

In view of the information presented in the tables above, the Board of Directors considers that:

- i) As far as the “Handmade Crystal and Glass” unit is concerned, in the financial year ending on the 31st of December 2023, and despite improvement in the financial and operational performance associated with that segment, the uncertainties associated with current economic conditions, introduce an additional degree of variability assumptions that may impact the estimates taken into account. From the sensitivity analysis carried out above, the following impairments would result:
- An increase in the discount rate of 0.5 p.p. would represent an impairment of approximately 1.3 million euros;

- ii. An decrease in the perpetuity rate of 0.5 p.p. would represent an impairment of approximately 167 thousand euros;

10. Intangible Assets

During the financial years ended on the 31st of December 2023 and 2022, the changes occurred in the gross value of intangible assets, as well as in the respective amortisations and accumulated impairment losses, were as follows:

	Change management	Dev. projects	Computer programs	Other intangible assets	Current fixed assets	Total
Financial year 2023						
Initial net amount	66	526	40	1,100	252	1,985
Increases	0	0	164	832	12	1,008
Transfers	0	3	181	52	-184	52
Amortisation of the financial year	0	-125	-82	-1,266	0	-1,474
Impairments	0	0	0	-375	0	-375
Exchange rate effect	0	0	-6	0	0	-6
Final net amount December 2023	66	403	297	343	80	1,190
	Change management	Dev. projects	Computer programs	Other intangible assets	Current fixed assets	Total
Financial year 2022						
Initial net amount	66	689	94	1,580	157	2,587
Increases	0	0	3	773	94	871
Amortisation of the financial year	0	-162	-58	-1,253	0	-1,473
Final net amount December 2022	66	526	40	1,100	252	1,984

Purchases during the year ending on the 31st of December 2023 include an amount of approximately 757 thousand euros relating to carbon dioxide (CO₂) emission licenses at the subsidiary Ria Stone, S.A. (Note 28), within the scope of European Emissions Trading (CELE), and given the current installed capacity of that subsidiary's factory. The amortisation value associated with this asset is 994 thousand euros. At the end of this financial year, the amount of this asset amounted to 222 thousand euros.

It is also important to mention the impairment of 375 thousand euros associated with the work carried out on the "Casa Alegre" website

11. Impairments

During the financial years ended on the 31st of December 2023 and 2022, the movement occurred in the impairments of assets was as follows:

	Investment properties (Note 12)	Tangible fixed assets (Note 8)	Intangible assets (Note 10)	Inventories (Note 16)	Customers and accounts receivable (Note 17)	Total
01st of January 2022	62	850	0	12,448	3,094	16,232
Reinforcement	0	0	0	3,115	187	3,303
Reversals	0	-57	0	-722	-121	-901
Balance on the 31st of December 2022	62	792	0	14,840	3,160	18,634
Reinforcement	0	0	375	0	99	474
Use/other	0	0	0	-2,145	0	0
Reversals	0	-53	0	-296	-5	-354
Balance on the 31st of December 2023	62	739	375	12,399	3,255	18,754

In addition, the net reversals of impairment for inventories presented in the table above with reference to the 31st of December 2023 and 2022 were recorded against the income statement caption “Cost of goods sold and materials consumed” (Note 16).

As mentioned in Note 8, during the financial year ending on the 31st of December 2017, aiming to analyse the realisable value of the pieces from the Vista Alegre Cultural Estate, an evaluation was carried out by a specialised external entity (*Cabral Moncada Leilões*) on a significant set of parties, which resulted in recording an impairment in the amount of 214 thousand euros, an amount which was included in the total amount of 739 thousand euros in the year ending on the 31st of December 2023.

12. Investment properties

On the 31st of December 2023 and 2022, the detail by real estate investment properties of the Group is the following:

	31-12-2023	31-12-2022
Vista Alegre land	938	938
Total investment properties	938	938

On the 31st of December 2023, there were accumulated impairments recorded in Investment properties in the amount of 62 thousand euros (Note 11).

There were no movements during the 2023 financial year.

Vista Alegre land

These relate to land not used in the ordinary course of the Grupo Vista Alegre’s business in its current state or after the valorisation process, intended for sale. These assets are located in Alcobaça.

Determining the fair value of investment property was supported by market evidence.

For all the Group's real estate, evaluations are carried out by independent external appraisers with professional qualifications. Determining the fair value of investment property was supported by market evidence.

The determination of the fair value of the investment properties was supported by market evidence, since, according to the assessor, the reason behind the assessor's mind, when conceiving the structure of his report, together with fairness and independence only reasons with the aspects closely related to the object under analysis; those relating to the technical aspects, namely the specific characteristics of the assets under consideration, their insertion in the existing network and the elements which influence their tendency in the real estate market, represented by demand and supply, proposing balanced and adjusted venal values, which render analyses as close as possible to reality.

On the 31st of December 2023, there are no other significant contractual obligations to purchase, construct or develop investment property or to repair and maintain it.

The details of fair value of the properties that comprise Vista Alegre land, as well as some market indicators that were the basis for their valuation are as follows:

		31-12-2023		31-12-2022	
	Location	Market price/m ²	Fair value (in m€)	Market price/m ²	Fair value (in m€)
<i>Investment properties</i>					
Pine forest	Alcobaça	25.09 €	938	25.09 €	938
Total			938		938

The last valuation of that investment properties was carried out on the 31st of December 2020. However, given the nature of those assets and the inexistence of relevant fluctuations in the respective market, the Board of Directors believes that the failure to update those assessments on the 31st of December 2023 does not have a materially relevant effect on the consolidated financial statements on the 31st of December 2023.

The expenses incurred and the income earned associated with those investment properties are of no relevance.

13. Financial investments

The heading “Financial investments” consists of residual investments in companies or other entities/funds for which the Group has no control or significant influence and have been classified as available-for-sale financial investments.

Financial investments available for sale include shares in venture capital companies “Capital Criativo, SCR” and “Lince Capital”, which are measured at their respective fair value. The remaining financial investments were measured at cost as they are investments made in unlisted companies, whose fair value cannot be measured reliably. The Board of Directors believes that the amount by which these assets are reflected is lower than the respective realisation value.

The detail of non-current assets, on the 31st of December 2023 and 2022, of this heading is as follows:

Financial investments	31-12-2023	31-12-2022
Assets by fair value by income statement		
Capital Criativo - SCR, SA	450	500
Lince Capital - SCR, SA	500	500
Assets at acquisition cost		
Imerys Ceramics Portugal, SA	60	60
VAA-Empreendimentos Turísticos, SA	45	45
Fundação Visabeira - Instit..Solid. Social	0	36
Lusitânia Gás SA	19	19
Other participations	23	23
	1,097	1,183

The investment in the risk capital fund “Lince Capital – SCR, S.A.” in the amount of 500 thousand Euros was made in 2022.

14. Right-of-use assets and lease liabilities

The movement in the financial years ended on the 31st of December 2023 and 2022 under the heading “Right-of-use assets”, as well as in the respective accumulated amortisations and accumulated impairment losses, was as follows:

	2023		
	Buildings and other constructions	Transp. equip. and Basic Equipment	Total
Gross asset			
Opening balance on the 1 st of January 2023	11,447	1,186	12,633
Renewal / new contracts of the exercise	2,785	133	2,918
Contracts concluded and cancelled in the year	-1,819	-22	-1,841
Exchange rate effect	16	0	16
Final balance	12,429	1,297	13,726
Accumulated amortisation and impairment losses			
Initial balance	4,739	637	5,376
Depreciations in the financial year	2,653	109	2,762
Contracts concluded and cancelled in the year	-1,819	-8	-1,827
Exchange rate effect	19	0	19
Final balance	5,592	738	6,329
Net asset amount at 31st of December 2023	6,837	559	7,397

	2022		
	Buildings and other constructions	Transp. equip. and Basic Equipment	Total
Gross asset			
Opening balance on the 1 st of January 2022	12,813	1,012	13,825
Renewal / new contracts of the exercise	1,439	174	1,613
Contracts concluded and cancelled in the year	-2,857	0	-2,857
Exchange rate effect	51	0	51
Final balance	11,447	1,186	12,633
Accumulated amortisation and impairment losses			
Opening balance on the 1 st of January 2022	5,037	548	5,586
Depreciations in the financial year	2,566	89	2,655
Contracts concluded and cancelled in the year	-2,856	0	-2,856
Exchange rate effect	-8	0	-8
Final balance	4,739	637	5,376
Net asset amount at 31st of December 2022	6,707	549	7,257

The above-mentioned rights-of-use assets associated with the heading “Buildings and other constructions” essentially comprise the stores where Grupo Vista Alegre carries out its retail activity through operating lease contracts, both in Portugal and abroad.

The changes occurred in the financial years ended on the 31st December 2023 and 2022 in the amount of lease liabilities, was as follows:

2023	
Liabilities	
Balance on the of January 2023	7,203
Renewal / new contracts of the exercise	2,918
Payments made in the financial year	-3,088
Financial cost of the year	402
Final balance on the 31st of December 2023	7,435

2022	
Liabilities	
Opening balance	8,182
Balance on the of January 2022	1,613
Payments made in the financial year	-2,908
Financial cost of the year	315
Final balance on the 31st of December 2022	7,203

At the date of the consolidated statement of financial position, lease liabilities were due as follows:

On the 31 st of December 2023	Value in debt	Until 12 months	From 12 to 24 months	From 24 to 36 months	≥ 36 months
Lease liabilities	7,435	2,383	1,477	1,085	2,489
Total	7,435	2,383	1,477	1,085	2,489

15. Income Tax

Current tax for the financial years ended on the 31st of December 2023 and 2022 is recorded as an account payable to the entity NCFGEST, S.A., in accordance with the Special Taxation for Groups of Companies in the case of companies directly or indirectly participated in at least at least 75% of the share capital and who are based in Portugal and taxed under the Corporate Income Tax (IRC) included in the scope of NCFGEST, S.A..

For the companies not covered by that regime (mainly the foreign subsidiaries of *Grupo Vista Alegre* and *Faianças Artísticas Bordalo Pinheiro, SA*), the current tax for the financial year is recorded against the liability caption “State and Other Public Entities” (Note 23).

On the 31st of December 2023 and 2022, the detail and changes of deferred tax assets and liabilities, according to the temporary differences that originated them, is as follows:

Temporary differences	Base	Assets	Liabilities	Net effect	P&L Dr/(Cr) Impact	Impact Capital Dr/(Cr)
Balance on the 31st of December 2022						
Revaluation of tangible fixed assets / Fair value investment properties Investment	39,549	0	8,899			
Impairment of depreciable tangible fixed assets	295	66	0			
Retirement benefits - Responsibility in charge of the Group	2,458	553	0			
Adjustments and other provisions not fiscally accepted	14,302	3,218	4			
Reportable tax losses - Spain	1,740	435	0			
Reportable tax losses - India	163	37	0			
Reportable tax losses - Mozambique	40	13	0			
Tax credit	0	662	0			
		4,984	8,903			
Changes of the net information of the financial year						
Revaluation of tangible fixed assets / Fair value investment properties Investment	-110	0	-25	25	246	-222
Impairment of depreciable tangible fixed assets	322	72	0	72	72	0
Reclassification of deferred taxes - other to Assets impairment	497	112	0	112	112	0
Reclassifications of deferred taxes - other to Liabilities borne by the Grupo	401	90	0	90	90	0
Reclassifications of deferred taxes - reclassification of others	-898	-202	0	-202	-202	0
Retirement benefits - Responsibility in charge of the Group	-50	-11	0	-11	-11	0
Adjustments and other provisions not fiscally accepted	754	170	-4	174	174	0
Reportable tax losses - Spain	-600	-150	0	-150	-150	0
Reportable tax losses - India	115	26	0	26	0	26
Reportable tax losses - Mozambique	-40	-13	0	-13	-13	0
Tax credit	0	-204	0	-204	-204	0
		-110	-29	-81	115	-196
Balance on the 31st of December 2023						
Revaluation of tangible fixed assets / Fair value investment properties Investment	39,439	0	8,874			
Impairment of depreciable tangible fixed assets	1,114	251	0			
Retirement benefits - Responsibility in charge of the Group	2,808	632	0			
Adjustments and other provisions not fiscally accepted	14,158	3,186	0			
Reportable tax losses - Spain	1,140	285	0			
Reportable tax losses - India	278	62	0			
Tax credit	0	458	0			
		4,874	8,874			

Impact on the Income Statement - Income tax		
	31-12-2023	31-12-2022
Current tax	-2,349	-1,801
Deferred tax	115	912
	-2,234	-889

On the 31st of December 2023, according to the tax laws of subsidiaries that registered assets due to deferred taxes because of fiscal losses, those were reportable as follows (tax losses associated with the Spanish subsidiary):

T €		
Spain		
Year	Tax losses	Expiration period
2014	23	2032
2015	262	2033
Total	285	

On the 31st of December 2023, assets that were due to deferred taxes because of fiscal losses and because of other temporary deductible differences were subject to evaluation. As a consequence, these were only registered as soon as it was probable, according to the following information which was referred to, that future taxable income would accrue and that these would be used to recover fiscal losses or to compensate for temporary taxable differences. This evaluation was based on

business plans of the different companies of the Group, periodically reviewed and updated, in some internal reorganisation already identified and in available fiscal planning opportunities.

At the same time, for purposed of measuring asset recovery by means of deferred taxes generated in the consolidated tax group of NCFGEST, S.A., the business plans of the companies making it up were used.

VAA, SGPS, S.A. since January 2014 has been covered by the *Regime Especial de Tributação dos Grupos de Sociedades* [special taxation regime for company groups] (RETGS), (headed by NCFGEST, S.A.) under which tax is calculated on the taxable the taxable income of companies included on consolidation, and within the specified regime, and according to the terms therewith.

The RETGS encompasses all of companies participating whether directly or indirectly in a minimum of 75% of social capital and which are based in Portugal and taxable under the *Imposto sobre o Rendimento das Pessoas Coletivas* (IRC) [corporate tax code] which are part of NCFGEST, S.A..

For those companies not covered by that regime (essentially the foreign subsidiaries of Grupo Vista Alegre and Faianças Artísticas Bordalo Pinheiro, S.A.), the current tax is calculated based on the respective taxable income, determined according to the tax rules in force in the respective country of each entity.

From the 1st of January 2007 onward, municipalities will be able to charge an annual municipal levy of up to a maximum limit of 1.5% on taxable profit subject to and not exempt from IRC [corporate tax]. Thus, in the year ending on 31st of December 2023, VAA, SGPS, S.A. and its participating companies with headquarters in Portugal were subject to Corporate Income Tax (IRC) at the rate of 21%, added to the maximum municipal tax levy of 1.5% over taxable income, in this way reaching a combined maximum tax rate of nearly 22.5%.

Additionally, in the year ending on the 31st of December 2023, taxable income of Portuguese companies that was in excess of 1,500,000 euros were subject to a local state tax, established in accordance with article 87^oA of the corporate tax code at the following rates:

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

On the other hand, in the year ending on the 31st of December 2023, the deduction of net financing costs in determining taxable profit come to be assessed at the higher of the following limits:

- 1,000,000 Euros; and
- 30% of income before depreciation, net financing expenses and taxes.

Finally, under the terms of article 88º IRC Tax Code, companies with headquarters in Portugal are subject to complementary taxation on a separate set of charges at the rates provided for in the same article.

The table below presents the reconciliation between the nominal and the effective tax rate over the income during 2023 and 2022:

	31-12-2023	31-12-2022
Results before taxes	9,075	6,484
Nominal rate of tax on profits	21%	21%
Tax rate - 21%	-1,906	-1,362
Depreciation and amortization taxed in previous tax periods	0	-2
Used tax benefits	-52	-48
Non-deductible provisions	0	-445
Temporary accounting/tax differences in asset recognition	-99	240
Capital gains taxed	0	4
Impairment losses on non-current assets	137	-151
Payment of benefits	48	184
Fiscal corrections	0	-14
Others	-120	81
Difference for tax rate Portugal	-4	-25
Autonomous Taxation	-92	-128
Municipal tax	-211	-135
Total current tax	-2,299	-1,801
Deferred tax	115	912
Insufficiency of IRC	-50	0
Income tax for the financial year	-2,234	-889
Effective tax rate	-25%	-21%

In 2023, the subsidiary Bordallo Pinheiro corrected the tax, which generated a tax shortfall in the amount of 50 thousand euros.

16. Inventories

The detail of “Inventories”, with reference to 31st of December 2023 and 2022, is as follows:

	31-12-2023			31-12-2022			Adjustments	
	Gross asset	Impairments	Net assets	Gross asset	Impairments	Net assets	Operations in 2023	Operations in 2022
Goods	2,434	-422	2,012	8,595	-798	7,797	375	8
Raw material	6,986	-1,164	5,822	7,105	-2,838	4,267	1,674	-1,913
Products under manufacture	1,601	0	1,601	1,545	-200	1,345	200	-200
Finished and intermediate products	52,840	-10,813	42,028	40,676	-11,004	29,672	191	-287
	63,862	-12,399	51,463	57,921	-14,840	43,081	2,441	-2,392

The criteria used by the Group in regards to the value of inventories are described in note 2.3.7.

The detailed calculation of the recognised cost of merchandise sold and materials consumed is recognised in the consolidated income statement, on the 31st of December 2023 and 2022, as the following:

	Finished and intermediate	Products and work in progress	Total
Balance on the 01st of January 2022	-39,212	-1,085	-40,297
Inventory settlements	1,091	0	1,091
Impairments/reversals	-287	-200	-487
Balance on the 31 st of December 2022	40,676	1,545	42,221
Production variation December 2022	2,269	259	2,528
Balance on the 01st of January 2023	-40,676	-1,545	-42,221
Inventory settlements	-1,007	0	-1,007
Reclassification Impairment of inventories	105	-200	-95
Reclassification Gross inventories	-4,622	0	-4,622
Impairments/reversals	-296	0	-296
Balance on the 31 st of December 2023	52,840	1,601	54,441
Production variation December 2023	6,344	-144	6,200

The detail of calculation of Production Variation recognised in consolidated income statement on the 31st of December 2023 and 2022, as the following:

	Goods	Raw mat. Subs. And consumables	Total
Stocks on the 1 st of January 2022	6,533	5,700	12,233
Purchases	5,716	56,507	62,223
Impairments/reversals	7	-1,913	-1,906
Stocks on the 31 st of December 2022	-8,595	-7,105	-15,700
CMVMC 2022	3,663	53,189	56,852
Stocks on the 1 st of January 2023	8,595	7,105	15,700
Reclassification Impairment of inventories	-95	0	-95
Reclassification Gross inventories	-4,622	0	-4,622
Purchases	3,514	36,709	40,223
Stocks in the 31 st of December 2023	-2,434	-6,986	-9,421
CMVMC 2023	4,957	36,828	41,785

The amounts of impairment and reversal of impairment losses are recognised in the consolidated statement of profit and loss, respectively, under “Cost of goods sold and materials consumed” and “Change in production”, depending on whether these are goods /raw materials or products.

The amounts relating to inventory reclassification (impairment and gross value) shown in the cost of goods sold and materials consumed, as well as production variation, refer to a change in the classification of goods for finished products relating to the stocks of the Grupo Vista Alegre’s foreign subsidiaries.

17. Accounts receivable and others

On the 31st of December 2023 and 2022, this heading was as follows:

	31-12-2023	31-12-2022
Customers	12,427	11,784
Other debtors	5,292	4,158
	17,719	15,941

	31-12-2023	31-12-2022
Accounts receivable from customers and other debtors	20,974	19,101
Less: impairment of accounts receivable (Note 11)	-3,255	-3,160
Accounts receivable from customers and other net debtors-net	17,719	15,941

Other debtors	31-12-2023	31-12-2022
Advances from suppliers	116	90
Expenses to be recognised (deferred costs)	2,959	2,368
Other debtors	1,493	1,115
Other debtors - NCFGEST companies (Note 34)	724	584
	5,292	4,158

On the 31st of December 2023, the amount of non-recourse factoring contracts that led to derecognition of accounts receivable from customers amounted to 3.1 million euros.

The amount of “Expenses to be recognised” corresponds essentially to maintenance material for the Group’s manufacturing areas, which is recognised as a cost based on consumption / use as well as invoices received in 2023 (2022), but related to expenses incurred only in subsequent years.

The value of “Other debtors” includes balances related to accrued income. The maturity of the receivable amounts in the item “Accounts receivable from customers” can be summarised as follows:

Customers	Months after the expiration date				Total	Total	TOTAL
	0 - 6	6 - 12	12 -18	> 18	Overdue	Not yet overdue	
2022	3,279	7	2	129	3,417	8,367	11,784
2023	4,591	799	136	2,203	7,729	4,698	12,427

The amounts presented in the consolidated statement of financial position are net of accumulated impairment losses for doubtful accounts that were estimated by the Group, in accordance with its experience and based on its assessment of the economic situation and environment at the date of the statement of consolidated financial position. Therefore, the Board of directors believes that the

book values of accounts receivable from customers and other debtors are close to their amortised cost.

18. Share capital, treasury shares, issue premiums and other equity

The total authorised number of common shares is 167.650.060 book-entry shares with a nominal value of 0.80 euros per share. All issued shares are paid for.

	No of shares (thousand)	Common shares Turnover	Common share Premium	Treasury shares Turnover	Treasury shares Premium	Total
On the 31 st of December 2008/2009	145,040	29,008	0	-1	-1	29,006
On the 30 th of June 2010	145,040	11,603	0	-1	-1	11,601
On the 31 st of December 2016	1,156,348	92,508	0	-1	-1	92,506
On the 31 st of December 2017	1,524,091	121,927	22,065	-1	-1	143,990
On the 31 st of December 2018	152,409	121,927	24,280	-1	-1	146,206
On the 31 st of December 2019	167,650	134,120	25,113	-1	-1	159,231
On the 31 st of December 2020	167,650	134,120	25,113	-1	-1	159,231
On the 31 st of December 2021	167,650	134,120	25,113	-1	-1	159,231
On the 31 st of December 2022	167,650	134,120	25,113	-1	-1	159,231
On the 31 st of December 2023	167,650	134,120	25,113	-1	-1	159,231

On the 12th of December 2019, Vista Alegre Atlantis, SGPS, S.A. increased its capital by new cash inflows, with the suppression of shareholders' pre-emptive rights, in the amount of 12,192,731.20 euros, resulting in a change in the capital of Vista Alegre from 121,927,316.80 euros to 134,120,048.00 euros, issuing 15,240,914 new shares, with a nominal value of 0.80 euros each, as communicated to the market in due course. Additionally, the aforementioned capital increase resulted in cash inflows of a total amount of 15,240,914 euros, thus determining an issue premium of 3,048,183 euros, a value that made it possible to reach an accumulated amount of 24,280,229 euros of issue premiums. Costs were also reported for the entire capital increase process with legal and financial advice, among others, in the amount of approximately 833,000 euros, which were deducted from the amount of the capital increase.

On 31st of December 2023, the Company held 110 company shares in its portfolio, valued at the price of 0.80 euros each. The premium paid per share was 1.687 euros. The total amount paid for share acquisition was 1,854 euros and this was deducted from equity.

Additionally, as of 31st of December 2023 supplementary payments were made by the shareholder Visabeira Indústria, SGPS, SA in the amount of 38,181,653.20 euros. These supplementary payments are not able to be reimbursed while this operation reduces its own Company capital to a value lower than the sum of the social capital and its legal reserve.

19. Reserves and retained earnings

The movement occurred in the items of “Reserves and retained earnings” in the periods ended in 31st of December 2023 and 2022 was the following:

	Retained Earnings	Re-evaluation of lands and buildings	Other reserves	Total
Balance on the 1st of January 2022	-181,609	31,330	18,720	-131,558
Result of the previous year	1,592	0	0	1,592
Amounts that will be reclassified later in results				
Other comprehensive income for the financial year	1,406	0	0	1,406
Balance on the 31st of December 2022	-178,611	31,330	18,720	-128,560
Result of the previous year	5,334	0	0	5,334
Reclassification of revaluation of fixed assets	1,637	-1,637	0	0
Change in fair value of tangible fixed assets (net of deferred taxes)	0	872	0	872
Amounts that will be reclassified later in results				
Other comprehensive income for the financial year	-533	0	0	-533
Balance on the 31st of December 2023	-172,173	30,565	18,720	-122,887

“Other comprehensive income for the year” in 2023 essentially reflects the effects of actuarial gains and losses associated with retirement benefits.

20. Loans obtained

Debts to credit institutions were as follows on the 31st of December 2023 and 2022:

	31-12-2023	31-12-2022
Non-current liabilities		
Bank loans	13,821	67,259
Unpaid loans / subsidies	2,214	6,508
	<u>16,035</u>	<u>73,767</u>
Current liabilities		
Operating loans	6,426	7,021
Unpaid loans / subsidies	2,324	1,528
Bank loans	56,398	7,585
	<u>65,148</u>	<u>16,134</u>
	81,183	89,901

The main guarantees and conditions of the agreements with the banks are described below. Moreover, the maturity schedule of bank loans and loans from other entities can be summarised as follows:

Entity	Typology	Value in debt	2024	2025	2026	>= 2026
			Until 12 months	From 12 to 24 months	From 24 to 36 months	≥ 36 months
Various	Mutual / Loans / Bond	70,219	56,398	5,569	3,998	4,155
	Bank loans	70,219	56,398	5,569	3,998	4,155
Various	Confirming loans	2,456	2,456	0	0	0
Various	Funding "Express Bill"	179	179	0	0	0
Various	Discount on export shipments	3,250	3,250	0	0	0
Various	Factoring	541	541	0	0	0
	Operating loans	6,426	6,426	0	0	0
FIEAE **	Other loans	1,200	1,200	0	0	0
AICEP ***	Repayable subsidies	3,338	1,124	1,078	1,136	0
	Unpaid loans / subsidies	4,538	2,324	1,078	1,136	0
Overall Total	Overall Total	81,183	65,148	6,647	5,133	4,155

*FIEAE – Fundo Imobiliário Especial de Apoio às Empresas

**AICEP – Agência para o Investimento e Comércio Externo de Portugal

The Group's main financings include:

Bond loan in the amount of 50 million euros issued in two instalments: i) an instalment issued in MARF ("Mercado Alternativo de Renta Fija" (Madrid, Spain)) in the amount of 45 million euros, taken by several institutional investors, starting on 21/10/2019 for 5 years and with a total bullet in October 2024 and ii) a second instalment of 5 million euros starting on 21/10/2019 and maturing on 21/10/2024 with constant annual settlements (25%) of capital as of the 31st of January 2022, subscribed by *Banco BPI*. This bond loan will therefore be fully repaid in October 2024, which is why it is fully classified as a current liability. The amount outstanding on the 31st of December 2023 was 47.261 million euros.

Novo Banco, SA: Funding of a maximum amount of 6.5 million euros, repaid in 20 consecutive and equal quarterly instalments of capital and interest, maturing in September 2024, with a pledge of the equipment and a reduction in the proportion of the receivable of the reimbursable incentive. The amount outstanding on the 31st of December 2023 was 1.6 million euros. Also in this financing, a legal moratorium was applied in the last 3 quarterly instalments of 2020 and on the first 3 quarterly instalments of 2021. The full maturity of financing was extended to March 2026.

Caixa Económica Montepio Geral, EUROBIC, Banco Santander Totta, BPI and CGD banks – COVID-19 lines: Loan in the amount of 1 million euros contracted in May 2020 with the bank Caixa Económica Montepio Geral, under the "SPECIFIC LINE COVID-19 - SUPPORT FOR ECONOMIC ACTIVITY", intended exclusively to finance treasury needs and with repayment in monthly instalments, with a grace period of capital during the first 12 months and maturity in May 2024. The amount outstanding on the 31st of December 2023 was 139 thousand euros.

In March 2021, 2 new loans were contracted with the bank Económico Montepio Geral, - Covid 19- *Empresas Exportadoras na Indústria e Turismo* [Covid 19 Economy Support Line - Exporting Companies in Industry and Tourism] in the total amount of 3.2 million euros with reimbursement in

monthly instalments, with a grace period of capital during the first 12 months and maturity in February 2027. The amount outstanding on the 31st of December 2023 was 1.5 million euros.

Also within the scope of the “COVID SPECIFIC LINE 19 - SUPPORT FOR MEDIUM-SIZED COMPANIES, SMALL MID CAPS AND MID CAPS”, to support treasury needs, loans were contracted with *EUROBIC* and *Banco Santander Totta* in the amount of 1M € and 1.5M € respectively, for a period of 72 months and 12 months of deferral and with a guarantee provided by *SPGM - Sociedade Portuguesa de Garantia Mútua* in favour of the bank in 80% of the outstanding capital at each moment. The amount owed on the 31st of December 2023 at *EUROBIC* and at *Banco Santander Totta* amounted to 667 thousand euros and 972 thousand euros, respectively.

Under *Covid 19 - Empresas Exportadoras na Indústria e Turismo* [Covid 19 Economy Support Line - Exporting Companies in Industry and Tourism], loans were contracted with *EUROBIC* in 2021 in the amount of 2 million euros with repayment in monthly instalments, with a capital grace period in the first 12 months and maturity in April 2027, with *Banco Santander Totta* in the amount of 1.1 million euros maturing in February 2027, with *BPI* in the amount of 2 million euros and with *Caixa Geral de Depósitos* in the amount of 1.1 million euros. The amount owed on the 31st of December 2023 at *EUROBIC*, *Banco Santander Totta*, *BPI* and *CGD* amounted to 985 thousand euros, 547 thousand euros, 1 million euros and 555 thousand euros, respectively. Regarding the financings contracted under *Covid 19- Empresas Exportadoras na Indústria e Turismo* [Covid 19 Economy Support Line – Exporting Companies in Industry and Tourism], if the company keeps all job positions, compared to those verified in the last pay sheet delivered to the Social Security, for at least 12 months from the hiring date, convert up to 20% of the amount into a financed non-refundable amount. In Grupo Vista Alegre, the maximum related amount was set at around 1.4 million, a value which had already been converted in full as of the 31st of December 2023 (with an impact of approximately 1.3 million euros during the financial year ending on the 31st of December 2023).

Caixa Geral de Depósitos: 2 Loans in the total amount of 2.3 million euros contracted in July 2020, supported by the *InnovFi* guarantee with financial support from the European Union under the financial instruments of 2020 (FEI lines), for an overall term of 72 months, including 12 months of use, 6 months of deferral and 54 months of amortisation. The amount outstanding on the 31st of December 2023 was 1.9 million euros.

Three new loans were also taken in 2022 under the Production Support Line in the total amount of 7.5 million euros for 96 months, with a capital shortage in the first 12 months and with a guarantee provided by *SPGM – Sociedade Portuguesa de Garantia Mútua* in favour of the bank in 70% of the outstanding capital at any given time. The amount outstanding on the 31st of December 2023 was 6.9 million euros.

Caixa de Crédito Agrícola Mútuo: loan with a guarantee and pledge in the amount of 3 million euros for 60 months, with the capital to be repaid in quarterly instalments of principal and interest, maturing in May 2026. The amount outstanding on the 31st of December 2023 was 1.5 million euros.

Banco do Brasil: new financing was contracted in 2023 in the amount of 3 million euros intended exclusively to reinforce treasury for a period of 120 days, to be repaid in a single payment on the due date, on the 28th of March 2024.

Agência para o Investimento e Comércio Externo de Portugal, EPE: Total financing to the amount of 20.1 million euros. The date for the first repayment corresponds to clause 11 of the investment contract, according to which: “The repayable incentive is granted for a total term of 8 years, which includes a grace period of 2 years. This term begins: (i) on the date on which the first payment of the Refundable Incentive is settled; or (ii) from the end of the financial year following the entry into force of this contract; whichever comes first.” The amount outstanding on the 31st of December 2023 was 3.3 million euros.

FIEAE: Loan to the amount of 1.2 million euros to be settled on the 1st of September 2024. The amount outstanding on the 31st of December 2023 was 1.2 million euros.

IKEA Supply AG: A loan of 2.5 million euros, for the financing of equipment under the innovation and expansion project of the Ria Stone factory production capacity, made available in phases between 08-03-2018 and 11-10-2018. The date of the last repayment will take place on 20th of April 2025, including the respective interest. The amount outstanding on the 31st of December 2023 was 1.1 million euros.

Grupo VAA has access to available lines of investment support under the *Portugal 2020* community funds projects, in the form of reimbursed incentive, totalling 20.6 million euros, having been used 19.5 million euros.

The Group also has other debt instruments lines to support the treasury in the form of factoring, exports discount and payment to suppliers to the amount of 40.5 million Euros. On the 31st of December 2023 around 10.7 million Euros were used, of which 6.9 million euros are classified as financial debt (the remaining amount relating to confirming classified as “Accounts payable and other” - Note 21).

(1) The guarantees and other conditions for the loans negotiated related to the tableware business segment (and related to Ria Stone, S.A. subsidiary) are as follows:

AICEP – Agência para o Investimento e Comércio Externo de Portugal, EPE:

Guarantees:

The company undertakes to present a bank guarantee, under the terms and conditions stipulated in the Payment Standard applicable to Projects approved under the NSRF Incentive Systems.

Non-compliance:

Failure to comply with obligations or any breach of the obligations set forth in the investment contract shall be assessed by the *Tribunal Arbitral*.

The liability of the shareholders shall be proportional to their respective shares in the Company's share capital at the date of the non-compliance, and shall continue for the term of the contract even in the event of bankruptcy, merger or dissolution of the Company.

IKEA Supply AG:

Guarantees:

The company is obliged to present until 31st of January 2015 a mortgage, in favour of IKEA, of equipment belonging to Ria Stone already defined in the loan agreement. It was filed within the stipulated date.

As part of the financing granted in 2018 by *IKEA Supply AG* for the implementation and expansion of the plant, Ria Stone pledged equipment, as defined in the respective loan contracts.

Non-compliance:

Failure to comply with the obligations stipulated in the contract implies the immediate payment of the amounts due at the date, plus interest and other expenses, without any prior notice from IKEA.

(2) The guarantees and other conditions for the bond loan signed in October 2019 and revised in June 2020:

Guarantees (Security Agreement):

- VAA - *Vista Alegre Atlantis SGPS, S.A.* pledged Ria Stone's shares and rights regarding 4,550,000.00 shares with a nominal value of 1 euro each, representing 100% of Ria Stone's share capital.
- The pledge on the shares was granted as a commercial pledge under the Commercial Code and the Commercial Pledge Law.
- Vista Alegre Atlantis SGPS, SA gave as guarantee for the timely fulfilment of obligations, any right to receive in cash or any other assets of Ria Stone, including interest (accumulated or capitalised), as a result of the provision of ancillary instalments, supplementary payments, supplies, other subordinated loans, other forms of equity, quasi-equity or other forms of cash or kind financing provided to Ria Stone, as the case may be, carried out after the date of the agreement's signature.
- Vista Alegre Atlantis SGPS, SA made a commercial pledge, under the terms of the Commercial Code and the Commercial Pledge Law, on the rights of existing credit balances in Ria Stone's bank account.
- *Bordalgest, S.A.; Cerexport – Cerâmica de Exportação, S.A.; Cerutil - Cerâmicas Utilitárias, S.A.; Faianças Artísticas Bordalo Pinheiro, S.A.; Faianças da Capôa – Indústria Cerâmica, S.A.; Ria Stone, Fábrica de Louça de Mesa em Grés, S.A. and Vista Alegre Atlantis, S.A.* companies jointly guarantee the timely fulfilment of all obligations guaranteed by VAA - Vista Alegre

Atlantis SGPS, S.A.. The guarantees granted under this contract are created jointly and are interconnected, and it is determined that the recoverable amounts are limited to the maximum amount of 60 million euros.

Commitments (Other):

VAA - Vista Alegre Atlantis SGPS, S.A. undertakes, in accordance with the provisions of the Bond Loan contract to comply with certain financial conditions, to be periodically calculated based on its consolidated financial statements as follows:

- i. The Net Debt⁴ / EBITDA⁵ ratio is equal to or less than:

2022	30/06/2022: 4.00x
	31/12/2022: 4.00x
2023	30/06/2023: 3.50x
	31/12/2023: 3.00x

It should also be noted that, as announced to the market published on the 23rd of July 2021, the Company saw the amendment to clause 9.5 of the terms and conditions of the bond loan signed in October 2019 approved by the General Meeting of Bondholders, so that the Financial Covenant provided for in this provision relating to the ratio between Net Debt and EBITDA were changed to those mentioned above.

- ii. That its Net Equity over Net Equity plus the Total Consolidated Debt is equal to or greater than 23 (twenty-three) percent.

- **Ensure that no dividends or remuneration in shares**, under any form (including repayment of loans to shareholders and capital reduction) is proposed by the Board of Directors of VAA, SGPS, S.A. if the Net Debt/EBITDA ratio is equal to or greater than:

2022	30/06/2022: 4.00x
	31/12/2022: 4.00x
2023	30/06/2023: 3.5x
	31/12/2023: 3.0x

⁴ Net Debt= Bank loans + Lease liabilities - Cash and cash equivalents

⁵ EBITDA = Operating income – Amortisation and depreciation - Impairments - Provisions for the financial year - Impairment of assets depreciation

21. Accounts payable and other debts

On the 31st of December 2023 and 2022, the item “Accounts payable and other debts” had the following composition:

	31-12-2023	31-12-2022
Suppliers	23,124	25,195
Creditors and accrued expenses	19,784	16,762
	42,908	41,957

The item “Suppliers” present itself on the 31st of December 2023 and 2022 as shown in the following:

	31-12-2023	31-12-2022
Current account suppliers	22,661	24,987
Suppliers invoices receivable and checking	463	209
	23,124	25,195

On the 31st of December 2023 and 2022, the remaining contractual maturity of the balances recorded under the headings “Suppliers” was as follows:

	Months after the expiration date				Total	Total	TOTAL
	0 - 6	6 - 12	12 -18	> 18	Overdue	Not yet overdue	
2022	7,113	832	246	35	8,226	16,969	25,195
2023	7,533	1,473	184	824	10,013	13,110	23,124

The Group, within the scope of financial risk management, has implemented policies to ensure that all liabilities will be settled within the defined payment terms.

The item “Creditors and accrued expenses” present itself as shown in the following table:

	31-12-2023	31-12-2022
Accrued expenses (Note 7)	11,631	11,324
Related parties - RETGS (Note 34)	3,159	1,596
Investment suppliers	3,197	2,551
Pension Fund (Note 22)	401	224
Other creditors (Note 7)	866	668
Advances from clients	530	400
	19,784	16,762

The item “Suppliers” includes 3.8 million euros related to the confirming commercial debts contracts.

The item “Accrued expenses” on the 31st of December 2023 and 2022 present itself as shown in the following table:

	31-12-2023	31-12-2022
Staff costs	8,878	8,195
Interest payable	1,084	923
Rappel	163	125
Energy	536	1,448
Royalties	362	255
Others	608	377
	11,631	11,324

In 2023, there was a significant decrease in the specialisation of energy costs due to the reduction in the price of energy resources.

22. Provisions

22.1 Provisions

The information related to provisions, on 31st of December 2023 and 2022, can be summarised as follows:

	31-12-2023	31-12-2022
Initial balance on the 1st of January	208	208
Reversals	-208	0
Provision for other risks and charges	90	0
Final balance	90	208

In April 2021, the (single expert evidence) expert report of presented by the entity “Santa Clara Cerâmicas” against Grupo Vista Alegre case was completed, and this report was unfavourable to the Grupo Vista Alegre’s claims - in this legal process - a compensation for losses is claimed by the counter party amounting to 2.3 million euros. A second expert opinion was requested and accepted by the Court (this time joint expert evidence, with three experts).

It should also be noted that, as of the 31st of December 2022, a provision in the amount of 208 thousand euros was created based on the opinion of legal advisors and the conviction of the Grupo Vista Alegre Board of Directors.

At the end of 2023, the shares of the entity “Santa Clara Cerâmicas” (entity which acts as plaintiff in the aforementioned legal process), were auctioned and were purchased by Grupo Visabeira. With the appointment of the new administration of said entity by Grupo Visabeira, the termination of the legal process will be achieved by withdrawing the compensation claim made by “Santa Clara Cerâmicas”. Thus, Vista Alegre reversed the provision, as no impacts were estimated on its accounts.

A provision was also made in the amount of 90 thousand euros, relating to contingencies regarding the supply of goods.

22.2 Provision for pensions

Grupo VAA has a number of defined benefit pension plans in place, some of which are borne by the Pension Funds specially constituted and managed by the actuarial society (*Futuro- Sociedade Gestora de Fundos de Pensões, S.A.*) and others are borne by the Group itself (*"Plano de benefícios definido – sem Fundo"*).

Borne by the *Futuro- Sociedade Gestora de Fundos de Pensões, S.A.* are two funds:

- One (*"Ex-Atlantis"*), called *Adesão Coletiva Atlantis*, has an indeterminate duration. All employees of Vista Alegre Atlantis, SA, from Ex - Atlantis – Cristais de Alcobaça, S.A, working for the subsidiary's until the 31st December 2013, and who meet the requirements of eligibility provided for in the Pension Plan, which is to say all participants who are 65 years old, and who have worked at least ten years for the subsidiary, are entitled to a supplementary old-age pension calculated in accordance with the Pension Plan.

This fund is financed by the Viva Pension Fund.

- Other (*"Former Vista Alegre" and "Vista Alegre Grupo"*), called the *Fundo de Pensões Grupo Vista Alegre*, also of indefinite duration, which includes the employees of Vista Alegre Atlantis SA, from the former *Fábrica de Porcelana da Vista Alegre, S.A.* and from Vista Alegre Grupo-Vista Alegre Participações SA. who have signed an individual employment agreement before the 20th December 1976 and that are covered by the Collective Agreement for the Ceramic Industry.

The main features of the Pension Plan in terms of defined benefits are as follows:

- i) The pension plan is complementary to the public Social Security plans, independent of the pensions awarded by the Social;
- ii) The pension plan provides for the existence of acquired rights;
- iii) Payment of benefits is made directly by the Pension Fund;
- iv) The Former Atlantis Pensions Fund is made up of 155 people with an average age of 53.4 years;

Grupo Vista Alegre's pension fund is financed by the Grupo Vista Alegre Pension Fund.

The responsibilities of the Group on the 31st of December 2023 and 2022 are the following:

	31-12-2023	31-12-2022
<i>"Plano de beneficios definidos - sem Fundo"</i>	2,407	2,458
<i>"Plano de beneficios definidos - sem Fundo"</i>		
Former Vista Alegre		
Responsibilities for previous services	-1,178	-1,197
Market value of the fund	684	891
	-495	-306
Former Atlantis		
Responsibilities for previous services	-191	-197
Market value of the fund	285	278
	94	82
Excess/(deficit)	-401	-224

On the 31st of December 2023, the excess of the fair value of the Fund's assets compared to actuarial liabilities, in the amounts of 401 thousand euros, is recorded in accounts receivable, as per Note 21.

The actuarial study carried out by the independent specialised actuary - Futuro, Pension Fund Management Company, S.A. is based on the following assumptions and theoretical bases:

	31-12-2023	31-12-2022
Discount rate	3.35% / 3.50%*	3.95% / 4.15%
Salary growth rate	1.00%	1.00%
Pension's growth rate	0.25%	0.25%
Mortality tables	TV 88/90	TV 88/90
Disability tables	EKV 80	EKV 80
Retirement age (men and women)	66	66

* The Former Vista Alegre rate is 3.35% and the Former Atlantis rate is 3.50%.

Market risk

Market Risk results from the level of volatility of financial instrument market prices. Risk exposure is measured by applying shocks to share prices, interest rates, real estate prices and exchange rates.

Credit risk

In terms of credit risk, the entities with which risk mitigation contracts are signed and the issuers of financial assets exposed to credit risk that were not included in the spread risk sub-module, in this case the position in Deposits (Demand and Term Deposits).

Liquidity Risk

In order to analyse the ability to convert the assets in the portfolio into cash, to meet obligations assumed at the time of maturity, or to be able to, before maturity, market a certain asset at a reasonable price (e.g. market value) tests are carried out on the predominant asset classes in the portfolio (shares and bonds).

The evolution of responsibilities with plans to retirement complement was the following:

	without Fund	with Fund (VA)	with Fund (Atlantis)	Total
2022				
Responsibilities for previous services – 1st of January 2022	1,072	1,457	285	2,814
Current service cost	0	0	5	5
Interest cost	5	17	3	26
Pensions paid (w ithout fund)	-877	0	0	-877
Reinforcements of provisions (w ithout Fund)	2,266	0	0	2,266
Anticipated benefits (w ith fund) (comprehensive income)	0	-239	-19	-258
Change in assumptions (comprehensive income)	-39	-174	-73	-286
Actuarial losses/gains (comprehensive income)	30	136	-5	161
Responsibilities for previous services – 31st of December 2022	2,458	1,197	197	3,851

	without Fund	with Fund (VA)	with Fund (Atlantis)	Total
2023				
Responsibilities for previous services – 1st of January 2023	2,458	1,197	197	3,851
Current service cost	0	0	3	3
Interest cost	13	47	8	68
Pensions paid (w ithout fund)	-274	0	0	-274
Reinforcements of provisions (w ithout Fund)	0	0	0	0
Anticipated benefits (w ith fund) (comprehensive income)	0	-239	-19	-258
Change in assumptions (comprehensive income)	169	31	12	212
Actuarial losses/gains (comprehensive income)	42	142	-9	175
Responsibilities for previous services – 31st of December 2023	2,407	1,178	191	3,776

On December 2014, the Supreme Court condemned VAA – Vista Alegre Atlantis SGPS, S.A. to pay a complementation of the life retirement pension to a former administrator, in the total annual amount of 230,923.38 euros, to pay in 12 monthly instalments in the amount of 19,243.62 euros each, updatable annually according to the official inflation index, having already been paid the amounts due until February 2018, in accordance with the settlement concluded between the parties.

From February 2018 (date from which the former administrator became retired), considering the analysis and position of the Grupo Vista Alegre legal advisors, the amount of the complementation of the retirement pension assigned to the former administrator was reduced (from 20.8 thousand

euros to 7.5 thousand euros) under certain legal provisions, in particular the provision which prohibits commercial companies the award of pensions to an administrator higher than the high remuneration of the administrator with executive functions.

As a result of that reduction in the payment of the pension supplement during the 2018 financial year, and during 2019, 2020, 2021 and 2022, was delivered by the former administrator, an executive application related to the payment of the difference between the amount that the Vista Alegre Atlantis SGPS, S.A. was ordered to pay and the amount effectively paid from February 2018, having the company presented an appeal to court decision. A security deposit was also set up to meet the executive requirements mentioned above.

During the first semester of 2022, the *Supremo Tribunal de Justiça* issued a decision unfavourable to Grupo VAA, ordered to pay the pension requested by the Former Director. A payment of 675 thousand euros referring to the difference between the amount that Grupo VAA paid monthly and what it was ordered to pay until May 2022, plus default interest in the amount of 192 thousand euros.

Taking into account the court decision, the retirement pension payable by Vista Alegre is now 18 thousand euros and the Company has reinforced the provision associated with that retirement pension complement, with effect from the 31st of December 2023, to the amount of 2.1 million euros based on assumptions equivalent to those used in the Grupo's other pension funds.

The assets of the funds intended to finance retirement pension liabilities have evolved as follows:

	with Fund (VA)	with Fund (Atlantis)	Total
Amount - 1st of January 2022	1,346	331	1,676
Expected return	16	4	20
Gains/losses on income (comprehensive income)	-188	-37	-225
Pensions paid (comprehensive income)	-283	-19	-303
Amount - 31st of December 2022	891	278	1,169
Expected return	35	12	47
Gains/losses on income (comprehensive income)	3	12	15
Pensions paid (comprehensive income)	-245	-17	-262
Amount - 31st of December 2023	684	285	969

Actuarial gains and losses result essentially from changes in actuarial assumptions and differences between these assumptions and actual data, and are recognised directly in Shareholders' equity and presented in the consolidated statement of comprehensive income.

The table below summarises the composition of the net cost of retirement pensions in the years ended on the 31st of December 2023 and 2022 recognised in the consolidated statement of income in personnel expenses:

	Without Fund		With fund	
	dez-23	dez-22	dez-23	dez-22
Current service cost	0	0	3	5
Interest cost	13	5	55	21
Expected return	0	0	-47	-20
Net cost	13	5	11	6

According to the funding scenario required by the ASF – *Autoridade de Supervisão de Seguros e Fundos de Pensões*, during the past two years was as follows:

VA Pensions Fund

	2023	2022
(1) Responsibilities for previous services	1,178	1,197
(2) Value of the fund	684	891
(3) Financing Surplus/(Deficit) (2)-(1)	-495	-306
(4) Financing level (2)/(1)	58%	74%

Former Atlantis Pensions Fund

	2023	2022
(1) Responsibilities for previous services	191	197
(2) Value of the fund	285	278
(3) Financing Surplus/(Deficit) (2)-(1)	94	82
(4) Financing level (2)/(1)	149%	142%

In 2023, the minimum funding level required by the ASF – *Autoridade de Supervisão de Seguros e Fundos de Pensões*, during the past two years was as follows:

	Pensions Fund VAA	Pensions Fund Former Atlantis
(1) Responsibilities for previous services	1,146	181
(2) Value of the fund	684	285
(3) Financing Surplus/(Deficit) (2)-(1)	-462	104
(4) Financing level (2)/(1)	60%	157%

The composition of the Fund's portfolio and the statistics of the population covered had the following decomposition:

VA Pensions Fund

	31-12-2023	31-12-2022
Fixed-rate bonds	42.6%	42.9%
Floating rate bonds	40.6%	42.6%
Shares	15.3%	11.7%
Liquidity	1.6%	2.7%
Real State	0.0%	0.0%

Former Atlantis Pensions Fund

(Collective membership to the Open pension Fund *BPI Valorização*)

	31-12-2023	31-12-2022
Fixed-rate bonds	24.9%	28.8%
Floating rate bonds	30.0%	36.4%
Shares	37.2%	26.2%
Liquidity	3.8%	4.6%
Real State	3.5%	3.8%

	31-12-2023	31-12-2022
VA Pensions Fund		
Number of employees	0	0
Number of retired persons	25	29
Former Atlantis Pensions Fund		
Number of employees	155	169
Number of retired persons	17	18
Pensions' payable by the Company		
Number of employees	0	0
Number of retired persons	2	2

Sensitivity of the VA fund's liability to changes in actuarial and financial assumptions:

Sensitivity analysis		Increase	Decrease
Discount rate	(0.25 pp)	-13	14
Salary growth rate	(0.25 pp)	0	0
Pension growth rate	(0.25 pp)	14	-14
Mortality	(-1%)	-68	72

Sensitivity of the former Atlantis fund's liability to changes in actuarial and financial assumptions:

Sensitivity analysis		Increase	Decrease
Discount rate	(0.25 pp)	-5	5
Salary growth rate	(0.25 pp)	1	-1
Pension growth rate	(0.25 pp)	4	-4
Mortality	(-1%)	-8	8

23. State and other public entities

On the 31st of December 2023 and 2022, the composition in the item “State and other public entities” was as follows:

	31-12-2023		31-12-2022	
	Assets	Liabilities	Assets	Liabilities
Income tax	102	296	332	0
Withholding of income tax	0	10	0	1
Taxes on commercial transactions*	1,306	788	813	0
Social security contributions	0	1,434	0	1,235
	1,408	2,528	1,144	1,236

* VAT, ICMS, PIS, COFINS and IPI.

24. Subsidies

The main information about the investment subsidies allocated to the Group on 31st of December 2023 is as follows:

	31-12-2022	Reinforcement	Amortisation (Note 28)	31-12-2023
Medium and long-term investment subsidies				
Stoneware Project (Ria Stone)	4,990	0	-622	4,368
FLEX 360 Project (Vista Alegre, S.A.)	0	662	0	662
Porcelain Project (Vista Alegre, S.A.)	2,012	56	-243	1,824
CerexCor & CristalLux Project (Vista Alegre S.A.)	2,273	19	-257	2,036
Cerutil Projeco (Cerutil)	190	727	-234	683
Bordalo Pinheiro Project (Bordalo Pinheiro)	1,470	-5	-82	1,383
Decarbonisation projects	0	2,268	0	2,268
Recovery and Resilience Plan agendas	0	1,769	0	1,769
	10,936	5,331	-1,438	14,994

During the 2023 financial year, Grupo VAA converted the financing component of Cerutil project into a non-refundable subsidy in the amount of 726 thousand euros. This subsidy recognises the

innovative nature of these projects and the compliance with contractually fixed metrics, established within the scope of their results.

It is important to mention the increase in subsidies related to the Recovery and Resilience Plan Agendas and Decarbonisation Projects, which are currently under way. The amounts received correspond to advances for expenses already incurred. No income was recognised in the 2023 financial year associated with these subsidies.

A brief description of each project is given below:

Stoneware

This is a project of national strategic interest - Ria Stone - which manufactures stoneware tableware, using innovative processes of single-fired, based on a large automation procedure. This project started in 2012, when the subsidiary Ria Stone was created. In 2019, another project was started to expand the factory and consequent production capacity. It should be noted that Ria Stone's only customer is the company IKEA.

FLEX 360 Project

From 2021 and 2023, the Vista Alegre Atlantis S.A. stoneware factory, located in Aveiro, also called Cerexport, developed a production innovation project aiming at increasing the factory's existing installed capacity, as well as providing it with a more flexible production process and efficient technology, which already exists worldwide in this ceramic sector. As a result, this has allowed for simultaneous production of ovenware and tableware in stoneware. The project involved a global investment of around 11M€ in technologically advanced equipment, which, properly interconnected with each other through greater automation (industries 4.0) allows for producing innovative, differentiated and greener products (more ecologically sustainable) in a very efficient and flexible way. Upon completion, it was found that the factory now has an increase in production capacity to over 30% of the capacity installed during the pre-project year, with production processes being more flexible and efficient. Thus, it will be possible for the project to increase the competitiveness levels of this factory.

Porcelain

Innovation projects in the porcelain segment, with a view to the modernisation of the factory, stimulated by the innovation of productive processes, with changes in several manufacturing sections (presses, firing, decal, decoration, storage), especially the purchase of a new kiln of the hollow parts firing, which in turn enabled the development of an innovative, technically better and more resistant porcelain product. The projects aimed at recognising and reinforcing the presence of the Vista Alegre brand at an international level.

CerexCor & CristalLux

A two front innovation project, one regarding the Stoneware Oven to tableware (at the Aveiro factory) and another regarding Crystal (at the Alcobaça factory). The first aiming at diversifying the

production by process innovation introducing coloured pastes in the manufacturing process to create better quality product, and the latter aiming at changing fundamental Crystal manufacturing processes, for innovative processes, with unique moulding (*single pass*).

Cerutil

Productive innovation project, within the stoneware segment, for innovative products, achievable with the significant change of the production processes. This project promoted the increase of the capacity of Cerutil factory in more than 30%, with intervention in the use and introduction of pastes in the production, foreseeing the reuse of the chips that until then were considered as a manufacturing process waste. Likewise, the other stages of production (pressing, placing in the kiln, etc.) were subject to changes for a more efficient layout, so that the company can achieve an innovative product with complex geometries, introducing non-stick characteristics, therefore becoming very competitive and differentiating.

Bordallo Pinheiro

Innovation project in the Earthenware segment increasing the capacity by introducing new tailored equipment, designed together with the suppliers, mainly to respond to the needs and features of the sector. The project foresees process innovation for more energy-efficient processes that reduce manufacturing costs and optimise production by improving the quality of the pieces. With this project, Bordallo expects to achieve higher turnover, new international markets, increasing its competitiveness levels.

Recovery and Resilience Plan agendas

Grupo Vista Alegre joined a consortium with other related entities from the ceramics industry, which is to say, players across the sector's entire value chain, to create the Agenda called "EcoCerâmica e Cristalaria de Portugal (ECP)". The consortium is comprised of 30 companies, which include sectoral associations, scientific and technological system entities (ENESI), and business entities. Companies involved in the project include Vista Alegre Atlantis S.A., Cerutil, Faianças Artísticas Bordallo Pinheiro, Ria Stone, companies which are part of the Grupo Vista Alegre.

The project has therefore resulted in an innovation pact with an Agenda that was approved under the PRR (Recovery and Resilience Plan) and is based on six strategic pillars, namely: energy transition, decarbonisation, circularity, digital transition, training, promotion and dissemination. The ECP aims to increase the competitiveness of national ceramics and glassware based on innovation factors and is expected to last until 2025.

It is noteworthy, however, that the project's leading entity is Vista Alegre Atlantis, S.A., which undertakes the role of leading and coordinating the entire consortium, ensuring that the project's aims are met.

Thus, the Grupo Vista Alegre companies involved in the project undertake investments in R&DT and Productive Innovation activities, using specialised technicians who, with hours of research and

development, create new processes and define new equipment. Purchasing new equipment is also expected to contribute to the project's aims.

At the moment, the project is halfway through its completion, with good collaboration from all parties.

At the same time, Vista Alegre Atlantis S.A. (VAA) further integrates 4 PRR Agendas – *Projeto INOV.AM - Inovação em Fabricação Aditiva*, *NGS Project - New Generation Storage* and the *PRODUTECH R3 - Recuperação-Resiliência-Reindustrialização* project. All these projects solely undertake investments of the R&DT type, which is to say, supporting costs for human resources, instruments and equipment, as well as for raw materials and materials. These three aforementioned agendas aim to transform the industry through the creation of new knowledge promoting decarbonisation processes, and greater sustainability in the Grupo VAA's production processes, whether through the use of new technologies and automation processes or the circularity of materials.

Decarbonisation Projects

In addition to the Green Agendas, the Grupo Vista Alegre companies are also integrated into the PRR with Industry Decarbonisation projects applied for in two stages in 2022 and 2023, which have already been approved by IAPMEI.

These individual projects are being developed by the companies Vista Alegre Atlantis, S.A. (including its three production plants), Cerutil, Ria Stone and Bordalo Pinheiro.

These projects are based on the Decarbonisation of Production Processes of the Grupo Vista Alegre factories. This will only be possible by purchasing new equipment which will allow for reducing consumption using low carbon technologies, greater energy efficiency and renewable energy. The main purpose of these projects is based on the contribution of Vista Alegre factories to achieving greater carbon neutrality through a set of investments that promote the sustainability and circularity of processes. As a result, the following goals will be met: reduce the carbon footprint, optimise and improve the equipment's energy efficiency, adopt more sustainable processes, implement circular economy principles, consumption electrification and use energy of renewable sources.

With the exception of Bordalo Pinheiro, whose investment only foresees the purchase and installation of a photovoltaic panel system, the other factories/companies – VAA, Ria Stone and Cerutil – foresee an additional set of production equipment to be purchased with a view to meet the European goals of a “cleaner” industry.

25. Revenue

During the years ended on the 31st of December 2023 and 2022, the categories of revenue recognised include revenue from:

	31-12-2023	31-12-2022
Sales of goods	128,107	142,289
Services provided	1,492	1,037
	129,599	143,326

26. Staff costs

Expenses with personnel for the financial years ended on the 31st of December 2023 and 2022 may be analysed as follows:

	31-12-2023	31-12-2022
Salaries and other staff costs	41,268	39,034
Salaries and other short-term benefits of the Management	858	888
Retirement pensions	22	11
Expenses with salaries	8,876	8,425
Total	51,024	48,357

The liabilities with pension retirement plans are explained in Note 22.

The item “Compensation and other personnel expenses” as of the 31st of December 2023 includes 467 thousand euros in insurance costs and 273 thousand euros in social action expenses.

On the 31st of December 2023 and 2022, the number of employees working for the Group (considering the company they work for) may be analysed as follows:

Average number of employees per company	31-12-2023	Gender Male	Gender Female	31-12-2022	Gender Male	Gender Female
Cerutil - Cerâmicas Utilitárias, SA	225	70	156	278	86	192
Faianças Artísticas Bordalo Pinheiro, SA	382	102	280	373	98	275
VAA Vista Alegre Atlantis SGPS	15	11	4	15	11	4
Vista Alegre Atlantis, SA	1,481	561	920	1,474	564	910
Vista Alegre France, SAS	5	1	4	4	1	3
VA - Vista Alegre España, SA	49	4	45	56	4	52
Vista Alegre Atlantis USA	7	6	1	6	5	1
Vista Alegre Atlantis Moçambique, Lda	4	0	4	3	0	3
Ria Stone Fábrica de Louça de Mesa em Grés, SA	287	158	129	281	156	125
VAA Brasil – Comércio, Importação e Exportação SA	13	5	8	12	5	7
	2,467	917	1,551	2,502	929	1,573

Number of employees at the end of December	31-12-2023	Gender Male	Gender Female	31-12-2022	Gender Male	Gender Female
Cerutil - Cerâmicas Utilitárias, SA	222	68	154	250	76	174
Faianças Artísticas Bordalo Pinheiro, SA	383	103	280	380	96	284
VAA Vista Alegre Atlantis SGPS	14	10	4	15	11	4
Vista Alegre Atlantis, SA	1,475	560	915	1,493	557	936
Vista Alegre France, SAS	5	1	4	5	1	4
VA - Vista Alegre España, SA	50	4	46	52	4	48
Vista Alegre Atlantis USA	7	6	1	6	5	1
Vista Alegre Atlantis Moçambique, Lda	4	0	4	4	1	3
Ria Stone Fábrica de Louça de Mesa em Grés, SA	289	161	128	287	157	130
VAA Brasil – Comércio, Importação e Exportação SA	13	5	8	12	5	7
	2,462	918	1,544	2,504	913	1,591

27. Supplies and external services

On the 31st of December 2023 and 2022, this heading was as follows:

	31-12-2023	31-12-2022
Advertising and marketing	3,361	2,068
Goods transport	2,676	2,725
Maintenance and repair	2,648	2,524
Specialised works	2,276	3,380
Electricity	2,048	1,805
Rents	1,224	481
Commissions	918	643
Subcontracts	914	988
Travel and stays	910	724
Cleaning, hygiene and comfort	775	754
Insurance	639	553
Surveillance and safety	634	572
Royalties	520	450
Fuels, water and other fluids	423	409
Tools and utensils for fast wear	248	320
Fees	240	145
Communication	194	197
Others	852	807
	21,498	19,544

28. Other operating income and revenues and other operating expenses and losses

Other operating income and expenses for the financial years ended 31st of December 2023 and 2022 can be analysed as follows:

	31-12-2023		31-12-2022	
	Costs	Income	Costs	Income
Costs and income relating to previous years	15	11	12	57
Fines and penalties/Contract benefits	36	0	25	0
Gains and losses with immobilisation- reductions/disposal	157	40	42	975
Health insurances - HR	0	96	0	48
Offers/ samples stocks	238	0	320	0
Taxes	229	0	339	0
Currency exchanges differences	32	6	93	97
Trade discounts	138	0	119	0
Subsidies for operating and training	0	3,771	0	3,040
Investment subsidies (Note 24)	0	1,438	0	2,395
Other subsidies	0	1,260	0	0
Interest and similar	602	0	446	0
Sale of chips/waste, scrap, moulds and freight	0	212	0	114
Other operating expenses and profit	135	1,138	26	1,122
	1,581	7,973	1,422	7,848

In 2023, under the heading “Other operational costs and income”, an income of 757 thousand euros was recognised relating to CO2 (carbon dioxide) licenses (2022: 758 thousand euros). It should also be noted that Grupo Vista Alegre recorded a profit of 2.4 million euros on gas subsidies.

The non-refundable component allocated within the scope of the Covid-19 economic support line measures is recorded under the heading “Other subsidies” in the amount of approximately 1.26 million euros.

29. Financial results

The financial results for the financial years ended on the 31st of December 2023 and 2022 were as follows:

	31-12-2023	31-12-2022
Interest with loans and overdrafts	-3,333	-2,875
Interest with operating loans	-553	-405
Interest on leases (Notes 14 and 7)	-402	-320
Recognition of amortised cost	-709	-1,241
Other financial expenses	-477	-572
Financial income - interests	615	563
	-4,858	-4,850

The item “Other financial charges” on the 31st of December 2023 includes an amount of 363 thousand euros regarding interests with confirming (2022: 298 thousand euros).

For the year ended on the 31st of December 2023, the item “Interests on leases” includes the impact of the application of IFRS 16 to the amount of approximately 402 thousand euros (Note 14).

The “Financial income” heading includes financial income from interest obtained in the amount of 568 thousand relating to Visabeira Indústria (Note 7).

30. Earnings per share

Basic and Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of common shares to incorporate the effects of the conversion of all potential dilutive common shares. The company has no potentially dilutive common shares, so the diluted earnings per share are equal to the basic earnings per share.

The basic earnings per share is calculated by dividing the profit attributable to shareholders by the weighted average number of common shares of the company during the year, excluding the common shares acquired by the company and held as treasury shares.

	31-12-2023	31-12-2022
(Loss) / Profit attributable to equity holdings	6,535	5,334
Number of common shares issued deducted from treasury shares	167,650,060	167,650,060
Basic earnings per share (euros per share)	0.0390	0.0318
Diluted earnings per share (euros per share)	0.0390	0.0318

31. Contingencies

Grupo Vista Alegre has contingent liabilities related to bank guarantees and different nature guarantees, as well as other contingencies related to its business activity.

We don't expect any significant losses arising from contingent liabilities.

The amount of guarantees and collateral provided to cover financial commitments which are not included in the consolidated statement of financial position is 39 thousand euros on the 31st of December 2023 and on the 31st of December 2022.

The amount of guarantees provided to cover financial commitments included in the consolidated financial statement is 80.2 million euros and 69.2 million euros on the 31st of December 2023 and on the 31st of December 2022, respectively.

There is a lawsuit against the subsidiary "Faianças da Capôa" (which involves the company "Santa Clara Cerâmicas" as counterparty, which led to the legal registration of a mortgage on its property in the amount of 1.67 million euros, an amount that is unique and solely the responsibility of the creditor). The Grupo reversed the provision recorded on the 31st of December 2022 in the amount of approximately 208 thousand euros to face this legal process, not estimating that the outcome will result in additional relevant impacts for the Grupo. This position was seconded by its legal advisors and in the transaction carried out by Grupo Visabeira (Note 22).

32. Commitments

Investment-related commitments

The commitments for investments contracted but not yet incurred on the 31st of December 2023 are around 5.4 million euros, relate to diversified and transversal projects of the PRR (Recovery and Resilience Plan), which aim at the Decarbonisation of Grupo Vista Alegre's factories, rendering them more sustainable in the coming years. The largest portion of the investment already awarded is based on the purchase and installation of 1MW photovoltaic plants at the VAA Ílhavo, Cerexport, Atlantis, Ria Stone and Cerutil factories, awarded in 2023. Moreover, within the 5.4 million euros, the purchase of new machines and production equipment with low carbon and lower consumption is included, promoting the reduction of CO2 emissions into the atmosphere, namely equipment that allows the conversion of gas kilns to hybrid kilns, as well as energy monitoring systems for better production control.

All investments planned for 2024 are part of the Grupo VAA's Decarbonisation strategy with a view to achieving greener and more ecological production processes that meet European goals for the decarbonisation of industry.

33. Financial Risk Management

At Grupo Vista Alegre, the main financial liabilities are loans signed with financial institutions, public bodies, namely the *Agência para o Investimento e Comércio Externo de Portugal*, accounts payable relating to commercial transactions and other accounts payable. Financial liabilities are incurred in order to finance the Group's operations, namely the Companies' Group working capital and investments in expansion and maintenance of production capacity of its Companies. Within the context of the war that we have been living, the Group continued to work actively working capital management, as well as curbing investments in order to guarantee adequate cash flow.

Financial assets derive from operations and are comprised of trade accounts receivable and other debtors and cash and short-term deposits. The Grupo also has investments available for sale, such as investments in financial assets, which include shares in risk capital companies, which are accounted for at their fair value, as well as other financial investments accounted for at acquisition cost as they are investments in unlisted companies with reduced significance.

Grupo Vista Alegre is basically exposed to (i) market risk essentially with interest rate and Exchange rate changes, (ii) credit risk and (iii) liquidity risk. The Group has an approach focused on creating risk strategies, developing activities and skills so that risks are managed in the most appropriate way possible and so that strategic goals are not compromised. Awareness of the existence of risks is the first step towards making strategic and operational decisions, which must be aligned with the level of risk that the Company is willing to undertake.

Market risk

Market risk is generally determined by the risk that the fair value of future cash flows may fluctuate as a result of events that systematically affect the market. Market risk encompasses the following risks: interest rate risk, exchange rate risk, credit risk and liquidity risk.

Interest rate risk

The Group exposure to interest rate risk comes primarily from loans obtained at variable rates. Part of the financing had an interest rate indexed to Euribor in different maturities.

The year 2008 was marked by the *subprime* crisis in the USA, which caused bankruptcy of large financial institutions and which eventually infected economies around the world. It was also at the beginning of this year that the highest Euribor rates were recorded. However, after midyear, there was a decrease as a result of successive cuts in the European Central Bank's interest rate in response to the international financial crisis, which has led to a downward trend in recent years, in 2015 it reached negative values and the downward trend continued until mid-2022. From that date onwards, rates recorded progressive and repeated increases, only stabilising at the end of 2023. The expectation for 2024 is a downward revision of the main Euribor indexes.

The accentuated increase in interest rates during 2022 and 2023, together with the general increase in prices, imposed a much more challenging scenario than was observed in previous years. Inflation,

which has been the main concern of the markets, has recently reached unprecedented high values. In the USA, inflation data is showing signs of decreasing and supports the argument that the central bank will not increase interest rates again. European inflation also shows signs of slowing down, but its path is slower than that of inflation in the United States. According to most recent forecasts, inflation in the Euro Zone continues on a downward trend. In October 2023, it stood at 2.9%, compared to a maximum of 10.6% during the same period the previous year. According to experts at the European Central Bank, projections point to average inflation of 2.3% in 2024, 2% in 2025 and 1.9% in 2026.

As a result of this record, officials at the European Central Bank (ECB) have repeated the message that it is premature to start discussing lowering interest rates while inflation remains at these levels and point to the decision to reduce interest rates during the 2nd semester of 2024.

If the average interest rate supported in 2023 had been 0.5 p.p. higher (lower), the net financial costs would have increased (reduced) by approximately 154 thousand euros.

The sharp increase in interest rates in 2022, together with the general increase in prices, imposed an increased burden on Portuguese companies during the 2023 financial year. During the first half of the year the sharp increases in interest rates continued, reaching levels that had not been seen for a long time, with a stabilisation trend during the last quarter of the year. In regard to loans granted to companies, the average interest rate in 2023 was 3.9%, up from the rate of 1.98% observed in the previous year.

Additionally, Grupo Vista Alegre issued guaranteed bonds in the amount of 45 million euros in 2019, with a fixed annual rate of 4.5% and maturity in October 2024, as well as guaranteed bonds in the amount of five million euros with an annual fixed rate of 3.5% and final maturity in October 2024. Thus, Grupo Vista Alegre ensured coverage of exposure to interest rate variations for around 70% of total financial debt, recorded at the end of 2023 financial year. Taking into account the expected maturity of the bond loan contracted in 2019, Grupo Vista Alegre launched a refinancing program to be completed in 2024 in order to align the maturity of its financial debt with the strategic plan for the coming years.

Exchange risk

Grupo VAA has subsidiaries in Brazil, the United Kingdom, Mozambique, the United States of America, Mexico and India (with no activity in 2023), through which it markets in its respective markets in Reais, Pounds, Meticaïs, US dollars, Mexican Pesos and Indian Rupees, respectively. Thus being exposed to the exchange rate risk of operating activities denominated in currencies other than their functional currency. In Brazil, where the impact was more significant, exchange rate risk vis-à-vis the euro, the currency in which its imports of goods from Portugal are made, the Group holds a short position of around 2 million euros. The Brazilian real appreciated 4.17% against the euro in 2023. A 2% change in the exchange rate would have an impact of around 40 thousand euros. In consolidated terms it presents a balance sheet risk by incorporating the accounts.

In commercial accounts receivable and commercial accounts payable there are balances in currencies different from the euros, namely American Dollars, but without any significant value., as explained below.

Commercial receivable accounts and others:

Currency	Amount 2023	Amount 2022
BRL	4,163,837.63	3,446,658.27
MZN	17,485,518.70	7,493,893.00
USD	708,298.03	491,390.32
MXP	3,326,118.79	4,381.67

Commercial payable accounts as other:

Currency	Amount 2023	Amount 2022
MZN	600,809.44	28,979,460.79
INR	22,968,770.00	21,989,196.00
BRL	10,762,041.61	14,817,101.70
USD	3,254,193.00	3,451,798.08
MXP	23,184,573.39	49,078.52

Credit risks

Vista Alegre Atlantis, SGPS, S.A.'s subsidiaries are exposed to a variety of diversified risks. Management is aware of the importance of credit risk management and the protection of its treasury, recognising the importance of credit insurance as an essential instrument both domestically and abroad. Conscious of the importance of adopting active management of different financial risks in order to minimise their potential negative impacts on cash flow, results and value of companies, it seeks to manage these risks effectively by formulating adequate hedging strategies.

Credit risk is an important and complex aspect which is present in the daily life of Grupo Vista Alegre. Risk assessments imply credit decisions, at times, based on incomplete information, within a scenario of uncertainty and constant change, especially what has been experienced during the last two years, which has proved to be particularly atypical and which was caused by the COVID-19 spread and all the implications that this has entailed. Credit risk management reflects the multiplicity, quality and origin of the information available so that the credit analyst can always take the best decision and that it is in accordance with the assumptions defined by the Group.

The Group keeps the credit insurance policies, leaves the analysis of credit granting to professionals who are specialised in debts recovery, receiving from the credit company the indication of exposure - credit limit - adjusted to the credit capacity of each client. Thus, management can be primarily focused on operational issues. The coverage of this risk allows a compensation of 95% for the unpaid credits. Recent years have been marked by increased restrictions on lending in general, with credit limits having undergone significant unfavourable revisions. In view of this scenario, and in order to meet the credit risk coverage needs, in which the limits granted under the base policies are insufficient, the Group has insured additional coverages that allow it to increase the partial coverage

of its risks, up to twice the amount granted in the base policy, and as well as to obtain coverages for risks that have no value attributed in the said base policy, up to the limit of 100 thousand euros.

The payment terms for the receivables from customers not yet due without an impairment entry and due with an impairment entry, as of the 31st of December 2023 and 2022 are:

	31-12-2023	31-12-2022
Not yet overdue	4,698	9,152
Overdue but with no impairment entries		
0-30 days	2,808	2,376
30-90 days	1,153	791
+ 90 days	3,769	250
Total	7,729	3,417
Overdue but with impairment entries		
0-90 days		
90-180 days		
180-360 days		
+ 360 days	3,255	2,993
Total	3,255	2,993
Overall Total	15,682	15,562
Total net impairments	12,427	12,569

The greater restrictions on the external coverage of the credit granted imply of increased rigour and a greater requirement in the appraisal of the requests for the concession is internal credit. The detailed analysis of a customer's credit risk is normally summarised in a credit sheet, which contains the information that will allow the issuing of an opinion on a credit operation and which includes available and relevant information such as the character of the customer, its management capacity, asset value, history, financial information, credit guarantees and payment terms.

The Group believes that it does not have significant credit risk concentrations, maintaining an active credit control for all its clients, overseen by the Financial Management.

Liquidity risk

Liquidity risk is the risk that Grupo VAA will encounter difficulties in meeting commitments associated with financial instruments. This risk is the biggest that Grupo VAA have been exposed to. Grupo VAA substantially improved its financial conditions following changes in its shareholder structure during the previous years, and the very positive evolution of its operations in recent years. Moreover, Grupo VAA has a centralised treasury management contract with Visabeira Indústria, SGPS, SA, its main shareholder, in order to manage its cash resources more efficiently. Treasury and investments are managed by a global and centralised organisation, which allows reducing cash flow risks, avoiding exposure to variations that may affect the companies' results.

Vista Alegre is obliged to comply with the financial covenants in connection with the issuance of the 50 million euros bond loan contracted in 2019. In 2021, as a result of the pandemic crisis caused by

COVID 19, the Company negotiated a change to the debt financial covenant – Net Debt⁶ over EBITDA⁷, which it was obliged to comply with in the scope of the bond loan contracted for a maximum limit of 5.0x, which was fixed in the following years at 4.0x in 2022 and 3.0x in 2023.

We can conclude that the Group manages liquidity risk in two ways:

- (i) ensuring that its financial debt has a high medium and long-term component with maturities appropriate to the characteristics of the industries in which it operates, and
- (ii) by contracting credit lines available with financial institutions at any time, for an amount that guarantees adequate liquidity to the development of its operations.

In terms of available resources, they reached 16.8 million euros on the 31st of December 2023.

⁶ Net Debt= Bank loans + Lease liabilities - Cash and cash equivalents

⁷ EBITDA = Operating income – Amortisation and depreciation - Impairments - Provisions for the financial year
- Impairment of assets depreciation

34. Balances and Transactions with related parties

The entities that, on the 31st of December 2023, had a qualifying share in the Grupo Vista Alegre were:

Shareholder	Shares		(in euros)
	No of shares	% of voting rights	Carrying amount
NCFGEST, SA			
Directly (its own portfolio)	5,821,476	3.47%	4,657,180.80
Through Grupo Visabeira, SA	5,548,417	3.31%	4,438,733.60
Through Visabeira Indústria, SGPS, SA	137,965,968	82.29%	110,372,774.40
Through NCFTradetur	2,836,541	1.69%	2,269,232.80
Total attributable to Grupo Visabeira, SA	152,172,402	90.77%	121,737,921.60
Caixa Geral de Depósitos, SA:			
Directly (its own portfolio)	2,792,553	1.67%	2,234,042.40
Total attributable Caixa Geral Depósitos, SA	2,792,553	1.67%	2,234,042.40
Free Float	12,684,995	7.57%	10,147,996.00
Sub-totals	167,649,950	100.00%	134,119,960
Treasury shares	110	0.00%	88
Total shares Vista Alegre Atlantis	167,650,060	100.00%	134,120,048

(1) The majority shareholder of VISTA ALEGRE ATLANTIS SGPS, S.A., VISABEIRA INDÚSTRIA, SGPS, S.A., is totally owned by Grupo Visabeira, S.A., whose majority shareholder, NCFGEST, S.A., a company totally owned by the individual partner Fernando Campos Nunes, possesses 98.57%.

The following transactions were carried out with the Board of Directors and Former Directors during the financial year ending on the 31st of December 2023:

	31-12-2023	31-12-2022
Salaries and other short-term benefits of the Management	858	889
Retirement pensions with former administrators	259	816
	1,117	1,703

The remunerations previously described are of a fixed and variable nature, occurring during the 2023 and 2022 financial years.

The balances outstanding as of the 31st of December 2023 and 2022 with related parties are almost exclusively from demand deposits and operating loans with the banking group *Caixa Geral de Depósitos* ("CGD") as well as operating accounts receivable and payable with Grupo Visabeira companies.

It is important to note that during the 2023 financial year (as during the 2022 financial year), Grupo Vista Alegre granted short-term loans to the related party and shareholder Visabeira Indústria, SGPS, S.A. which were fully repaid by that related party (see note 7).

The balances of assets and liabilities to related parties on 31st of December 2023 and 2022 are as follows:

	31-12-2023	31-12-2022
Assets		
Grupo CGD - Demand deposits	2,162	3,125
NCFGEST - Client balance	1,636	0
NCFGEST - Other Debtors (Note 17)	724	584
	<u>4,523</u>	<u>3,709</u>
Liabilities		
Grupo CGD		
Operating loans	461	809
Bank loans	9,386	10,721
	<u>9,847</u>	<u>11,530</u>
NCFGEST		
Suppliers and other creditors	3,714	2,162
Related parties - RETGS (Note 21)	3,159	1,596
	<u>6,873</u>	<u>3,758</u>
	21,242	18,997

Transactions with related parties on the 31st December 2023 and 2022:

	31-12-2023		31-12-2022	
	Purchases to related parties (COST)	Sales to related parties (INCOME)	Purchases from related parties (COST)	Sales to related parties (INCOME)
Grupo CGD	409	54	158	0
NCFGEST, SA	2,028	1,656	1,907	1,162
ARMISEPI, S.A	1	0	12	0
CONSTRUCTEL - CONST.ET TELECOMMUNIC	1	2	1	11
CONSTRUCTEL ITALIA S.R.L.	0	0	0	1
CONSTRUCTEL VISABEIRA, SA	3	4	0	7
CREATIVE SHOTS - AGÊNCIA DE COMUNICAÇÃO	61	2	74	3
EDIVISA - EMPRESA DE CONSTRUÇOES, S.A.	42	11	22	8
EMPREENDIMENTOS TUR. MONTE BELO, S.A.	93	117	60	114
FUNDACAO VISABEIRA - INST. SOLID. S	36	0	0	0
GESVISA - PATRIMÓNIO IMOBILIÁRIO	30	0	30	0
GRUPO VISABEIRA, SA	817	355	886	99
IEME S.R.L.	0	0	1	0
IMOVISA - IMOBILIARIA DE MOCAMBIQUE, SA	1	0	1	0
MERCURY COMERCIAL, LDA	3	132	0	0
MILIBANGALALA SA	0	1	1	4
MOB - INDUSTRIA DE MOBILIARIO, S.A.	36	10	35	5
MOVIDA - EMPREENDIMENTOS TURISTICOS	98	7	100	0
MUNDICOR - VIAGENS E TURISMO, SA	294	0	155	76
NCFGEST, SA	41	260	45	149
NIKKEI CHIADO, LDA	0	2	0	0
PDT- PROJECTOS DE TELECOMUNICAÇÕES,	34	0	30	0
PINEWELLS, S.A	0	2	2	0
REAL LIFE - TECNOLOGIAS DE INFORMAÇÃO	2	0	0	0
TROPPO SQUISITO LISBOA, LDA	0	1	1	3
TURVISA - EMPREENDIMENTOS TURISTICOS,LDA	0	6	6	11
TV CABO, LDA	2	2	2	0
VAA-EMPREENDIMENTOS TURISTICOS,S.A	107	147	61	104
VIATEL - TECNOLOGIA DE COMUNICACOES, SA	54	8	64	0
VISABEIRA INFRAESTRUTURAS, S.A.	1	0	7	0
VISABEIRA GLOBAL, SGPS, S.A.	0	1	0	0
VISABEIRA IMOBILIARIA, SA	16	0	15	0
VISABEIRA INDUSTRIA, SGPS, S.A.	172	570	170	547
VISABEIRA MOÇAMBIQUE, S.A	0	0	12	4
VISABEIRA SERVIÇOS, SGPS, SA	0	0	1	0
VISABEIRA TURISMO, IMOBILIÁRIA E SERVICIOS	0	7	0	9
VISABEIRAHOUSE, S.A.	0	0	2	0
VISACASA, S.A.	74	1	104	0
ZAMBEZE - RESTAURAÇÃO, S.A.	9	6	4	7

35. Subsequent events

Since the end of February 2024, VAA management has been organising and setting up a bond loan using public subscription.

Since then, VAA management, together with coordinating banks, legal advisors and consultants in the area of sustainability, have been actively working to successfully complete this operation by the end of the first semester of 2024.

Taking into account that this is a public subscription offer, the amount of bonds to be issued will naturally depend on market demand, however, VAA management defined the objective amount for this issue as a value between 40M € and 60M€, which will allow it to repay the current VAA Fixed Rate Guaranteed Senior Secured Notes 2019-2024 Class A bond issue, as well as cover investments planned for its activity.

This future bond issue will allow VAA to diversify its sources of financing, placing a substantial part of its debt with national private investors. Note that VAA's financial performance and the reputation of the Vista Alegre brand among the general public played a fundamental role in choosing this financing alternative, instead of traditional financing or bonds placed with institutional investors.

Finally, due to growing European regulations related to sustainability and the commitment that VAA undertakes in its activity towards future generations, VAA's management decided to include an ESG characteristic in the conditions of the aforementioned obligations, thus issuing SLB ("Sustainability-Linked Bonds") through the definition of a sustainability indicator ("KPI – Key Performance Indicator"), resulting in a penalty if the SPT - Sustainability Performance Target defined for this indicator is not reached.

There are no events subsequent to the date of the financial statements that influence the reading and interpretation of these consolidated financial statements.

The Certified Accountant

The Board of Directors

Ílhavo, 8th of April 2024

ANNEX TO THE SEPARATE FINANCIAL STATEMENTS

During the period ended on 31st of December 2023, the entities with related parties of the Grupo Vista Alegre are the following:

- NCFGEST, SA
- Grupo Visabeira, SA
- Aeroprotechnik - Aerial Engineering, Lda
- Base Force, Lda
- Cabling Station Data, SA
- Comatel Infraestruturas, Lda.
- Constructel - Contructions et Télécommunications Belgique
- Constructel - Contructions et Télécommunications, SARL
- Constructel BAU GmbH
- Constructel Denmark, ApS
- Constructel Energie, S.A.
- Constructel Italia, SRL
- Constructel Infra-Structures, SAS
- Constructel GmbH
- ConstructelModal, SA
- Constructel UK, Ltd
- Constructel Visabeira, SA
- Cunha Soares & Filhos, SA
- CST-Companhia Santomense de Telecomunicações
- Edivisa - Empresa de Construção Lda.
- Edivisa - Empresa de Construções, SA
- Escotel, SASU

- EIP Serviços, SA
- Electrotec – Projecto, Execução e Gestão de Redes de Energia, Lda
- Ferreira & Coelho, Lda
- Field Force Atlântico, SA
- Franz Josef Braun GMBH
- Gatel, SAS
- Geovento – Imobiliária, Lda
- Hidroáfrica - Comércio e Indústria, SARL
- Holding Escot Telecom Maroc
- IEME, SRL
- Infrassign
- Intelvisa, Gestão de Participações, SA
- IEME, SRL
- J.F. Edwards Construction Company
- Jayme da Costa – ES, SA
- Jayme da Costa, Lda
- Jayme da Costa SGPS
- MJ QUINN - Integrated Services, Ltd
- MJ QUINN Holding
- Modal Installation, SA
- Naturenergia - Agro-Energias, SA
- Oude MarktVoerlieden Natie NV (OMV Natie)
- PDT - Projectos e Telecomunicações, SA
- Quinn Constructel UK, Ltd
- Real Life - Tecnologias de Informação, SA

- Real Life Advanced Technologies Academy MZ, SA
- Real Life Technologies MZ, SA
- SCI Constructel
- SCI Constructel Itália, SRL
- Selfenergy Moçambique, SA
- Sogitel - Sociedade de Gestão Imobiliária, Lda
- Televisa - Sociedade Técnica de Obras e Projectos, Lda.
- Tensa, SA
- TV Cabo - Comunicações Multimédia, Lda
- TV Cabo Angola, Lda.
- Viatel – Tecnologia de Comunicações, SA
- Visabeira Infraestruturas, SA
- Visabeira Global, SGPS, SA
- Visacasa - Serviços de Assistência e Manutenção Global, SA
- Visactys, SASU
- VisaPower, Unipessoal, Lda
- VisaPower II, S.A.
- Visaqua - Gestão de Infra-estruturas e Serviços, Ambientais, SA
- Agrovisa – Agricultura e Pecuária, Lda
- Álamo – Indústria e Desenvolvimento Florestal, Lda
- Ambitermo - Engenharia e Equipamentos Térmicos, SA
- Ambitermo Maroc Chaudieres Industrielles, SARL
- Armisepi, SA
- Besconsigo - Materiais, Construção de Besteiros, Lda
- Celmoque - Cabos de Energia e Telec. de Moçambique, SARL

- Granbeira II - Rochas Ornamentais, SA
- Marmonte - Mármore de Moçambique, SARL
- Mob - Indústria de Mobiliário, SA
- Mob Cuisines, SASU
- Pinewells, SA
- Rodinerte - Transportes, Lda
- Visabeira Indústria, SGPS, SA
- Visaconstroi - Construção e Gestão Imobiliária, Lda
- Gesvisa, SA
- Empreendimentos Tur. Montebelo – Soc. Tur. e Recreio, SA
- Imobiliária Panorama, Lda
- Inhambane Empreendimentos, Lda
- Martifer-Visabeira, SA
- Milibangalala, SA
- Movida - Empreendimentos Turísticos, SA
- Mundicor - Viagens e Turismo, SA
- Soginveste Empreendimentos, Lda
- Turvisa – Empreendimentos Turísticos, Lda
- Troppo Squisito Lisboa, Lda
- VAA - Empreendimentos Turísticos, SA
- Visabeira Turismo, Imobiliária e Serviços, SA
- Zambeze - Restauração, S.A
- Zambeze Village, Lda.
- Ifervisa - Sociedade de Promoção e Desenvolvimento Imobiliário, SA
- Imovisa – Imobiliária de Moçambique, Lda

- Visabeira Imobiliária, SA
- Visabeira Imobiliária II, SA
- 2 Logical -Serviços de Consultoria Farmacêutica, SA
- Agrovisa – Agricultura e Pecuária, Lda
- Ambitermo Angola, Lda
- Agrovisa, Lda
- Autovisa - Serviços Auto, SARL
- Asfalís - Mediação de Seguros, SA
- Catari Angola, Lda
- Combustíveis do Songo, SA
- Iutel - Infocomunicações, SA
- Mercury Comercial, Lda. (Mozambique)
- Mercury Comercial, Lda. (Angola)
- Mercury South Africa, Lda
- PDA - Parque Desportivo de Aveiro, SA
- Predibeira - Compra e Venda de Propriedades, Lda
- Vibeiras, Sociedade Comercial de Plantas SA
- Visabeira Angola - Investimento e Participações, Lda
- Visabeira Espanha, SA
- Visabeira Moçambique, Lda
- Visabeira Saúde, SA
- Visauto - Reparações Auto, Lda
- Visabeira Serviços, SGPS, SA
- Visabeirahouse - Sociedade de Mediação Imobiliária, S.A.
- Creative Shots, SA

- Visa House - Sociedade de Mediação Imobiliária, SA

The members of Vista Alegre Atlantis, SGPS, S.A. Board of Directors, performing its functions on the 31st of December 2023, are the following:

- Nuno Miguel Rodrigues Terras Marques
- Paulo Jorge Lourenço Pires
- Alexandra da Conceição Lopes
- Nuno Miguel Ferreira de Assunção Barra
- Alda Alexandra Abrantes Costa
- Teodorico Figueiredo Pais
- Cristina Isabel Sousa Lopes
- Nuno Maria Pinto de Magalhães Fernandes Thomaz
- Céline Dora Judith Abecassis Moedas
- Mário Godinho de Matos
- Luís Miguel Poiars Pessoa Maduro
- Carlos Alberto Sá Garcia da Costa
- Fernando Daniel Leocádio Campos Nunes
- Maria Isabel Couto Fernandes

The members of Grupo Visabeira, S.A. Board of Directors, performing its functions on the 31st of December 2023, are the following:

- Nuno Miguel Rodrigues Terras Marques
- João Manuel Pisco de Castro
- Alexandra da Conceição Lopes
- António José Monteiro Borges
- Fernando Daniel Leocádio Campos Nunes

List of Qualifying Shareholders

prepared under the terms of Article 8, n.1, e), of Regulation no. 4/2004 of the CMVM [Marketable Securities' Commission],

indicating the number of shares held and the corresponding percentage of voting rights,

calculated under the terms of article 20 of the Securities Code.

Under the terms and for the purposes of the provisions of articles 16 and 20 of the Securities Code, we hereby inform that companies and/or individuals who have a qualified shareholding that exceeds 2%, 10%, 20%, 33% and 50% of the voting rights, and according to the notifications received at the company's head offices to this date, and regarding the 31st of December 2023 are as follows:

Shareholder	Shares		(in euros)
	No of shares	% of voting rights	Carrying amount
NCFGEST, SA			
Directly (its own portfolio)	5,821,476	3.47%	4,657,180.80
Through Grupo Visabeira, SA	5,548,417	3.31%	4,438,733.60
Through Visabeira Indústria, SGPS, SA	137,965,968	82.29%	110,372,774.40
Through NCFTradetur	2,836,541	1.69%	2,269,232.80
Total attributable to Grupo Visabeira, SA	152,172,402	90.77%	121,737,921.60
Caixa Geral de Depósitos, SA:			
Directly (its own portfolio)	2,792,553	1.67%	2,234,042.40
Total attributable Caixa Geral Depósitos, SA	2,792,553	1.67%	2,234,042.40
Free Float	12,684,995	7.57%	10,147,996.00
Sub-totals	167,649,950	100.00%	134,119,960
Treasury shares	110	0.00%	88
Total shares Vista Alegre Atlantis	167,650,060	100.00%	134,120,048

(1) The majority shareholder of VAA - VISTA ALEGRE ATLANTIS SGPS, S.A., VISABEIRA INDÚSTRIA, SGPS, S.A., is totally owned by Grupo Visabeira, S.A., whose majority shareholder, NCFGEST, S.A., possesses 98.57%, being this last company totally owned by the individual partner Fernando Campos Nunes.

VAA – Vista Alegre Atlantis, SGPS, SA

(Public Company)

Rua Nova da Trindade n° 1 r/c esqdo - 1200-301 Lisboa

Taxpayer number 500 978 654 ■ Share Capital 121,927,317.04 Euros Registered with the Commercial Registry of Lisbon under the number 466

Management Report and Separate Financial Statements

31st of December 2023

(IFRS)

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Management Report

MANAGEMENT REPORT

Financial year 2023

Separate Financial Statements

Dear Shareholders,

1. Introduction

Under current legislation, the Board of Directors of VAA-Vista Alegre Atlantis SGPS, S.A., (“Company”, “Society” or “Vista Alegre”), with this document, states how the social businesses were carried out during the financial year of 2023.

Thus, we elaborated and submit to the Shareholders’ approval this Management Report and Financial Statements, which include: the Statement of Financial Position, the Profit and Loss Statement by nature, the Statement of Comprehensive Income, the Statement of Changes in Equity, and the Cash-flow Statement, all regarding the financial year, which coincides with the calendar year of 2023, as well as the corresponding annexes. We included as well the description of the shares hold by the Corporate Bodies (article 447, no 5 of the CSC), the list of the Shareholders who own a capital share higher than 10% (article 448, no 4 of the CSC), and the listing of qualifying shares (article 6 of the CVM regulation no 11/2000 with the wording given by CVM Regulation no 24/2000).

2. Macroeconomic Environment

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

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

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

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

The increase in terms of geopolitical tensions due to the conflict following Hamas terrorist attacks against Israel is a major concern in the short term, namely if the war affects other regions. The resurgence of the conflict could result in very significant disruptions in the energy markets and on the main trade routes, resulting in a further re-evaluation of risk in financial markets, which would boost a scenario of slowing growth and increasing inflation.

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

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

National Economy

According to the Bank of Portugal's economic bulletin, in December 2023, and other statistical information from INE (National statistics institute) and the Bank of Portugal, the Portuguese economy is expected to grow by 2.3% in 2023, with a slowdown in 2024 to 2% and a recovery in growth to 2.3% on average during the following two years. Inflation will continue on a downward path, with the annual Harmonised Index of Consumer Prices (HICP) decreasing from 5.3% in 2023 to 2.9% in 2024, and 2.0% in 2025-2026.

The growth of the Portuguese economy should be based on the dynamics of investment and exports. However, private and public consumption should continue to decrease.

The budget indicators continue to evolve favourably, with the budget balance as a percentage of GDP, projected to reach surplus of 1.1% of GDP by 2023, although the less favourable macroeconomic scenario

places the balance forecast for 2024 at 0.1%. As for public debt ratio, it is expected to decrease from 112% in 2022 to 98.7% in 2023, continuing its downward path during the following years.

Investment growth decreased in 2023, but it should recover in 2024-2026 under the gradual improvement in the macro-financial framework and greater inflows of funds from the European Union. The expectation of greater growth in corporate and public GFCF (Gross Fixed Capital Formation) and exports should create favourable conditions for investment in the country and lead the Portuguese economy to grow above the euro area average.

However, the weakness of GFCF in housing is likely to be more long-term. The decrease in housing affordability via credit reduces demand and creates expectations in terms of sale prices moderation, which will affect profitability and investment in new constructions.

Goods exports have decreased during 2023, in line with the reduction in demand from the main trading partners. Export growth in 2023-2026 should be more restrained than during previous years, due to the impact of less dynamic external demand.

The balance of goods and services returned to a surplus in 2023, following the deficits in 2020-2022 (on average -2.1% of GDP), reflecting a positive effect in tourism flows and a recovery in terms of trade, associated with lower energy commodity prices. During the following years, the surplus should be close to or above pre-pandemic amounts.

The improvement in the current and capital account balance in 2023 also reflects the evolution of the capital account. In terms of projection, this balance will benefit from the increase in net transfers of funds under the Recovery and Resilience Plan and the current EU funds programme. This should help to maintain the downward trend in the debt position vis-à-vis foreign countries.

In 2023, employment remained resilient, despite presenting a slowdown during the second half of the year. The Bank of Portugal's estimates include an increase in employment of 0.8% in 2023, with projections of a slowdown to 0.1% in 2024 and 0.3% in 2025-2026. The unemployment rate is estimated to have increased from 6.6% in 2023 to an average of 7.2% in 2024-2026. The average nominal wage in the economy is expected to have risen by 7.5% in 2023, with a forecast of 4.4% during 2024 and 3.8% during 2025-2026, within a context of decreasing inflation.

European Economy

According to European Commission data, the European economy lost its strength during 2023, conditioned by a context of high living costs, weak external demand and monetary restriction. According to the winter interim forecasts, economic activity is estimated to have grown by 0.5% during 2023, both in the EU and the euro zone.

Within this context, economic activity is expected to recover gradually as consumption increases, as a result of a strong labour market, sustained wage growth and continued reduction of the inflation. However, despite a tighter monetary policy, investment is expected to continue to increase, supported by the overall strong balance sheets of companies and the Recovery and Resilience Mechanism. Thus,

continued growth is predicted in terms of the EU's GDP to 0.9% during 2024, increasing further to achieve 1.7% during 2025. GDP growth in the Eurozone is expected to be slightly lower - 0.8% during 2024 and 1.5% during 2025.

3. Group structure

The structure presented below is the structure of Grupo Vista Alegre Atlantis on 31st of December 2023 and 2022:

Companies	Head office	Participation percentage	
		2023	2022
Vista Alegre Atlantis, SGPS, SA	Ílhavo	Parent Company	Parent company
Bordalgest, SA	Lisbon	-	100.00%
Cerexport - Cerâmica de exportação, SA	Ílhavo	100.00%	100.00%
Cerutil - Cerâmicas Utilitárias, SA	Sátão	100.00%	100.00%
Faianças Artísticas Bordalo Pinheiro, SA	Caldas da Rainha	86.14%	86.14%
Faianças da Capôa - Indústria Cerâmica, SA	Ílhavo	100.00%	100.00%
Mexicova, SA	Mexico City	100.00%	100.00%
Ria Stone Fábrica de Louça de Mesa em Grés, SA	Ílhavo	100.00%	100.00%
Ria Stone II, SA	Ílhavo	100.00%	100.00%
Shree Sharda Vista Alegre Private Limited	Delhi	50.00%	50.00%
VA - Vista Alegre España, SA	Madrid	100.00%	100.00%
VAA Brasil – Comércio, Importação e Exportação, SA	S. Paulo	98.03%	98.03%
VAA I.L. – Sociedade Imobiliária, SA	Ílhavo	100.00%	100.00%
Vista Alegre Atlantis Moçambique, Lda	Maputo	99.00%	99.00%
Vista Alegre Atlantis, SA	Ílhavo	100.00%	100.00%
Vista Alegre France, SAS	Paris	100.00%	100.00%
Vista Alegre USA Corporation	New York	100.00%	100.00%

Grupo Vista Alegre is made up of 16 companies in 2023 (Bordalgest, S.A. was dissolved during this financial year), divided into four business areas (porcelain, earthenware, stoneware as well as crystal and handmade glass):

- ✓ Vista Alegre Atlantis, SGPS, S.A., has as its corporate objects the management of shareholdings in other companies as an indirect way of carrying out economic activities. Its subsidiaries develop business in production, distribution and sale of porcelain, crystal and manual glassware, table and oven stoneware and earthenware, with horeca, retail and private label distribution channels.
- ✓ Vista Alegre Atlantis, S.A., company of Portuguese law which holds the entire Group's production (porcelain, crystal, oven to tableware and handmade glass), and the national chain stores.
- ✓ Cerutil – Cerâmicas Utilitárias, S.A., company of Portuguese law which holds the factory in Sátão (Viseu) that has more than 15,000 m² of productive area, in an optimised layout, which represents a national reference in the tableware and oven manufacture.
- ✓ Bordalgest, S.A., a Portuguese company based in Lisbon, was dissolved in November 2023 as a result of an internal corporate reorganisation.
- ✓ Faianças Artísticas Bordalo Pinheiro, S.A., company of Portuguese law that in the scope of Grupo Vista Alegre is now autotomizing as a business area in the faïence (tableware, gift ware and special editions). VAA thus owns the production units in Portugal located in Caldas da Rainha and Aradas in this business area.

- ✓ *Vista Alegre España, S.A.*, society of Spanish law which, in that country, carries out the activities of distributor and retailer owning 37 points of sale in the shops El Corte Inglés, in addition to the two stores of the brand.
- ✓ *Faianças da Capôa-Indústria de Cerâmica, S.A.*, society of Portuguese law, owner of the factory in Aradas/Aveiro.
- ✓ *Cerexport-Cerâmica de Exportação, S.A.*, society of Portuguese law, owner of the building in Esgueira/Taboeira/Aveiro, where VAA has its industrial production of ovenware.
- ✓ *VAA Brasil – Comércio, Importação e Exportação S.A.*, society of Brazilian law, based in the city of Vitória, state of Espírito Santo, owned in 97.57% by *Cerexport-Cerâmica de Exportação, S.A.*, 0.46% by *Faianças da Capôa-Indústria de Cerâmica, S.A.* and 1.97% by a local partner. This company was constituted in July 2011, with the objective of trading Vista Alegre Atlantis products.
- ✓ *Ria Stone, Fábrica de Louça de Mesa em Grés, S.A.*, society of Portuguese law, based in Ílhavo, constituted in June 2012, whose object consists in the production of tableware and domestic articles in stoneware, trade of articles stoneware, faïence and ceramics.
- ✓ *Ria Stone II, S.A.*, society of Portuguese law, based in Ílhavo, constituted in December 2020, whose object consists in the production of tableware and domestic articles in stoneware, trade of articles stoneware, earthenware and ceramics. This company remained inactive in 2023.
- ✓ *Vista Alegre Atlantis Moçambique, Lda.*, society based in Maputo, Mozambique, constituted in December 2012, with the objective of trade porcelain articles, faïence and others, domestic crystal and glass, allowing to have a local presence in this country.
- ✓ *Vista Alegre USA Corporation* it's an American society based in New York, where is located a showroom, being the first space of the brand in the United States of America.
- ✓ *VAA I.I. – Sociedade Imobiliária S.A.* is a company based in Portugal and will exercise its activity in the real estate and tourism area.
- ✓ *Shree Sharda Vista Alegre Private Limited* is a company based in India and will exercise the Group's commercial activity (porcelain, crystal, ovenware, earthenware and handmade glass).
- ✓ *Vista Alegre France, SAS*, is a company incorporated under French law, whose main activity is the trade of porcelain and earthenware as well as related products, crystal and glass pieces and decoration items, import and export of similar products; as well as all activities whose end is related.
- ✓ *Mexicova, S.A.*, a company based in Mexico City, will be engaged in the commercial activity of the Group in this country (porcelain, crystal, ovenware, earthenware and handmade glass).

4. Activity evolution

VAA-Vista Alegre Atlantis, SGPS, SA only carries out industrial and commercial activity indirectly, through its subsidiaries.

In 2023 this company presented a negative net result of 9,469,238 Euros.

In January 2014 a services provision contract between Vista Alegre Atlantis, SGPS, SA and Vista Alegre Atlantis, SA (VAA, SA) was signed, under which SGPS undertakes to provide management and administrative technical services to VAA, SA, on whose capital it holds the total of the capital. During the 2023 financial year, the amount of this service provision was maintained compared to the previous year, totalling 1,087,145 euros.

In 2022, three contracts for the provision of administration and management services were signed with the subsidiaries Cerutil, Faianças Artísticas Bordalo Pinheiro and Ria Stone in the amount of 145,908 euros, 197,762 euros and 558,795 euros, respectively. In the 2023 financial year, only the contract with Ria Stone was revised upwards, reaching the amount of 1,752,803 euros (Note 18).

On the 31st of December 2023 and 2022, the amount of retirement pension liabilities relates to a provision related to retirement supplements of a former director of Grupo Vista Alegre. Defined benefit plan obligations are calculated annually based on external information from independent actuarial experts. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows, using interest rates of high-quality bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approaching the terms of the related pension liability. All actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in equity and presented in other comprehensive income.

In December 2014, the *Supremo Tribunal de Justiça* validated the attribution of the retirement pension to said former director, despite the fact that the Company changed the amount paid to said beneficiary from 2018, based on a certain position supported by a legal framework. During the first semester of 2022, and due to legal actions brought by the aforementioned former director, the *Supremo Tribunal de Justiça* issued a decision unfavourable to Vista Alegre, which was ordered to pay the pension requested by the Former Director. As a result of this agreement, there was an increase in the provision amount in 2022, totalling 2.1 million euros. During the year ending on the 31st of December 2023, the Company maintains liabilities of 2,086,907 euros.

At the end of the 2023 financial year, VAA-Vista Alegre Atlantis, SGPS, S.A. presents in its accounts an impairment adjustment of 95,070,718 Euro. When calculating this adjustment, an assessment was carried out internally for each of the participating companies, based on forecasts of activities projected by the respective Boards of Directors.

On the 9th of October 2018 the reverse stock split was completed. It was based on the regrouping of the 1.524.091.460 shares representing the company's share capital, by applying a regrouping ratio of 1:10, corresponding to every 10 (ten) shares 1 (one) new share, rounded up to the nearest whole number.

On the 22nd of October 2019, a guaranteed bond issue was completed in the amount of 45,000,000 euros (totally outstanding as of the 31st of December 2023), with a fixed annual rate of 4.5% and maturity in October 2024; and guaranteed bonds worth 5,000,000 euros (amount outstanding of around 2,500,000 euros as of the 31st of December) with a fixed annual rate of 3.5% and final maturity in October 2024, all placed only with institutional investors.

On the 12th of December 2019, VAA - Vista Alegre Atlantis, SGPS, SA increased its capital by new cash inflows, with the suppression of shareholders' pre-emptive rights, in the amount of 12,192,731.20 euros, resulting in a change in the capital of Vista Alegre from 121,927,316.80 euros to 134,120,048.00 euros, by issuing 15,240,914 new shares, with a nominal value of 0.80 euros each, as communicated to the market in due course.

It should also be noted that, as a result of the impacts on the activity and profitability of Grupo Vista Alegre caused by the pandemic associated with the corona virus "Covid-19" and as announced to the market on the 30th of June 2020, the Company was approved by the General Meeting of Bondholders to amend clause 9.5 of the contractual Terms and Conditions of the bond loan contracted in October 2019, so that the Financial Covenant provided for in that provision in terms of the ratio between Net Debt and EBITDA in relation to the Relevant Periods ending on the 30th of June 2020 and on 31st of December 2020 became 6x.

In 2021, as announced to the market in July and as a result of the extension of the effects of the pandemic throughout 2021, the Company saw the amendment of clause 9.5 of the Contractual Terms and Conditions of the bond loan approved once again by the General Meeting of Bondholders in October 2019, so that the Financial Covenant provided for in that provision regarding the ratio between Net Debt and EBITDA was amended in relation to the Relevant Periods up to the Maturity Date. Instead, the ratio levels presented in note 14 of the notes to the financial statements will be applied.

Proposal for the earnings application

Under the terms of the law, we propose that the calculated loss of 9,469,238 euros, resulting from the Company's activity, be fully applied to Retained Earnings.

5. Activity developed by the Non-Executive Members of the Board of Directors

In the meetings with the Executive Directors, which have been held on an almost monthly basis, members of the Non-Executive Board of Directors were informed of the most relevant deliberations for the Company taken by the Executive Committee and of all related information, with the decisions having the greatest impact on the Company taken at the meetings of the Board of Directors, namely those relating to business strategy and planning, financing and guarantees and large investments. When carrying out their duties, the non-executive members of the Board of directors did not face any constraints.

6. Subsequent events

It should be noted that since the end of February 2024, Vista Alegre Atlantis, SGPS, S.A.'s management has been working on, organising and setting up a bond loan with a public subscription, together with coordinating banks, legal advisors and sustainability consultants, who are actively working to successfully complete this operation by the end of the first semester of 2024. More information regarding this operation is available in note 26 of the Notes to the attached Financial Statements.

7. Final note

In compliance with the legal and statutory provisions, the Parties, individually, declare that, according to their knowledge, the Annual Report for the year of 2023 have been prepared in accordance with applicable International Financial Reporting Standards, giving a true and fair view, in all materially relevant aspects, of the assets and liabilities, the financial situation and the consolidated income issuer, and that the Management Report (read together with the Management Report that accompanies the consolidated accounts) faithfully reflects the evolution of the business, performance and position of the issuer, as well as of the companies included in the consolidation companies, and it contains a description of the main risks and uncertainties they face.

At Vista Alegre Atlantis, SGPS, SA, the main financial liabilities are loans obtained from banking and bond institutions, commercial accounts payable and other accounts payable. Financial liabilities are incurred in order to finance the Group's operations, namely the Companies' Group working capital and investments in expansion and maintenance of production capacity. Financial risk management is described in note 24 of the annex to the financial statements.

Ílhavo, 8th of April 2024

The Board of Directors

Nuno Miguel Rodrigues Terras Marques
Chairman of the Board of Directors

Paulo Jorge Lourenço Pires
Vice-Chairman of Board of Directors

Alexandra da Conceição Lopes
Member of the Board of Directors

Alda Alexandra Abrantes Costa
Member of the Board of Directors

Nuno Miguel Ferreira De Assunção Barra
Member of the Board of Directors

Nuno Maria Pinto de Magalhães Fernandes Thomaz
Member of the Board of Directors

Cristina Isabel Sousa Lopes
Member of the Board of Directors

Teodorico Figueiredo Pais
Member of the Board of Directors

Carlos Alberto Sá Garcia da Costa
Member of the Board of Directors

Fernando Daniel Leocádio Campos Nunes
Member of the Board of Directors

Maria Isabel Couto Fernandes
Member of the Board of Directors

Céline Dora Judith Abecassis Moedas
Member of the Board of Directors

Mário Godinho de Matos
Member of the Board of Directors

Luís Miguel Poiares Pessoa Maduro
Member of the Board of Directors

Financial Statements

Financial Position

on the 31st of December 2023 and on the 31st of December 2022

Headings	Notes	31-12-2023	31-12-2022
		IFRS	IFRS
Non-current assets:			
Financial investments in subsidiaries	7	210,894,915	184,871,025
Financial investments – others	6, 7	112,587	112,587
Tangible fixed assets	8	106,793	123,039
Intangible assets	9	185,037	8,660
Deferred taxes	10	469,554	480,907
Accounts receivable and others	6, 11	42,827,877	29,013,205
Total non-current assets		254,596,763	214,609,423
Current assets:			
Accounts receivable and others	6, 11	5,999,254	3,185,463
State and other public entities	17	662	414
Cash and cash equivalents	6	9,202,736	16,288,937
Total current assets		15,202,651	19,474,815
TOTAL ASSETS		269,799,414	234,084,238
Equity:			
Share capital	12, 25	134,120,048	134,120,048
Treasury capital	12	-1,854	-1,854
Supplementary benefits	12	38,181,653	38,181,653
Issue premiums	12	25,112,774	25,112,774
Retained earnings	13	-23,616,324	-17,649,930
Net income for the financial year		-9,469,238	-5,804,665
Total equity		164,327,059	173,958,026
Non-Current Liabilities:			
Loans	6 ,14	0	47,002,003
Provisions for retirement pensions	16	2,086,907	2,137,364
Total non-current assets		2,086,907	49,139,367
Current Liabilities:			
Loans	6 ,14	47,261,396	1,232,827
Accounts payable and other debts	6, 15	56,021,110	9,660,233
State and other public entities	17	102,942	93,783
Total current liabilities		103,385,448	10,986,844
TOTAL LIABILITIES		105,472,355	60,126,211
EQUITY AND LIABILITIES		269,799,414	234,084,238

Statements of income by Nature on the 31st of December 2023 and on the 31st of December 2022

Headings	Notes	31-12-2023	31-12-2022
Services rendered	18	3,184,242	1,990,290
Sales and services provided		3,184,242	1,990,290
Supplies and external services	19	-770,803	-858,293
Staff costs	20	-1,002,295	-867,211
Amortization and depreciation	8.9	-24,579	-16,246
Provisions	16	0	-2,458,326
Other operational costs and losses	21	-50,900	-46,775
Impairment of non-depreciable assets - (losses)/reversals	7	-10,304,510	-3,004,658
Other profit and operating income	21	2,059	4,433
Operating income		-8,966,787	-5,256,786
Financial result	22	-438,515	-1,192,341
Result before taxes		-9,405,302	-6,449,127
Income tax	10	-63,936	644,462
Result for the financial year		-9,469,238	-5,804,665
Number of common shares issued deducted from treasury shares		167,650,060	167,650,060
Basic earnings per share (euros per share)		-0.06	-0.03
Diluted earnings per share (euros per share)		-0.06	-0.03

Statement of Comprehensive Income

periods ended on the 31st of December 2023 and on the 31st of
December 2022

	31-12-2023	31-12-2022
Result for the financial year	-9,469,238	-5,804,665
Amounts that will be reclassified later in results		
Other comprehensive income (note 10 and 16)	-161,729	0
Total comprehensive income for the financial year	-9,630,967	-5,804,665
Comprehensive income for the financial year attributable to:		
Shareholders	-9,630,967	-5,804,665

Statement of changes in equity for the periods ended on the 31st of December 2023 and on the 31st of December 2022

Headings	Equity (note 12)	Issue premiums (note 12)	Treasury shares (note 12)	Supplementary benefits (note 12)	Accumulated results (note 12)	Total
Balance on the 1st of January 2022	134,120,048	25,112,774	-1,854	38,181,653	-17,649,930	179,762,691
Total comprehensive income						
Net income for the financial year	0	0	0	0	-5,804,665	-5,804,665
Total	0	0	0	0	-5,804,665	-5,804,665
Balance on the 31st of December 2022	134,120,048	25,112,774	-1,854	38,181,653	-23,454,595	173,958,026

Headings	Equity (note 12)	Issue premiums (note 12)	Treasury shares (note 12)	Supplementary benefits (note 12)	Accumulated results (note 12)	Total
Balance on the 1st of January 2023	134,120,048	25,112,774	-1,854	38,181,653	-23,454,595	173,958,026
Total comprehensive income						
Net income for the financial year	0	0	0	0	-9,469,238	-9,469,238
Other comprehensive income for the financial year					-161,729	-161,729
Total	0	0	0	0	-9,630,967	-9,630,967
Balance on the 31st of December 2023	134,120,048	25,112,774	-1,854	38,181,653	-33,085,562	164,327,059

Statement of Cash Flows

for the financial years ended on the on the 31st of December 2023 and 2022

Headings	31-12-2023	31-12-2022
1. OPERATING ACTIVITIES:		
Receivables from clients	2,501,554	2,326,859
Payments to suppliers	-378,636	-892,172
Payments to staff	-902,671	-1,287,178
Flows generated by operations	1,220,248	147,510
Income tax payments/receivables	0	1,140,689
Other operating payments/receivables	-663,845	-900,043
Flows from operating activities	556,402	388,156
2. INVESTMENT ACTIVITIES:		
Receivables from:		
Loans and advances granted	40,006,036	27,781,111
Loans to related parties (Note 6)	22,935,000	26,880,000
Interest and similar income	1,985	214,584
	62,943,021	54,875,696
Payments relating to:		
Loans granted	-44,222,973	-7,116,366
Loans to related parties (Note 6)	-22,935,000	-26,880,000
Interest and similar expenses	0	-966,323
	-67,157,973	-34,962,689
Flows from investment activities	-4,214,952	19,913,007
3. INVESTMENT ACTIVITIES:		
Payments relating to:		
Loans granted (Note 6)	-1,250,000	-2,250,000
Amortisation of financial leasing contracts (Note 6)	0	-33,195
Interest and similar	-2,177,652	-2,252,917
	-3,427,652	-4,536,112
Flows generated by investment activities	-3,427,652	-4,536,112
4. CASH AND CASH EQUIVALENTS VARIATION	-7,086,202	15,765,050
5. EFFECT OF CURRENCY EXCHANGE DIFFERENCES		
6. INITIAL CASH AND BANK DEPOSITS (Note 6)	16,288,937	523,887
7. FINAL CASH AND BANK DEPOSITS (Note 6)	9,202,736	16,288,937

Notes to the Consolidated Financial Statements

The amounts are in euros

1. General Information

VAA – Vista Alegre Atlantis, S.G.P.S., S.A. hereinafter referred to as VAA, SGPS, S.A. (“Company”, “Society” or “VAA”) was established in 1980 as a private limited company, under the name of Fábrica de Porcelana da Vista Alegre, Lda.. The company’s general object is the industry of porcelain as well as other ceramic products. This activity had already been carried out since 1824 by another company belonging to Grupo Vista Alegre, which at that time, and due to restructuring reasons, decided to empower certain business areas. Since the late 1987, the Company has been listed in the Lisbon and Oporto Stock Exchange.

Currently called VAA Vista Alegre Atlantis, SGPS, S.A., the company has the corporate purpose of managing shareholding in other companies, as an indirect form of economic activities, which consist of the production, distribution and sale of porcelain, earthenware, stoneware, crystal and handmade glass, through its own retail network, with independent retailers and distributors. VAA - SGPS, S.A. is based at Lugar da Vista Alegre, 3830-292, Ílhavo. The company has its shares listed on the Stock Exchange of the official *Euronext Lisbon* market.

“Grupo VAA” owns six factories in Portugal, three in Ílhavo, one in Caldas da Rainha, another one in Alcobaça e another in Sátão (Viseu); and it sells mainly in the Euro zone countries, especially in Portugal, Netherlands, France, Spain and Germany.

In January 2009, Vista Alegre Atlantis, SGPS, S.A. was informed, pursuant to and under the terms of article 175 of the CMV, by the Caixa-Banco de Investimento, SA and the Banco Millennium BCP Investimento, SA, in the name and representing Cerutil-Cerâmicas Utilitárias, SA, that it had decided to carry out a Public Offering for General Acquisition of the shares representing the share capital of VAA – SGPS, S.A..

At the end of all negotiations and credit assignments, Cerutil-Cerâmicas Utilitárias, S.A., held 92.042.696 shares, representing 63.46% of the share capital of Vista Alegre Atlantis, SGPS, S.A..

Subsequently, in July 2010, Vista Alegre Atlantis, SGPS, SA’s share capital was increased from 11,603,199.20 euros to 92,507,861.92 euros, comprising the issuance of 1.011.308.284 common shares, book-entry and bearer shares, with a nominal value of 0.08 Euros each, of which:

- 125.000.000 shares were subscribed through a private offering by Fundo de Capital de Risco AICEP Capital Global Grandes Projetos de Investimento;
- 562.500.000 shares were subscribed by Cerutil-Cerâmicas Utilitárias, S.A. in cash contributions through the conversion of Cerutil credits to VAA-Vista Alegre Atlantis, SGPS, S.A. to the amount of 45,000,000 euros;

- and the remaining 323.808.284 shares were subscribed through a public subscription offering reserved to shareholders, exercising their pre-emptive rights. At the end of the process, Cerutil strengthened its position to 76.47%.

The VAA, SGPS, S.A.'s Board of Directors believes that the capital increase was a key factor for the success of the business restructuring that followed. The inflow of funds aimed at restoring the financial balance of the company, providing its structure with the capacity of meeting its commitments and allowing the necessary expansion and replacement investment.

On the 16th of October 2013, through a share purchase agreement signed with the Banco Comercial Português, S.A., Grupo Visabeira, S.A. purchased, on that date, from the above mentioned bank, a total of 51.761.957 shares representing 4.48% of the share social and voting rights of VAA – Vista Alegre Atlantis SGPS, S.A.. As a result of such acquisition, GRUPO VISABEIRA, S.A. become directly entitled to this number of shares representing 4.48% of VAA – SGPS, S.A.. In 2017 the percentage of representative shares was 3.640% (2016: 4.798%).

On the 22nd of December 2017 the share capital was increased from 92,507,861.92 euros to 121,927,317.04 euros, comprising the issuance of 367.743.189 common shares, book-entry and bearer shares, with a nominal value of 0.08 Euros each, of which:

- 10,600,331 shares were subscribed through public offering for subscription with subscription reserved for VAA, SGPS, S.A. shareholders, in exercising their pre-emption rights (with the legal pre-emption rights having been withdrawn from shareholders of Visabeira Indústria SGPS, S.A., Grupo Visabeira SGPS, S.A., FCR Portugal Ventures Grandes Projetos de Investimento, Caixa Geral de Depósitos, S.A. and the Fundo de Capital de Risco Grupo CGD – Caixa Capital and limited to shareholder pre-emption rights of shareholders of Cerutil – Cerâmicas Utilitárias, S.A. (“Cerutil”) in subscribing to shares in the instalment of the increase to be paid in cash) (“Tranche A”);
- 357.142.858 shares were subscribed by Cerutil in cash contributions through the conversion of Cerutil credits to VAA, SGPS, S.A. to the amount of 50,000,000.12 euros (“Tranche B”).

Under the terms and pursuant to the article 248-B of the Securities Code, and article 14 of CMVM Regulation no. 5/2008, VAA – Vista Alegre Atlantis, SGPS, S.A. received a communication that, under two share purchase and sale agreements signed on the 27th of December 2017, Visabeira Indústria SGPS, SGPS, S.A. acquired from Cerutil – Cerâmicas Utilitárias, S.A., 1.252.453.447 shares representing the share capital of VAA – Vista Alegre Atlantis, SGPS, S.A.. After such transactions, Visabeira Indústria SGPS, S.A. became the holder of 82.27% of the share capital and voting rights of a VAA – Vista Alegre Atlantis, SGPS, S.A..

Through a share purchase and sale agreement signed on the 28th of December 2017, Visabeira Indústria SGPS, S.A. acquired, outside the stock exchange, from the company Portugal Capital Ventures – Sociedade de Capital de Risco, S.A., 125.000.000 shares representing 8.20% of the share capital of VAA

– Vista Alegre Atlantis, SGPS, S.A., after such transactions, became the direct owner of 1.378.923.847 shares, representing 90.48% of the share capital and voting rights of VAA – Vista Alegre Atlantis, SGPS, S.A..

Following VAA's reorganisation program, which included the capital increase operation carried out on December 2017, VAA followed this process recently purchasing Cerutil and Bordalo Pinheiro (through Bordalgest, which is entirely owned by Cerutil and, in turn, owns a share of 83.99% in Bordalo Pinheiro) as well as the sale of VA Grupo - Vista Alegre Participações, S.A. on the 31st of August 2018, having thus, on September 2018, completed the reorganisation program.

During the year ending on the 31st of December 2023, as a result of an internal reorganisation of the Grupo Vista Alegre Atlantis, Bordalgest Company, S.A. - a company then directly owned by Cerutil – Cerâmicas Utilitárias, S.A. -, sold the shares held in Faianças Artísticas Bordalo Pinheiro, S.A. to Vista Alegre Atlantis, SGPS, S.A., which caused an increase in the amount of its financial investments in the amount of 36,328,400 Euros. As a result of this operation, there is an outstanding liability which is recorded under the heading "Accounts payable and others" in the Entity's statement of financial position for the year ending on the 31st of December 2023 (Note 25 and 15).

As a result of the aforementioned operation, the company Bordalgest, S.A. was dissolved and liquidated in November 2023.

The purpose of these operations was to concentrate all holdings of the ceramics sector in VAA, SGPS, S.A., in order to strengthen the financial and economic situation of the Company and of the Group, as well as to strengthen its position within the context of the sector and towards the competing companies, allowing Grupo Vista Alegre to demonstrate a greater importance and diversification of the century old brand "Bordallo Pinheiro".

On the 9th of October 2018 the reverse stock split was completed. It was based on the regrouping of the 1.524.091.460 shares representing the company's share capital, by applying a regrouping ratio of 1:10, corresponding to every 10 (ten) shares 1 (one) new share, rounded up to the nearest whole number.

On the 22nd of October 2019, a process was carried out to issue guaranteed bonds in the amount of 45,000,000 euros, with a fixed annual rate of 4.5% and maturity in October 2024, and guaranteed bonds in the amount of 5,000,000 euros with a fixed annual rate of 3.5% and final maturity in October 2024, with only institutional investors (Note 14). In addition, in 2021, as announced to the market in July, the Company saw the amendment of clause 9.5 of the Contractual Terms and Conditions of the bond loan contractual in October 2019 approved by the General Meeting of Bond holders, so that the Financial Covenant provided for in this provision regarding the ratio between Net Debt and EBITDA was changed in relation to the relevant periods up to the maturity date, with the ratio levels shown in Note 14 to be applied instead. During 2020, amendments to that clause had already been approved by the aforementioned General Bondholders' Meeting.

On the 12th of December 2019, VAA - Vista Alegre Atlantis, SGPS, SA increased its capital by new cash inflows, with the suppression of shareholders' pre-emptive rights, in the amount of 12,192,731.20 euros, resulting in a change in the capital of Vista Alegre from 121,927,316.80 euros to 134,120,048.00 euros,

by issuing 15,240,914 new shares, with a nominal value of 0.80 euros each, as communicated to the market in due course. This capital increase operation also generated an issue to the amount of 3.048.183 euros (Note 12).

Despite Visabeira Indústria, SGPS, S.A. maintaining ownership of 137,965,420 shares representing the share capital and voting rights of Vista Alegre as a result of the aforementioned, as a result of the capital increase (with the purpose, among others, of diversifying the VAA shareholder base) and of Visabeira Indústria, SGPS, S.A. not having subscribed to any new shares in this scope, its qualified shareholding in VAA has been reduced to 82.29% of VAA's share capital and voting rights, with reference to the share capital of VAA 134,120,048.00 euros represented by 167,650,060 shares after the Capital Increase.

Visabeira Indústria SGPS, S.A. share capital is entirely owned by (100%) by Grupo Visabeira, S.A. (based on Rua do Palácio do Gelo, n.º 1, Palácio do Gelo Shopping, Piso 3, Viseu, with the share capital of 116.540.215,00 Euro, registered at the *Conservatória do Registo Comercial de Viseu* [Commercial Registry of Viseu] under the single registration and VAT number 502.263.628), whereby the voting rights of Visabeira Indústria SGPS, S.A. are also attributable to Grupo Visabeira, S.A., which, in turn, also owns directly 5,548,417 shares representing 3.31% of VAA – Vista Alegre Atlantis, SGPS, S.A.'s share capital and voting rights.

It should also be noted that 98.25% of the share capital and voting rights of GRUPO VISABEIRA, S.A. is directly hold by the company NCFGEST, S.A., based at Repeses, Viseu, with a share capital of 138,051,852.60 Euros, registered at the *Conservatória do Registo Comercial de Viseu* [Commercial Registry of Viseu] under the single registration and VAT number 508.959.756, and therefore the voting rights representing VAA's share capital, mentioned above, are also attributable to NCFGEST, S.A..

In 2023, the company NCFTRADETUR, S.A., 100% of whose share capital and voting rights are held directly by the company NCFGEST, S.A., has 2,836,541 shares representing 1.69% of the share capital and voting rights of VAA - Vista Alegre Atlantis, SGPS, S.A., with 2,383,641 shares having been acquired over the counter.

On the 31st of December 2023, NCFGEST, S.A. directly held 5,821,476 shares representing 3.47% of the share capital and voting rights of VAA - Vista Alegre Atlantis, SGPS, S.A.

These individual financial statements were approved and authorised for issue at the Board of Directors meeting held on the 8th of April 2024.

2. Summary of the main accounting policies

The main accounting policies adopted in preparing the attached financial statements for the year ending on the 31st of December 2023, which include the Material Accounting Policies, are as follows:

2.1 Basis of presentation

The attached financial statements were prepared on the assumption of continuing operations, based on the Company's accounting books and records, maintained in accordance with the provisions of the International Financial Reporting Standards, effective for the financial years beginning on the 1st of January 2023, as adopted by the European Union. Both the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and the International Accounting Standards ("IAS") issued by the International Accounting Standards shall be understood as part of those standards. ("IASB") and respective interpretations – IFRIC and SIC, issued by the International Financial Reporting Interpretation Committee ("IFRIC") and Standing Interpretation Committee ("SIC"). Hereafter, all those standards and interpretations will be generically designated as "IFRS".

When elaborating the financial statements, the Board of Directors of the Vista Alegre SGPS, SA uses estimates and assumptions which affect the application of policies and the amounts of assets and liabilities. The associated estimates and assumptions are based on historical experience and other factors considered reasonable under the circumstances and are the basis for judgements on the values of the assets and liabilities whose valuation is not evident from other sources. Actual results may differ from estimates. Issues that require a higher judgement or complexity, or for which assumptions and estimates are considered significant, are presented in Note 3.

The Board of Directors evaluated the Company's and its subsidiaries' ability to operate on a continuous basis, based on all relevant information, facts and circumstances of financial, commercial or other nature, including events subsequent to the reporting date of the consolidated financial statements, available about the future. The Board of Directors came to the conclusion that it has the adequate resources to maintain its activities, with no intention of ceasing activities in the short term, and it has considered appropriate to use the assumption of continuity of operations in the preparation of condensed consolidated financial statements accounts on the 31st of December 2023.

With regard to working capital, the Board of Directors of Vista Alegre Atlantis, SGPS, S.A. is convinced that the measures to meet current needs will be successful, which is to say, for a period of 12 months from the date of issuing this report. As of the 31st of December 2023, Vista Alegre Atlantis, SGPS, S.A. has current assets lower than current liabilities by approximately 88 million euros, as a result of the maturity on the 24th of October 2024 amounting to 47.5 million euros of bank and bond debt, and 56 million Euros of debt to the Grupo's companies (as of the 31st of December 2022, Vista Alegre Atlantis, SGPS, S.A. showed current assets exceeding current liabilities by approximately 8.5 million Euros).

As a consequence of the amortisation of the bond loan (and which largely motivates the negative working capital value mentioned above), since the end of February 2024 the Management of Vista Alegre Atlantis SGPS, S.A. has been organising a bond loan using public subscription.

Since then, the Management of Vista Alegre Atlantis SGPS, S.A., together with coordinating banks, legal advisors and consultants in the area of sustainability, have been actively working to successfully complete this operation by the end of the first semester of 2024.

Taking into account that this is a public subscription offer, the amount of bonds to be issued will naturally depend on market demand, however, Vista Alegre Atlantis SGPS, S.A. management, defined the objective amount for this issue as a value between 40 million euros and 60 million euros, which will allow it to repay the current VAA Fixed Rate Guaranteed Senior Secured Notes 2019-2024 Class A bond issue, as well as cover investments planned for its Contingent remuneration and put option related to the purchase of subsidiaries (Note 26).

It should also be noted that the negative working capital situation is also affected by the amount under the heading “Accounts payable and others”, the amount of which in the year ending on the 31st of December 2023 is around 56 million euros. Within the aforementioned amount of 56 million euros, the amount payable to the subsidiary Cerutil S.A. of approximately 35.3 million euros (Note 25) will be settled by distributing dividends from the aforementioned subsidiary in an amount similar to the outstanding amount to Cerutil S.A. on the 31st of December 2023.

2.2 Main valuation criteria

2.2.1 Fixed tangible assets

Vista Alegre SGPS, S.A. owns a Chapel (in Ílhavo), classified as a national monument, for which it is not possible to reliably determine any current or fair value.

The amount included in the item of tangible fixed assets is essentially related to the rehabilitation of this Chapel. The purchase cost includes all expenditures directly attributable to the assets purchase.

The remaining tangible fixed assets are initially measured at acquisition cost and subsequently are deducted from depreciation and impairment losses.

The acquisition cost includes all expenditures directly attributable to the activities required to place the assets in the location and condition required to operate as required.

The subsequent costs are included in the assets’ carrying amount, or recognised as separate assets, as adequate, only when it is possible that the economic benefits will flow to the Company and the cost may be measured with reliability. All other subsequent expenditures are recognised as an expense during the period they incur.

Depreciations

Land is not depreciated, as the depreciations of the remaining assets calculated over the acquisition or reassessment values, by the according to the constant quota method, on a duodecimal basis. The annual rates applied successfully reflect the economic useful life of the assets, which is determined according to the expected use. The depreciation rates correspond, on average, to the following estimated useful lives:

	31-12-2023	31-12-2022
Buildings and other constructions	3-50	3-50
Transport equipment	4-8	4-8

The depreciation process starts on the month the asset becomes available for operation.

The assets' residual values, the useful lives and the amortisation methods are reviewed and adjusted annually. In case the carrying amount is superior to the assets' recoverable value, its readjustment to the estimated recoverable values should be carried out.

2.2.2 Financial Instruments

2.2.2.1 Investments in subsidiaries and associated companies

Investments in shares of subsidiary and associated companies are measured in accordance with IAS 27 at acquisition cost, less any impairment losses. Dividends are recorded as a gain in the income statement on the date of their award.

An entity is classified as subsidiary when it is controlled by the Company. Control exists only where the Company has, cumulatively: (a) power over the investee; (b) exposure to or rights over variable results derived from its relationship with the investee; and (c) the ability to use its power over the investee to affect the amount of the results for investors.

Generally, it is assumed that there is control of the subsidiary company when the Company holds the majority of voting rights. In cases where the Company does not hold the majority of voting rights in the investee, all relevant facts and circumstances are taken into account when determining the existence of power and control, such as: (a) any contractual agreements with other holders of voting rights; (b) any rights arising from other contractual agreements; and (c) existing and potential voting rights.

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

The associates are investments in which the Company exercises significant influence, but in which it does not have control or joint control. Significant influence (assumed when voting rights are between 20% and 50%) is the power to participate in the entity's financial and operating policy decisions, without, however, exercising control or joint control over these policies.

The existence of significant influence is generally evidenced in one or more of the following ways:

- representation on the investee's management body;
- participation in policy decision processes, including participation in decisions about dividends and other distributions;
- material transactions between the investor and the investee;
- exchange of management personnel; or
- provision of essential technical information.

The excess of the purchase cost over the share of fair value of the identifiable assets and liabilities acquired, goodwill, is recognised as part of the financial investment in subsidiaries and associates investments. If the purchase cost is lower than the fair value of the assets and liabilities of these entities, the difference is recognised as a gain directly in the income statement.

Dividends received from these investments are recorded as gains on investments in the income statement, when attributed.

The Company carries out impairment tests on financial investments in subsidiaries and associates whenever events or changes in the surrounding conditions indicate that the value at which they are recorded in the financial statements is not recoverable.

In addition to recognising impairment in these investments, Vista Alegre recognises additional losses if it has assumed obligations, or if it has made payments for the benefit of these entities.

Impairment losses are calculated by comparing the recoverable amount of the investment, corresponding to this higher of the fair value less selling costs and the value in use, as well as the book value of investments.

This estimate is based on the valuation of the holdings using discounted cash flow models in order to estimate the value in use of said investments. In the case of subsidiaries or joint ventures whose most relevant assets correspond to stakes in real estate companies or real estate assets, the fair value of said shares is estimated by reference to the market value of the real estate assets held by them.

It is the Board of Director's understanding that the methods described above allows for reliable results as to the existence of possible impairment of the investment under analysis, as it considers the best information available at the time of preparing the financial statements.

If, on a subsequent date, it is determined that the amount of impairment has decreased, and this decrease results from a certain event occurring after the initial recognition of the impairment, the amount then recorded is reversed up to the limit of the amount that would have been recognised, had no impairment loss been recorded.

2.2.2.2 Financial assets

Recognition

Purchases and sales in investments in financial assets are recorded on the date of the transaction, that is, on the date the company undertakes to buy or sell the asset.

Classification

The classification of financial assets depends on the business model followed by the Company in the management of financial assets (receipt of cash flows or appropriation of fair value changes) and the contractual terms of the cash flows receivable.

Changes in the classification of financial assets can only be made when the business model is changed, except for financial assets at fair value through other comprehensive income, which are equity instruments, which can never be reclassified to another category.

Financial assets may be classified into the following measurement categories:

- (i) Financial assets at amortised cost: it comprises the financial assets that correspond only to the payment of nominal value and interest, and whose business model chosen by the management is the receipt of contractual cash flows;
- (ii) Financial assets at fair value through other comprehensive income: this category may include financial assets that qualify as debt instruments (contractual obligation to deliver cash flows) or equity instruments (residual interest in a company); a) in the case of debt instruments, this category includes financial assets that correspond to the payment of nominal value and interest for which the business model chosen by the management is the receipt of contractual cash flows or occasionally its sale; b) in the case of equity instruments, this category includes the percentage of interest held in companies over which the Company does not have any control, joint control or significant influence and which the Company has irrevocably chosen on the date of its initial recognition designate at fair value through other comprehensive income;
- (iii) Financial assets at fair value through loss and profit: includes assets that do not meet the criteria for classification as financial assets at amortised cost or at fair value through other comprehensive income, whether they refer to debt instruments or equity instruments that were not classified at fair value through other comprehensive income;

Measurement

The Company initially measures financial assets at fair value, plus transaction costs directly attributable to the purchase of financial assets, for financial assets that are not measured at fair value through profit or loss. The transaction costs of financial assets at fair value through profit or loss are recorded in the income statement of the fiscal year they are incurred.

Financial assets at amortised cost are subsequently measured in accordance with the effective interest rate method and deducted from impairment losses. Interest income on these financial assets is included in “Interest income” on financial income.

Financial assets at fair value through other comprehensive income that are equity instruments are measured at fair value on the date of initial registration and subsequently, and the fair value changes are recorded directly in the other comprehensive income, in the equity, but with no future reclassification even after derecognition of the investment.

Impairment losses

The Company assesses in a forward-looking manner the estimated credit losses associated with financial assets, which are debt instruments, classified at amortised cost and at fair value through other comprehensive income. The applied impairment method takes into account the credit risk profile of the debtors, and different approaches are applied depending on the nature of the debtors.

Regarding receivables under “Customers” and “Debtors” and Customers contracts assets, the Company uses a simplified approach permitted by IFRS 9, according to which estimated credit losses are recognised from the initial recognition of the balances receivable and for the whole period up to maturity, considering a matrix of historical default rates for the maturity of the balances receivable, adjusted by prospective estimates.

Regarding the balances receivable from related companies, which are not considered as part of the financial investment in these companies, the credit impairment is assessed according to the following criteria: i) if the balance receivable is immediately due (“on demand”); ii) if the balance receivable is low risk; or iii) if it has a maturity of less than 12 months.

In cases where the amount receivable is immediately payable and the related company is able to pay, the probability of non-compliance is close to 0% and therefore the impairment is considered equal to zero. In cases where the receivable balance is not immediately due, the related company’s credit risk is assessed and if it is “low” or if the maturity is less than 12 months, then the Company only evaluates the probability of a non-compliance occurring for the cash flows that mature during the next 12 months.

For all other situations and nature of receivables, the Company uses the general approach of the impairment model, evaluating at each reporting date whether there has been a significant increase in credit risk since the date of the initial recognition of the asset. If there is no increase in credit risk, the Company calculates an impairment corresponding to the amount equivalent to expected losses within a period of 12 months. If there has been an increase in credit risk, impairment is calculated corresponding to the amount equivalent to expected losses for all contractual flows until the maturity of the asset.

Derecognition of financial assets

The Company derecognises financial assets when contractual rights to cash flows have expired or they have been transferred, and the Company has substantially transferred all the risks and rewards of ownership of the asset.

2.2.2.3 Third party's debts

"Customers" and "Debtors" heading are initially recognised at fair value and are subsequently measured at amortised cost, net of impairment adjustments.

2.2.2.4 Loans

Loans are recorded at amortised cost using the effective interest rate method, less any impairment losses.

2.2.2.5 Debts to third parties

Debts to third parties to non-interest bearing are recorded at their nominal value, except in situations where the effect of the financial update is considered material.

2.2.2.6 Equity instruments and the distinction between financial liabilities

Financial liabilities and equity instruments are classified according to the contractual substance of the transaction. The Company considers equity instruments those in which the contractual support of the transaction shows that the Company has a residual interest in a group of assets after deducting a set of liabilities.

Equity instruments issued by the Company are recorded according to the amount received, net of the costs incurred with its issuing. The treasury shares are accounted for by its acquisition value as a reduction to equity.

The gains or losses resulting from the disposal of treasury shares are registered in "Reserves and retained earnings", not being considered in the results of the period in which they occur.

2.2.2.7 Cash and cash equivalents

The amounts included under "Cash and cash equivalents" correspond to cash, bank deposits, time deposits and other cash investments, which mature less than three months and can be immediately mobilised with insignificant risk of change in value.

2.2.3 Equity

- **Share Capital:**

The share capital is fully represented by bearer share certificates, which are classified in the Equity.

- **Legal Reserve:**

According to the Portuguese commercial legislation, at least 5% of annual net income, established in the Company's individual accounts, which must be allocated to the legal reserve until it represents at least 20% of the Share Capital. The legal reserve is non-distributable unless in case of liquidation of the

Company, but can be used to absorb losses, after exhausting all other reserves, or for incorporation in the share capital.

2.2.4 Income tax

The current tax is determined based on the accounting results of the Company included in the consolidation to fiscal rules in force.

Deferred tax is calculated on the basis of the liability method of the balance sheet, on temporary differences between the book amounts of assets and liabilities and the respective tax base. No deferred tax is calculated on the differences in the initial recognition of an asset and a liability when it does not affect either the accounting or fiscal result. The tax base of assets and liabilities is determined in order to reflect the tax consequences arising from the way the Company expects, on the financial statements' date, to recover or settle the carrying amount of its assets and liabilities, based on fiscal decisions substantially implemented at the balance sheet date.

In 2014, Grupo Vista Alegre was included in the VAT scope of Grupo Visabeira, within the scope of the Special Taxation for Groups of Companies, in which the dominant company is VAA – Vista Alegre Atlantis, SGPS, S.A.. In 2020, the company Grupo Visabeira, S.A. ceased to head the Special Taxation for Groups of Companies, being represented by NCFGEST, its majority shareholder.

The tax amount to be included in both current and deferred tax, resulting from transactions or events recognised in reserves, is recorded directly in these same headings, without affecting the result for the year.

Deferred tax assets are recognised whenever there is reasonable assurance that future profits are generated against which the assets may be used. Deferred tax assets are reviewed annually and reduced whenever they are no longer likely to be used.

Deferred taxes are determined by the tax rates (and laws) decreed or substantially decreed at the statement of financial position date and are expected to be applicable in the accrual basis of deferred tax assets or settlement of deferred tax liabilities.

2.2.5 Provisions, assets and contingent liabilities

Provisions are recognised when, and only when, the Company has a current obligation (legal or implicit) resulting from a past event, it is probable that an outflow of resources will occur and the amount of the obligation can be reasonably estimated. Provisions are reviewed at the date of each financial statement and adjusted to reflect the best estimate at that date (expected value of the outflow to be incurred), taking into account the risks and uncertainties inherent in such estimates. When a provision is determined taking into consideration the future cash flows required to settle the obligation, it is recorded at their current value. The discount rate in the aforementioned financial update corresponds to the average rate of financing of the respective company at the reporting date.

Restructuring: provisions for restructuring are only recognised by the Company whenever there is a formal and detailed restructuring plan, and it has already been informed to the parties.

Onerous contracts: obligations resulting from onerous contracts are recognised and measured as provisions. There is an onerous contract whenever the Company is before a situation in which the inevitable costs to meet the contract's obligations exceed the economic benefits foreseen to be received.

Contingent assets are not recognised in the consolidated financial statements, but they are reported on the annex when a future economic benefit is foreseen.

Contingent liabilities are not recognised in the consolidated financial statements, but they are reported on the annex, unless the idea of an outflow of resources may affect future economic benefits is a remote one.

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

2.2.6 Recognition of Revenue

a) Supply of services

Revenue comprises the fair value of service provision. In January 2014, a service agreement was signed between Vista Alegre Atlantis, SGPS, S.A. and Vista Alegre Atlantis, S.A. (VAA, SA), in which VAA, SGPS, S.A. undertakes to provide technical administration and management services to VAA, SA, in whose share capital holds 100% of the voting rights.

In 2022, three new contracts for the provision of technical administration and management services were signed with the following subsidiaries: Cerutil, Faianças Artísticas Bordalo Pinheiro and Ria Stone. These new contracts were maintained and updated in 2023 (Note 18).

b) Net financial results

Net financial results essentially comprise interest from loans obtained, net of interest from financial investments and exchange rate gains and losses on financial activities. Financial costs and income are recognised in income on an accrual basis over the period to which they relate.

Moreover, the dividends received from subsidiaries are recorded as financial results. These revenues are recognised when the shareholder's right to receive is established.

2.2.7 Accrual basis

Income and costs are recorded in accordance with the accrual basis principle, whereby income and expenses are recognised to the extent they are generated, regardless of when they are received or paid. The differences between the amounts received and paid and the corresponding revenues and expenses generated are recorded in the balance sheet under the headings "Other current assets" and "Other current liabilities", respectively.

2.2.8 Subsequent events

Events occurred after the statement of financial position date which provide additional information about conditions that existed on the statement of financial position date (adjusting events) are reflected in the consolidated financial statements.

Events after the statement of financial position date that provide information on conditions which occur after the statement of financial position date (non-adjusting events), are disclosed in the annex to the financial statements.

2.2.9 Employee benefits

2.2.9.1 Provisions for retirement pensions – defined benefit plan

Vista Alegre SGPS, SGPS, S.A. is responsible for a pension scheme assigned to a former manager (currently in retirement age), in the form of a defined benefit plan, and this agreement defines the amount of pension benefit that that former director receive on retirement, usually dependent on one or more factors, such as age, years of service and remuneration.

The liability amount recognised in the statement of financial position which concerns defined benefit plans is the present value of the defined benefit obligation on the statement of financial position date.

Defined benefit plan obligations are calculated annually based on external information from independent actuarial experts. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows, using interest rates of high-quality bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approaching the terms of the related pension liability.

All actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in equity and presented in other comprehensive income.

The Company maintains a provision to meet these responsibilities.

2.2.9.2 Termination of employment

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

2.2.9.3 Holiday, holiday pay and bonuses

The Labour Code approved by law 7/2009, on the 12th of February, amended by Laws 105/2009, of the 14th of September and 53/2011, of the 14th of October, established in paragraph 3 of article 238 the conditions under which the right to holiday leave, due at the beginning of each year, should be increased by up to 25 days. The Law no 23/2012 of 25th of June, revoked this rule, with the right to holiday leave

having a maximum duration of 22 days. The Constitutional Court later declared the unconstitutionality of some of the rules of this law, namely the increase of holidays, when this increase was already received in a collective recruitment.

2.2.9.4 Labour Compensation Fund (LCF) and Labour Compensation Guarantee Fund (LCGF)

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

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

Monthly payments made by the employer to the LCGF are recognised as expenses for the period when they occur.

The monthly payments made by the employer to the LCF are recognised as a financial asset of that entity, measured at fair value and with the respective changes recognised in profit or loss.

3. Significant accounting estimates and judgements

When preparing the financial statements in accordance with IFRS, the VAA SGPS' Board of Directors make estimates and assumptions which affect the use of policies and reported amounts. Estimates and judgements are continually evaluated and are based on the experience of past events and other factors, including expectations of future events as probable under the circumstances the estimate was based on, or the result of information or experience. For this reason, and given the degree of uncertainty associated, the actual results of the transactions in question may differ from the corresponding estimates. The most significant accounting estimates reflected in the consolidated financial statements are as follows:

a) Impairment analysis of financial holdings

VAA, SGPS, S.A. tests whether or not there is impairment of its shares and other assets, in accordance with the accounting policy indicated in the notes. The recoverable amounts of the financial holdings are determined based on the calculation of the respective values in use. These calculations require the use of estimates.

b) Calculation of liabilities associated with defined benefit plans

VAA, SGPS, S.A. calculates the liability associated with defined benefit plans on the basis of varied estimates and judgements, based on external information from independent actuarial experts. The values of the aforementioned responsibilities therefore require the use of estimates and judgements.

4. Changes in the accounting policies

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

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

1- Standards, interpretations, amendments and revisions with effect in the exercise

Until the date of the approval of these financial statements, were adopted (“endorsed”) by the European Union the following accounting standards, interpretations, amendments and revisions, with mandatory application to the exercise started on 1st of January 2023:

Standard / Interpretation	Applicable in the European Union in the exercises started on or after	
IFRS 17 - Insurance Contracts (including amendments to IFRS 17)	1-Jan-23	This standard establishes, for insurance contracts within its scope of application, the principles for its recognition, measurement, presentation and disclosure. This standard substitutes the standard IFRS 4 – Insurance Contracts.
Amendment to IAS 8 – Accounting policies, changes in accounting estimates and errors – Definition of accounting estimates	1-Jan-23	This amendment published by the IASB defines an accounting estimate to a monetary amount in financial statements subject to measurement uncertainty.
Amendment to IAS 1 - Presentation of financial statements and IFRS Practice Statement 2 - Disclosure of accounting policies	1-Jan-23	This amendment published by the IASB in February 2021 clarifies that material accounting policies should be disclosed, rather than significant accounting policies, and has introduced examples to identify material accounting policies.
Amendment to IAS 12 Income taxes - Deferred taxes relating to assets and liabilities arising from a single transaction	1-Jan-23	This amendment published by the IASB in May 2021 clarifies that the exemption from initial recognition of deferred taxes does not apply to transactions that produce equal amounts of taxable and deductible temporary differences.

Amendment to IFRS 17 - Insurance contracts - initial application of IFRS 17 and IFRS 9 - comparative information	1-Jan-23	This amendment published by the IASB in December 2021 introduces changes to comparative information to be presented when an entity adopts both IFRS 17 and IFRS 9 simultaneously.
Amendment to IAS 12 - Income taxes - <i>International Tax Reform (Pillar Two)</i>	1-Jan-23	This amendment published by the IASB in May 2023 includes a temporary exemption from the requirement to recognise deferred taxes and disclose information on taxes arising from the Pillar Two model of the international tax reform, and it must be disclosed that this exemption has been used.

There were no significant effects on the Company's consolidated financial statements for the year ending on the 31st of December 2023, owing to the adoption of the standards, interpretations, amendments and revisions mentioned above.

2- Standards, interpretations, amendments and revisions with effect in future exercises

These accounting standards and interpretations whose application is mandatory only in future periods, were, until the approval date of these financial statements, approved ("*endorsed*") by the European Union:

Standard / Interpretation	Applicable in the European Union in the exercises started on or after	
Amendment to IAS 1 Presentation of financial statements - Classification of liabilities as current and non-current; Deferral of application date; Non-current liabilities with covenants	1-Jan-24	These amendments published by the IASB clarifies the classification of liabilities as current and non-current by analysing the contractual conditions existing on the reporting date. The amendment relating to non-current liabilities with covenants clarified that only the conditions that must be complied with before or on the reference date of the financial statements are relevant for the purposes of classification as current/non-current, further postponing the date of application to the 1 st of January 2024.
Amendment to IFRS 16 - Leases - Lease liability in a sale and leaseback transaction	1-Jan-24	This amendment published by the IASB in September 2022 clarifies how a lessee seller accounts for a sale and leaseback transaction meeting the criteria of IFRS 15 to be classified as a sale.

Although these amendments were approved (“*endorsed*”) by the European Union, were not adopted by the Company in 2023, due to its application is not mandatory. The future adoption of these amendments is not expected to have significant impacts on financial statements.

3- Standards, interpretations, amendments and revisions so far not endorsed by the European Union

The following accounting standards and interpretations have been issued by the IASB and are not yet approved (“*endorsed*”) by the European Union:

Standard / Interpretation	Applicable in the exercises started on or after	
Amendment to IAS 7 Statements - Cash Flow Statements - and IFRS 7 - Financial Instruments: Disclosures - Supplier Finance Arrangements	1-Jan-24	These amendments published by the IASB in May 2023 include additional disclosure requirements for qualitative and quantitative information on supplier financing arrangements.
Amendment to IAS 21 - The Effects of Changes in Foreign Exchange Rates - Lack of exchangeability	1-Jan-25	This amendment published by the IASB in August 2023 defines the approach to assessing whether or not a currency can be exchanged for another currency. If the currency cannot be exchanged for another, it indicates how the exchange rate to be applied is determined and the additional disclosures required.

These standards so far not adopted (“*endorsed*”) by the European Union, but so far not adopted by the Company for the periods ended on 31st of December 2023.

With regard to these standards and interpretations, issued by the IASB but not yet approved (“*endorsed*”) by the European Union, it is not estimated that their future adoption will result in significant impacts for the attached financial statements.

5. Group Companies

On the 31st of December 2023 and 2022, the subsidiary companies of Vista Alegre Atlantis, SGPS, S.A. (directly or indirectly owned), their respective head offices and percentage of shareholdings, can be summarised as follows:

Companies	Head office	Participation percentage	
		2023	2022
Vista Alegre Atlantis, SGPS, SA	Ílhavo	Parent Company	Parent company
Bordalgest, SA	Lisbon	-	100.00%
Cerexport - Cerâmica de exportação, SA	Ílhavo	100.00%	100.00%
Cerutil - Cerâmicas Utilitárias, SA	Sátão	100.00%	100.00%
Faianças Artísticas Bordalo Pinheiro, SA	Caldas da Rainha	86.14%	86.14%
Faianças da Capôa - Indústria Cerâmica, SA	Ílhavo	100.00%	100.00%
Mexicova, SA	Mexico City	100.00%	100.00%
Ria Stone Fábrica de Louça de Mesa em Grés, SA	Ílhavo	100.00%	100.00%
Ria Stone II, SA	Ílhavo	100.00%	100.00%
Shree Sharda Vista Alegre Private Limited	Delhi	50.00%	50.00%
VA - Vista Alegre España, SA	Madrid	100.00%	100.00%
VAA Brasil – Comércio, Importação e Exportação, SA	S. Paulo	98.03%	98.03%
VAA I.L. – Sociedade Imobiliária, SA	Ílhavo	100.00%	100.00%
Vista Alegre Atlantis Moçambique, Lda	Maputo	99.00%	99.00%
Vista Alegre Atlantis, SA	Ílhavo	100.00%	100.00%
Vista Alegre France, SAS	Paris	100.00%	100.00%
Vista Alegre USA Corporation	New York	100.00%	100.00%

It is important to note that in November 2023, Bordalgest, a company governed by Portuguese law and based in Lisbon, was dissolved. Prior to its dissolution and liquidation, the company sold its shares in the Faianças Artísticas Bordalo Pinheiro, S.A. (a company belonging to the Grupo) to VAA, SGPS, S.A., thus becoming directly owned by this Company (Note 7).

6. Financial instruments by class

The financial instruments, according to the accounting policies described, have been classified as follows:

	Amount to the Financial Position	
	31-12-2023	31-12-2022
Financial assets		
Financial assets measured at acquisition cost		
Financial investments measured at acquisition cost	112,587	112,587
Financial assets recorded at amortised cost		
Accounts receivable from customers and other debtors	48,827,131	32,198,668
Cash and cash equivalents	9,202,736	16,288,937
Total	58,142,454	48,600,193
Financial liabilities		
Loans and accounts payable at amortised cost		
Interest-bearing bank loans at fixed interest rates	47,261,396	48,234,830
Suppliers payable accounts as other creditors:	56,021,110	9,660,233
Total	103,282,506	57,895,064

On the 31st of December 2023 and 2022 VAA, SGPS, S.A. had not negotiated any derivative financial instrument. The fair value of Cash and cash equivalents, Accounts receivable from customers and others debtors and Accounts payable and other suppliers is close to its carrying values.

On the 31st of December 2023 and 2022, the Company's liquidity position is detailed as follows:

	Loans obtained
Balance on the 31st of December 2021	50,237,492
Cash Flow:	
Payments from obtained loans	-2,250,000
Amortization of financial lease contracts	-33,195
Other areas without financial flow	
Amortised cost	280,534
Balance on the 31st of December 2022	48,234,830

	Loans obtained
Balance on the 31st of December 2022	48,234,830
Cash Flow:	
Payments from obtained loans	-1,250,000
Other areas without financial flow	
Amortised cost	276,567
Balance on the 31st of December 2023	47,261,396

Cash and cash equivalents on the 31st of December 2023 and 2022 and the respective reconciliation with Cash and cash equivalents of cash flows is as follows:

	31-12-2023	31-12-2022
Demand deposits	202,736	288,937
Term deposits	9,000,000	16,000,000
Cash and cash equivalents in cash flow statement	9,202,736	16,288,937

During the 2023 financial year (as well as during 2022), Grupo Vista Alegre granted short-term loans to the related party and shareholder Visabeira Indústria, SGPS, S.A. totalling 22.9 million euros (26.9 million euros in 2022), and on the 31st of December 2023 and 2022 these loans were fully repaid by that related party. Additionally, these loans bear interest at market rates, in the amount of approximately 568 thousand euros (547 thousand euros on the 31st of December 2023) (Note 22). These loans granted are classified in the Statement of cash flows as investing activities.

In January 2024 a new short-term loan of 6.3 million euros was granted to the shareholder Visabeira Indústria, SGPS, S.A., remunerated as part of an addendum to the treasury contract signed between that shareholder and Vista Alegre Atlantis, SGPS, S.A., with a new remuneration rate indexed to the 3-month Euribor plus a spread of 2% per year.

7. Financial Investments in Subsidiaries and Other Financial Instruments

This heading includes the shares of companies belonging to Grupo Vista Alegre and the loans granted to them, besides other financial investments. On the 31st of December 2023 and 2022, the Company held the following shares in subsidiaries companies and on the following table are presented likewise the main financial indicators of the subsidiaries on the 31st of December 2023 and 2022:

Financial year 2023	Country	% of Participation	Total assets	Equity without net profit for the financial year	Supplementary benefits	Turnover	Net income	Equity
Cerexport - Cerâmica de exportação, SA	PT	100.00%	5,492,715	755,491	0	0	-97,942	657,549
Cerutil - Cerâmicas Utilitárias, SA	PT	100.00%	49,097,948	6,907,062	0	7,658,960	34,001,272	40,908,334
Faianças Artísticas Bordalo Pinheiro, SA	PT	86.14%	25,103,242	9,450,573	175,000	13,614,046	2,091,110	11,716,683
Faianças da Capôa - Indústria Cerâmica, SA	PT	100.00%	3,159,254	670,720	2,025,523	0	35,052	2,731,294
Mexicova, SA	MX	100.00%	1,522,422	59,233	0	462,516	158,097	217,330
Ria Stone Fábrica de Louça de Mesa em Grés, SA	PT	100.00%	61,342,194	32,900,951	1,276,107	35,056,114	3,976,507	38,153,565
Ria Stone II, SA	PT	100.00%	50,183	49,136	0	0	0	49,136
Shree Sharda Vista Alegre Private Limited	IN	50.00%	277,421	9,569	0	0	0	9,569
VA - Vista Alegre España, SA	ES	100.00%	3,406,548	-2,947,182	3,185,050	6,834,712	345,742	583,609
VAA Brasil - Comércio, Importação e Exportação, SA	BR	98.03%	3,798,514	879,259	0	4,401,120	769,988	1,649,247
VAA I.L. - Sociedade Imobiliária, SA	PT	100.00%	38,775	38,208	0	0	-764	37,445
Vista Alegre Atlantis Moçambique, Lda	MZ	99.00%	678,940	-324,314	459,031	504,528	83,852	218,570
Vista Alegre Atlantis, SA	PT	100.00%	149,808,588	32,758,086	0	73,702,753	-1,438,637	31,319,450
Vista Alegre France, SAS	FR	100.00%	967,052	159,268	0	1,776,073	206,964	366,231
Vista Alegre USA Corporation	USA	100.00%	2,021,006	-1,277,497	0	3,912,457	150,362	-1,127,135

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Financial year 2022	Country	% of Participation	Total assets	Equity without net profit for the financial year	Supplementary benefits	Turnover	Net income	Equity
Bordalgest, SA	PT	100.00%	2,986,677	1,347,375	0	0	401,987	1,749,362
Cerexport - Cerâmica de exportação, SA	PT	100.00%	5,454,890	791,842	0	0	-36,351	755,491
Cerutil - Cerâmicas Utilitárias, SA	PT	100.00%	16,726,570	4,258,824	0	12,944,281	2,648,237	6,907,062
Faianças Artísticas Bordalo Pinheiro, SA	PT	86.14%	24,577,322	7,860,925	0	12,034,326	1,764,648	9,625,573
Faianças da Capôa - Indústria Cerâmica, SA	PT	100.00%	3,112,175	638,877	2,025,523	0	31,843	2,696,243
Mexicova, SA	MX	100.00%	1,113,081	29,351	0	274,759	23,544	52,895
Ria Stone Fábrica de Louça de Mesa em Grés, SA	PT	100.00%	56,321,589	30,361,362	1,276,107	34,121,695	1,928,161	33,565,630
Ria Stone II, SA	PT	100.00%	53,443	49,390	0	0	0	49,390
Shree Sharda Vista Alegre Private Limited	IN	50.00%	344,508	80,138	0	0	0	80,138
VA - Vista Alegre España, SA	ES	100.00%	4,108,188	-3,371,151	3,185,050	7,468,626	423,969	237,867
VAA Brasil - Comércio, Importação e Exportação, SA	BR	98.03%	3,585,866	36,217	0	4,694,083	803,191	839,408
VAA I.L. - Sociedade Imobiliária, SA	PT	100.00%	58,920	39,434	0	0	-1,226	38,208
Vista Alegre Atlantis Moçambique, Lda	MZ	99.00%	575,419	-344,382	459,031	191,076	26,699	141,348
Vista Alegre Atlantis, SA	PT	100.00%	136,921,169	30,945,355	0	90,809,865	1,484,948	32,430,303
Vista Alegre France, SAS	FR	100.00%	840,064	-15,489	0	1,429,676	174,757	159,268
Vista Alegre USA Corporation	USA	100.00%	2,024,122	-1,416,757	0	4,139,628	96,369	-1,320,388

Shareholdings directly held in Grupo Vista Alegre companies and loans granted are measured at acquisition cost, deducted from respective impairments. On the 31st of December 2023 and 2022 this heading was as follows:

Companies	% of Participation	Cost	Loans granted	Impairments	31-12-2023	31-12-2022
Cerutil - Cerâmicas Utilitárias, SA	100.00%	48,500,000	0	1,299,516	47,200,484	36,500,984
Vista Alegre Atlantis, SA	100.00%	160,457,329	0	55,048,687	105,408,642	126,695,896
Faianças da Capôa - Indústria Cerâmica, SA	100.00%	8,854,399	2,025,523	7,118,784	3,761,138	3,674,176
Cerexport - Cerâmica de exportação, SA	100.00%	32,204,319	0	31,603,731	600,588	874,394
Ria Stone Fábrica de Louça de Mesa em Grés, SA	100.00%	5,743,567	1,276,107	0	7,019,674	7,019,674
Ria Stone II, SA	100.00%	50,000	0	0	50,000	50,000
VAA I.L. - Sociedade Imobiliária, SA	100.00%	50,000	0	0	50,000	50,000
Faianças Artísticas Bordalo Pinheiro, SA	86.14%	36,153,400	175,000	0	36,328,400	0
Total Portugal		292,013,014	3,476,630	95,070,718	200,418,926	174,865,123
VA - Vista Alegre España, SA	100.00%	6,030,973	3,185,050	0	9,216,023	9,216,023
Vista Alegre Atlantis Moçambique, Lda	99.00%	76,000	459,031	0	535,031	157,275
Mexicova, SA	100.00%	6,664	0	0	6,664	6,664
Vista Alegre France, SAS	100.00%	680,188	0	0	680,188	680,188
Vista Alegre USA Corporation	100.00%	38,084	0	0	38,084	-54,248
Total Subsidiaries		298,844,923	7,120,711	95,070,718	210,894,916	184,871,025

The movement of this item for the year ending on the 31st of December 2023 and on the 31st of December 2022 is as follows:

Companies	% of Participation	31-12-2022	Impairment / Reversal in 2023	Acquisitions	31/12/2023
Cerutil - Cerâmicas Utilitárias, SA	100.00%	36,500,984	10,699,500	0	47,200,484
Vista Alegre Atlantis, SA	100.00%	126,695,896	-21,287,254	0	105,408,642
Faianças da Capôa - Indústria Cerâmica, SA	100.00%	3,674,176	86,962	0	3,761,138
Cerexport - Cerâmica de exportação, SA	100.00%	874,394	-273,806	0	600,588
Ria Stone Fábrica de Louça de Mesa em Grés, SA	100.00%	7,019,674	0	0	7,019,674
Ria Stone II, SA	100.00%	50,000	0	0	50,000
VAA I.L. - Sociedade Imobiliária, SA	100.00%	50,000	0	0	50,000
Faianças Artísticas Bordalo Pinheiro, SA	86.14%	0	0	36,328,400	36,328,400
Total Portugal		174,865,123	-10,774,598		200,418,925
VA - Vista Alegre España, SA	100.00%	9,216,023	0	0	9,216,023
Vista Alegre Atlantis Moçambique, Lda	99.00%	157,275	377,756	0	535,031
Mexicova, SA	100.00%	6,664	0	0	6,664
Vista Alegre France, SAS	100.00%	680,188	0	0	680,188
Vista Alegre USA Corporation	100.00%	-54,248	92,332	0	38,084
Total Subsidiaries		184,871,025	-10,304,510	36,328,400	210,894,915
Other financial investments		112,587	0	0	112,587
Overall Total		184,983,612	-10,304,510	36,328,400	211,007,503

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(amounts in euros)

Companies	% of Participation	31-12-2021	Impairment / Reversal in 2022	31-12-2022
Cerutil - Cerâmicas Utilitárias, SA	100.00%	36,500,984	-2,620,470	36,500,984
Vista Alegre Atlantis, SA	100.00%	126,695,896	0	126,695,896
Faianças da Capôa - Indústria Cerâmica, SA	100.00%	3,674,176	185,549	3,674,176
Cerexport - Cerâmica de exportação, SA	100.00%	874,394	-855,012	874,394
Ria Stone Fábrica de Louça de Mesa em Grés, SA	100.00%	7,019,674	0	7,019,674
Ria Stone II, SA	100.00%	50,000	0	50,000
VAA I.L. – Sociedade Imobiliária, SA	100.00%	50,000	0	50,000
Total Portugal		178,155,056	-3,289,933	174,865,123
VA - Vista Alegre España, SA	100.00%	9,216,023	0	9,216,023
Vista Alegre Atlantis Moçambique, Lda	99.00%	157,275	0	157,275
Mexicova, SA	100.00%	6,664	0	6,664
Vista Alegre Atlantis UK LTD	100.00%	-338,853	338,853	0
Vista Alegre France, SAS	100.00%	680,188	0	680,188
Vista Alegre USA Corporation	100.00%	-54,248	0	-54,248
Total Subsidiaries		187,822,105	-2,951,080	184,871,025
Other financial investments		112,587	0	112,587
Overall Total		187,934,692	-2,951,080	184,983,612

During the year ending on the 31st of December 2023, as a result of an internal reorganisation of the Grupo Vista Alegre Atlantis, Bordalgest Company, S.A. - a company then directly owned by Cerutil – Cerâmicas Utilitárias, S.A. -, sold the shares held in Faianças Artísticas Bordalo Pinheiro, S.A. to Vista Alegre Atlantis, SGPS, S.A., which caused an increase in the amount of its financial investments in the amount of 36,328,400 Euros. As a result of this operation, there is an outstanding liability which is recorded under the heading “Accounts payable and others” in the Entity’s statement of financial position for the year ending on the 31st of December 2023 (Note 25 and 15).

As a result of the aforementioned operation, the company Bordalgest, S.A. was dissolved and liquidated in November 2023.

Impairment test

During 2023, the methods and assumptions used for impairment analysis in subsidiaries, which according to the Board of Directors are the most adequate to the current situation, are as follows:

Assumptions impairment test 2023	Portugal	Brazil	Spain	USA	Mozambique	France
Method used	Updated cash flow methods					
Based used	Projection of results for the next 5 years					
Growth sales in N+1 (2024)	1.95% / 10.33%	25.07%	18.87%	21.47%	-39.56%	38.59%
CAGR sales 2024-2028	0.8% / 2.39%	1.20%	2.39%	2.39%	3.98%	2.39%
Perpetuity growth rate	1.96%	3.01%	1.70%	2.13%	5.50%	1.59%
Used WACC	7.81%	14.91%	7.59%	5.82%	22.92%	6.40%

The subsidiaries were evaluated using the free *cash flow* method discounted based on the *business plans* covering a 5 year period, considering a perpetuity from the fifth year on, developed by the managers of those subsidiaries and duly approved by its Board of Directors.

Financial projections are prepared based on assumptions regarding the evolution of the activity of cash-generating units (and respective cash-generating units), which the Board of Directors considers to be consistent with the company’s history and market trends, being reasonable, prudent and reflecting their

vision. In addition, whenever possible, market data obtained from external entities were considered, which were compared with historical data and taking in consideration the Company's experience.

Discount rates used reflect the level of indebtedness and the cost of debt capital for Grupo Vista Alegre, as well as the level of risk and profitability expected by the market. In addition, it should be noted that, in determining the discount rates, the component regarding the interest rate of a risk-free asset, has for reference the interest rate of the ten year sovereign obligations of the countries in question, according to the market in particular. The discount rates used also include a market risk premium.

The perpetuity growth rate is estimated based on an analysis of the market potential of each cash-generating unit, based on the expectations of the Board of Directors (usually associated with the long-term inflation rate obtained from international databases).

The aforementioned assumptions were quantified based on historical data, as well as on the expectation of the Company's Board of Directors and its subsidiaries. However, such assumptions may be affected by phenomena of a political, economic or legal nature that may currently be unpredictable and not fully quantifiable as a result of the unstable global economic situation.

During the fiscal year ended on the 31st of December 2023, as a result of the impairment analysis carried out, based on aforementioned methods and assumptions, the Board of Directors proceeded to the creation of impairments on financial investments in the amount of 10,304,510 euros.

The financial investment item is constituted by small investments in companies that are not considered to be associated companies and have been classified as "Financial investments – others". "Financial investments – others" were measured at cost as they are investments in unlisted companies, whose fair value cannot be measured reliably.

The composition of other financial investments item on 31st of December 2023 and 2022 is as follows:

Financial investments – others	31-12-2023	31-12-2022
Imerys Ceramics Portugal, SA	59,675	59,675
VAA - Empreendimentos Turísticos, SA	45,089	45,089
Centro Tecnológico da Cerâmica e do Vidro	5,986	5,986
Other participations	1,838	1,838
	112,587	112,587

During 2023, there were no impairments and impairment reversals for financial holdings in "Financial investments – others".

8. Tangible fixed assets

In 2023 and 2022, the Company presents an amount of 106,793 euros and 123,039 euros, respectively, of tangible fixed assets, which had the following movements during those financial years:

	Buildings	Equipment Transport	Total
Financial year 2023			
Initial net amount	79,108	43,931	123,039
Depreciations in the financial year	-2,373	-13,873	-16,246
Final net amount	76,735	30,058	106,793

	Buildings	Equipment Transport	Total
Financial year 2022			
Initial net amount	81,481	57,804	139,285
Depreciations in the financial year	-2,373	-13,873	-16,246
Final net amount	79,108	43,931	123,039

9. Intangible assets

On the 31st of December 2023 and 2022, the Company presents an amount of 185,037 euros and 8,660 euros, respectively, of tangible fixed assets, which had the following movements during those financial years:

	Other intangible assets	Current fixed assets	Total
Financial year 2023			
Initial net amount	0	8,660	8,660
Increases	0	184,710	184,710
Transfers	100,000	-100,000	0
Amortisation of the financial year	-8,333	0	-8,333
Final net amount December 2023	91,667	93,370	185,037

	Other intangible assets	Current fixed assets	Total
Financial year 2022			
Initial net amount	0	0	0
Increases	0	8,660	8,660
Transfers	0	0	0
Amortisation of the financial year	0	0	0
Final net amount December 2022	0	8,660	8,660

The increases in intangible assets during the financial year ending on the 31st of December 2023 refer mainly to the acquisition of a computer program, worth 100 thousand euros.

10. Income taxes and deferred taxes

The detail of “Deferred taxes”, with reference to the periods ended in 2023 and 2022 is as follows:

Temporary differences	Base	Assets	Liabilities	Net effect	DR Dr/(Cr) Impact
Balance on the 1st of January 2022	686,532	154,470		154,470	
Net year movement					
Retirement benefits	1,450,832	326,437		326,437	-326,437
		326,437	0	326,437	-326,437
Balance on the 31st of December 2022					
Retirement benefits	2,137,364	480,907		480,907	
		480,907	0	480,907	
Net year movement					
Retirement benefits	-50,457	-11,353		-11,353	11,353
		-11,353	0	-11,353	11,353
Balance on the 31st of December 2023					
Retirement benefits	2,086,907	469,554		469,554	
		469,554	0	469,554	

It is important to highlight that deferred tax assets are not recorded in terms of impairments of financial holdings as the Company does not anticipate their sale.

Moreover, the income tax of 2023 and 2022 was determined as follows:

	31-12-2023	31-12-2022
Current tax	-52,583	318,025
Deferred tax	-11,353	326,437
	-63,936	644,462

Grupo Vista Alegre, to which belongs Vista Alegre Atlantis, SGPS, S.A., was included since 2014 in the fiscal scenario headed by NCFGEST, SA, under the *Regime Especial de Tributação dos Grupos de Sociedades (RETGS)* [Special Regime of Taxation of Groups of Companies]. The tax calculated in each year is recognised against an account payable (if positive) or receivable (if negative) of the NCFGEST, SA company that acts as the parent company of Special Taxation for Groups of Companies. The amount of 52,583 euros is broken down into 41,966 euros of tax used within the scope of the Special Taxation Regime for Groups of Companies and 10,617 euros associated with autonomous taxation.

In the table below is presented the reconciliation between the nominal and the effective tax rate over the income during 2023 and 2022:

	31-12-2023	31-12-2022
Results before taxes	-9,405,302	-6,449,127
Nominal rate of tax on profits	21%	21%
Tax rate - 21%	1,975,113	1,354,317
Permanent differences:		
- Limitation to the deductibility of net financing expenses	0	-43,245
- Corrections of previous years	0	-11,284
- Reporting of net financing expenses from previous periods	114,910	0
- Reversal/Constitution of impairments	-2,163,947	-691,830
- Reversal/Constitution of provisions	0	-445,063
- Non-deductible socially beneficial contributions	-8,859	-7,167
- Payment of retirement benefits	44,559	171,268
Others	-3,742	-2
Profit / (Tax losses) used under the <i>RETGS</i> [Special Taxation Regime for Groups of Companies]	-41,966	326,994
Autonomous Taxation	-10,617	-8,968
Total current tax	-52,583	318,025
Deferred tax	-11,353	326,437
Income tax for the financial year	-63,936	644,462
Effective rate	-1%	10%

11. Accounts receivable and others

On the 31st of December 2023 and 2022, this item presents itself as shown:

	31-12-2023	31-12-2022
Customers and income increases	1,541,691	2,409,676
Debtors and prepaid expenses	47,285,440	29,788,992
	48,827,131	32,198,668

Accounts receivable and others

Other Grupo operations and related parties (Note 25)

Non-current	31-12-2023	31-12-2022
Cerexport, S.A.	3,085,026	3,085,026
Vista Alegre Atlantis, S.A.	38,837,851	24,937,723
VAA I.L.- Sociedade Imobiliária, S.A.	0	19,561
Vista Alegre France, S.A.S	0	65,895
Vista Alegre España, SA	905,000	905,000
Total accounts receivable and other non-current	42,827,877	29,013,205

Accounts receivable and others

Other Grupo operations and related parties (Note 25)

Current	31-12-2023	31-12-2022
Cerexport, S.A.	318,904	155,965
Cerutil, S.A.	134,600	315,824
NCFGest, S.A. (RETGS)	333,338	332,924
Grupo Visabeira, S.A.	1,319	172
Ria Stone, SA	1,093,070	555,332
Vista Alegre Atlantis, S.A.	2,345,810	951,173
Visabeira Industria, SGPS, S.A	1,114,655	546,529
Faianças Artísticas Bordalo Pinheiro, SA	207,526	23,288
Faianças da Capôa-Ind.Cerâmica, S.A.	619	619
Vista Alegre USA Corporation	1,725	785
Vista Alegre France, S.A.S	2,611	1,840
VAA - Empreendimentos Turísticos, S.A.	140	0
Others extra Grupo	444,937	301,012
Total accounts receivable and other current	5,999,254	3,185,463
Total	48,827,131	32,198,668

The balances of “Other Group and related party operations” are mostly related to amounts of loans to subsidiaries.

It is important to note that in the balance “Others outside the Grupo” 338 thousand euros refer to deposits to be refunded.

VAA - Vista Alegre Atlantis SGPS, S.A. and Vista Alegre Atlantis, S.A. agreed, through an amendment from the 31st of December 2023 to the supply agreement granted on the 6th of November 2017, that the amount of 38.8 million euros will not be reimbursed before 01/01/2025.

12. Share capital, treasury shares, issue premium and supplementary benefits

The authorised share capital of common shares is 167.650.060 book-entry shares with a nominal value of € 0.80 per share. All shares issued are taken.

	No of shares (thousand)	Common shares Turnover	Common share Premium	Treasury shares Turnover	Treasury shares Premium	Total
On the 31 st of December 2008/2009	145,040,000	29,008,000	0	-1,000	-1,000	29,006,000
On the 30 th of June 2010	145,040,000	11,603,000	0	-1,000	-1,000	11,601,000
On the 31 st of December 2016	1,156,348,000	92,507,840	0	-1,000	-1,000	92,505,840
On the 31 st of December 2017	1,524,091,463	121,927,317	22,064,591	-1,000	-1,000	143,989,908
On the 31 st of December 2018	152,409,146	121,927,317	24,280,229	-1,000	-1,000	146,205,546
On the 31 st of December 2019	167,650,060	134,120,048	25,112,774	-1,000	-1,000	159,230,822
On the 31 st of December 2020	167,650,060	134,120,048	25,112,774	-1,000	-1,000	159,230,822
On the 31 st of December 2021	167,650,060	134,120,048	25,112,774	-1,000	-1,000	159,230,822
On the 31 st of December 2022	167,650,060	134,120,048	25,112,774	-1,000	-1,000	159,230,822
On the 31 st of December 2023	167,650,060	134,120,048	25,112,774	-1,000	-1,000	159,230,822

On the 12th of December 2019, Vista Alegre Atlantis, SGPS, S.A. increased its capital by new cash inflows, with the suppression of shareholders’ pre-emptive rights, in the amount of 12,192,731.20 euros, resulting in a change in the capital of Vista Alegre from 121,927,316.80 euros to 134,120,048.00 euros, issuing 15,240,914 new shares, with a nominal value of 0.80 euros each, as communicated to the market in due course. Additionally, the aforementioned capital increase resulted in cash inflows of a total amount of 15,240,914 euros, thus determining an issue premium of 3,048,183 euros, a value that made it possible to reach an accumulated amount of 24,280,229 euros of issue premiums. Costs were also reported for the entire capital increase process with legal and financial advice, among others, in the amount of approximately 833,000 euros, which were deducted from the amount of the capital increase.

On 31st of December 2023, the Company held 110 company shares in its portfolio, valued at the price of 0.80 euros each. The premium paid per share was 1.687 euros. The total amount paid for share acquisition was 1,854 euros and this was deducted from equity.

Additionally, as of 31st of December 2023 supplementary payments were made by the shareholder Visabeira Indústria, SGPS, S.A. in the amount of 38,181,653.20 euros. These supplementary payments are not able to be reimbursed while this operation reduces its own Company capital to a value lower than the sum of the social capital and its legal reserve.

13. Reserves and Retained earnings

The movement occurred in the items of “Reserves and retained earnings” in the periods ended in 2023 and 2022 was the following:

	Results of previous years	Other reserves	Total
Balance on the 1 st of January 2022	-30,018,508	17,404,799	-12,613,709
Result for the previous financial year	-5,036,221	0	-5,036,221
Balance on the 31 st of December 2022	-35,054,729	17,404,799	-17,649,930
Result for the previous financial year	-5,804,665	0	-5,804,665
Amounts that will be reclassified later in results			
Other comprehensive income for the financial year	-161,729	0	-161,729
Balance on the 31 st of December 2023	-41,021,123	17,404,799	-23,616,324

14. Debts to credit institutions and other loans

The loans on periods ended on 31st of December 2023 and 2022 had the following expression:

	31-12-2023	31-12-2022
Non-Current Liabilities		
Bank loans	0	47,002,003
	0	47,002,003
Current liabilities		
Bank loans	47,261,396	1,232,827
	47,261,396	1,232,827
	47,261,396	48,234,830

Bank loans have the following characteristics and the following maturity schedule:

Credit institutions	Interest rate on 31-12-2023	Total Nominal value	2024
Obligations - Institutional investors	4.50%	44,785,257	44,785,257
Nominal value		45,000,000	45,000,000
Amortised cost		-214,743	-214,743
Obligations - Banco BPI	3.50%	2,476,140	2,476,140
Nominal value		2,500,000	2,500,000
Amortised cost		-23,860	-23,860
Overall Total		47,261,396	47,261,396

Bond loan in the amount of 50 million euros issued in two instalments: i) an instalment issued in MARF ("*Mercado Alternativo de Renta Fija*" (Madrid, Spain)) in the amount of 45 million euros, taken by several institutional investors, starting on 21/10/2019 for 5 years and with a total bullet in October 2024 and ii) a second instalment of 5 million euros (the nominal value of which pending reimbursement on the 31st of December 2023 is 2,500,000 euros) starting on 21/10/2019 and maturing on 21/10/2024 with constant annual settlements (25%) of capital as of the 31st of January 2022, subscribed by *Banco BPI*. The associated interest rate is a fixed rate as detailed in the table.

This bond loan will be fully repaid in October 2024, which is why it is fully classified as a current liability.

The guarantees and other conditions for the bond loan contracted in October 2019 and reviewed in June 2020 are as following:

Security Agreement:

- *Vista Alegre Atlantis SGPS, S.A.* pledged Ria Stone's shares and rights (4,550,000.00 shares with a nominal value of 1 euro each, representing 100% of the share capital);
- The pledge on the shares was granted as a commercial pledge under the Commercial Code and the Commercial Pledge Law;
- *Vista Alegre Atlantis SGPS, SA* gave as guarantee for the timely fulfilment of obligations, any right to receive in cash or any other assets of Ria Stone, including interest (accumulated or capitalised), provision of ancillary instalments, supplementary payments, supplies, other subordinated loans, other forms of equity, quasi-equity or other forms of cash or kind financing provided to Ria Stone, as the case may be, carried out after the date of the agreement's signature;
- *Vista Alegre Atlantis SGPS, S.A.* made a commercial pledge, under the terms of the Commercial Code and the Commercial Pledge Law, on the rights of existing credit balances in Ria Stone's bank account;
- *Cerexport – Cerâmica de Exportação, S.A.; Cerutil - Cerâmicas Utilitárias, S.A.; Faianças Artísticas Bordalo Pinheiro, S.A.; Faianças da Capôa – Indústria Cerâmica, S.A.; Ria Stone, Fábrica de Louça de Mesa em Grés, S.A.;* and *VAA - Vista Alegre Atlantis, S.A.* companies jointly guarantee the timely fulfilment of all obligations guaranteed by *Vista Alegre Atlantis SGPS, S.A.*

The guarantees granted under this contract are created jointly and are interconnected, and it is determined that the recoverable amounts are limited to the maximum amount of 60 million euros.

Commitments (Other):

VAA - Vista Alegre Atlantis SGPS, S.A. undertakes, in accordance with the provisions of the Bond Loan contract to comply with certain financial conditions, to be periodically calculated based on its consolidated financial statements as follows:

- i. The Net Debt¹ / EBITDA² ratio is equal to or less than:

2022	30/06/2022: 4.00x
	31/12/2022: 4.00x
2023	30/06/2023: 3.50x
	31/12/2023: 3.00x

It should also be noted that, as announced to the market published on the 23rd of July 2021, the Company saw the amendment to clause 9.5 of the terms and conditions of the bond loan signed in October 2019 approved by the General Meeting of Bondholders, so that the Financial Covenant provided for in this provision relating to the ratio between Net Debt and EBITDA were changed to those mentioned above.

- ii. That its Net Equity over Net Equity plus the Total Consolidated Debt is equal to or greater than 23 (twenty-three) percent.

- iii. Ensure that no dividends or remuneration in shares, under any form (including repayment of loans to shareholders and capital reduction) is proposed by the Board of Directors of VAA, SGPS, S.A. if the Net Debt / EBITDA ratio is equal to or greater than:

2022	30/06/2022: 4.00x
	31/12/2022: 4.00x
2023	30/06/2023: 3.5x
	31/12/2023: 3.0x

¹ Net Debt= Bank loans + Lease liabilities - Cash and cash equivalents

² EBITDA = Operating income – Amortisation and depreciation - Impairments - Provisions for the financial year - Impairment of assets depreciation

15. Accounts payable and other debts

The item “Accounts payable and other debts” on 31st of December 2023 and 2022 has as follows:

	31-12-2023	31-12-2022
Current liabilities		
Suppliers	86,324	107,271
Suppliers related companies (Note 25)	1,303,428	65,367
Associated and related companies (Note 25)	53,356,272	8,202,512
Accrued costs	1,275,086	1,285,084
	56,021,110	9,660,233

During the year ending on the 31st of December 2023, as a result of an internal reorganisation of the Grupo Vista Alegre Atlantis, Bordalgest Company, S.A. - a company then directly owned by Cerutil – Cerâmicas Utilitárias, S.A. -, sold the shares held in Faianças Artísticas Bordalo Pinheiro, S.A. to Vista Alegre Atlantis, SGPS, S.A., which caused an increase in the amount of its financial investments in the amount of 36,328,400 Euros and consequent increase in accounts payable through liabilities relating to the amount that remains unpaid in the Entity’s financial position for the financial year ending on the 31st of December 2023 (Note 25).

The item “Accrued expenses” on 31st of December 2023 and 2022 is as shown:

Accrued expenses	31-12-2023	31-12-2022
Interests	903,719	937,590
Others	371,367	347,494
	1,275,086	1,285,084

The amount of accrued expenses for interests essentially corresponds to the specialisation of interest payable associated with the bond loan.

The maturity of the amounts in this item “Suppliers” present itself as shown in the following table:

Suppliers	Months				Total overdue	Total not overdue	Total
	0-6	6-12	12-18	>18			
2022	19,674	40,139	2,285	0	62,098	45,173	107,271
2023	5,315	-656	139	285	5,083	81,240	86,324

16. Provisions

Provisions for retirement pensions

The detail and movement on this item on 31st of December 2023 and 2022 is as follows:

	31-12-2023	31-12-2022
Initial balance on the 01 st of January	2,137,364	686,532
Reinforcement/(reversal) of provision	161,729	2,266,392
Payments made	-212,186	-815,560
	2,086,907	2,137,364

On the 31st of December 2023 and 2022, the amount of retirement pension liabilities relates to a provision related to retirement supplements of a former director of Grupo Vista Alegre. Defined benefit plan obligations are calculated annually based on external information from independent actuarial experts. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows, using interest rates of high-quality bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approaching the terms of the related pension liability. All actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in equity and presented in other comprehensive income. Therefore, as mentioned above, as a result of changes in actuarial assumptions, during the financial year ending on the 31st of December 2023, the amount of approximately 161,729 euros was recorded in the statement of comprehensive income.

During the current year, under the heading “Provisions” in the Income Statement, no reinforcement or reversal of provisions was recognised.

On December 2014, the Supreme Court condemned VAA – Vista Alegre Atlantis SGPS, S.A. to pay a complementation of the life retirement pension to a former administrator, in the total annual amount of 230,923.38 euros, to pay in 12 monthly instalments in the amount of 19,243.62 euros each, updatable annually according to the official inflation index, having already been paid the amounts due until February 2018, in accordance with the settlement concluded between the parties.

From February 2018 (date from which the former administrator became retired), considering the analysis and position of the Grupo Vista Alegre legal advisors, the amount of the complementation of the retirement pension assigned to the former administrator was reduced (from 20.8 thousand euros to 7.5 thousand euros until June 2020 and to 8 thousand euros from that date) under certain legal provisions, in particular the provision which prohibits commercial companies the award of pensions to its former administrators higher than the high remuneration of the administrator with executive functions.

During the period of 2018, was delivered by the former administrator, an executive application related to the payment of the difference between the amount that the VAA - Vista Alegre Atlantis SGPS, S.A. was ordered to pay and the amount effectively paid from February 2018, having the company presented a subsequently appeal.

On the 31st of December 2020, the *Tribunal da Relação de Lisboa* issued a ruling dismissing the appeal presented, thus an appeal was filed with the *Supremo Tribunal de Justiça*. However, on the 12th of April 2021, the former director filed a new request for full payment regarding the amounts allegedly due for the months of January 2020 to March 2021 and late payment interest, totalling 193,753.49 euros. Motions for execution have also been filed by Debtors, in relation to this new request for cumulation of executions.

During the first semester of 2022, the *Supremo Tribunal de Justiça* issued a decision unfavourable to Vista Alegre, which was ordered to pay the pension requested by the former Director. Thus, the payment of 675 thousand euros referring to the difference between the amount that Vista Alegre paid monthly and what it was ordered to pay until May 2022, plus late payment interest in the amount of 192 thousand euros (the amount recognised as a provision in the income statement for the financial year including the amount of this late payment interest).

In 2022, taking into account the court decision, the retirement pension payable by Vista Alegre was, approximately, 18 thousand euros and the Company reinforced the provision associated with that retirement pension supplement on the financial year ended on the 31st of December 2022, to 2.1 million euros based on assumptions equivalent to those used in the Group's other pension funds.

During the 2023 financial year, the amount of the provision reflected in the statement of financial position is 2.1 million euros.

17. State and other public entities

On the 31st of December 2023 and 2022, the composition of this item is as follows:

	31-12-2023		31-12-2022	
	Assets	Liabilities	Assets	Liabilities
Income tax	662	0	414	0
Value-added tax (VAT)	0	58,413	0	77,875
Social security contributions	0	44,529	0	15,908
	662	102,942	414	93,783

18. Services rendered

On the 31st of December 2023 and 2022, the composition of this item is as follows:

	31-12-2023	31-12-2022
Services rendered	3,184,242	1,990,290
	3,184,242	1,990,290

During the 2023 financial year, the amount of this provision of services with Vista Alegre Atlantis, S.A. correspond to 1,087,145 euros (1,087,135 euros in 2022). The amount of contracts for providing administration and management services to the subsidiaries Cerutil and Faianças Artísticas Bordalo Pinheiro is 145,908 euros, and 197,758, respectively (145,908 euros and 197,762, respectively in 2022) (Note 25).

There was, however, an upward revision to Ria Stone's contract, totalling 1,752,803 euros in 2023 (558,795 euros in 2022) (Note 25).

The remaining amounts, 624 euros in 2023 and 680 euros in 2022, correspond to transactions with Grupo Visabeira (Note 25).

19. Supplies and external services

On the 31st of December 2023 and 2022, the composition of this item is as follows:

	31-12-2023	31-12-2022
Specialised works	677,114	773,817
Insurance	58,490	48,353
Travels and stays	1,386	337
Litigation and notary	865	5,070
Office Supplies	30	34
Energy and other fluids	0	82
Vehicles	0	18
Other Services	32,919	30,581
	770,803	858,293

The "Specialised Works" heading refers mainly to transactions with related parties, of which 420 thousand euros relate to Grupo Visabeira S.A. and 60 thousand euros to Visabeira Indústria SGPS, S.A. (Note 25)

20. Staff expenses

On the 31st of December de 2023 and 2022, the composition of this item is as follows:

	31-12-2023	31-12-2022
Administration and corporate bodies remunerations	797,420	712,779
Charges with administration and corporate bodies remunerations	158,158	147,600
Other staff costs	46,718	6,832
Total	1,002,295	867,211
	31-12-2023	31-12-2022
Average number of paid directors	15	15

21. Other operating income and costs

On the 31st of December 2023 and 2022, the composition of this item is as follows:

	31-12-2023		31-12-2022	
	Costs	Income	Costs	Income
Costs and income relating to previous years	45	0	31	0
Commissions and other bank expenses	11,602	0	11,954	0
Taxes	30,849	0	26,420	0
Currency exchanges differences	153	120	0	157
Other operating expenses and profit	8,251	1,939	8,369	4,275
	50,900	2,059	46,775	4,433

22. Financial result

The financial results of the periods ended on 2023 and 2022 can be analysed as follows:

	31-12-2023	31-12-2022
Interest paid	-3,017,302	-2,748,333
Interest earned	2,576,140	1,554,336
Dividends	2,647	1,657
	-438,515	-1,192,341

Financial income and expenses include transactions with related parties of VAA SGPS. Of the amount of financial income from related parties, 568 thousand euros relate to Visabeira Indústria SGPS (Note 6), 1,842,465 euros to Vista Alegre Atlantis, S.A., 162,939 euros to Cerexport, SA and 2,611 euros to Vista Alegre France (Note 25).

Of the financial expenses with related parties, 560,585 euros relate to Ria Stone, SA, 17,678 euros to Faianças da Capôa, 10,458 euros to Cerutil and 783 euros to VAA II (Note 25).

23. Contingencies

Vista Alegre Atlantis, SGPS, S.A. has contingent liabilities related to bank guarantees and different nature guarantees, as well as other contingencies related to its business activity. We don't expect any significant losses arising from contingent liabilities.

The amount of financial commitments not included in the Statement of Financial Position with guarantees and deposits amounts to 47.5 million euros and 48.8 million euros on the 31st of December 2023 and 2022, respectively.

24. Financial Risk Management

At Vista Alegre Atlantis, SGPS, S.A. and its subsidiaries, the main financial liabilities are loans formalised with financial institutions, public bodies, namely *Agência para o Investimento e Comércio Externo de Portugal*, accounts payable relating to commercial transactions and other bills to pay. Financial liabilities are incurred for the purpose of financing the operations of Vista Alegre Atlantis, SGPS, S.A. and its subsidiaries, namely its working capital and investments to expand and maintain production capacity. Within the context of the war that we have been living, Vista Alegre Atlantis, SGPS, S.A. and its subsidiaries continued to work actively working capital management, as well as curbing investments in order to guarantee adequate cash flow.

Financial assets derive from operations and are comprised of trade accounts receivable and other debtors and cash and short-term deposits. Vista Alegre Atlantis, SGPS, S.A. and its subsidiaries also have investments available for sale such as investments in financial assets, which include shares in risk capital companies, which are accounted for at their respective fair value and other financial investments accounted for at cost of acquisition because they are investments in unlisted companies of limited significance.

Vista Alegre Atlantis, SGPS, S.A. and its subsidiaries are exposed to (i) market risk essentially with interest rate and exchange rate changes, (ii) credit risk and (iii) liquidity risk. Vista Alegre Atlantis, SGPS, S.A. and its subsidiaries have an approach focused on creating risk strategies, developing activities and skills so that risks are managed in the most appropriate way possible and so that strategic goals are not compromised. Awareness of the existence of risks is the first step towards making strategic and operational decisions, which must be aligned with the level of risk that the Company is willing to undertake.

- **Market risk**

Market risk is generally determined by the risk that the fair value of future cash flows may fluctuate as a result of events that systematically affect the market. Market risk includes the following risks: exchange risk, liquidity risk, interest rate risk and credit risk.

- **Exchange risk**

Vista Alegre Atlantis, SGPS, S.A. has subsidiaries in Brazil, Mozambique, the United States of America, Mexico and India through which it markets in its respective markets in Reais, Meticais, US dollars, Mexican Pesos and Indian Rupees, respectively. Thus being exposed to the exchange rate risk of operating activities denominated in currencies other than their functional currency. In Brazil, where the impact was more significant, exchange rate risk vis-à-vis the euro, the currency in which its imports of goods from Portugal are made, the Group holds a short position of around 2 million euros. The Brazilian real appreciated 4.17% against the euro in 2023. A 2% change in the exchange rate would have an impact of around 40 thousand euros. In commercial accounts receivable and commercial accounts payable there are balances in currencies different from the euro, namely American Dollars, but without any significant value.

- **Liquidity risk**

Liquidity risk is the risk which Vista Alegre Atlantis, SGPS, S.A. and its subsidiaries will encounter difficulties in meeting commitments associated with financial instruments. This risk is the greatest risk that Vista Alegre Atlantis, SGPS, S.A. and its subsidiaries have been exposed to. Vista Alegre Atlantis, SGPS, S.A. and its subsidiaries substantially improved their financial conditions following the changes in their shareholder structure which occurred in previous years, and the very positive evolution that their operations have undergone in recent years. Moreover, Vista Alegre Atlantis, SGPS, S.A. and its subsidiaries have a centralised treasury management contract with Visabeira Indústria, SGPS, SA, its main shareholder, in order to manage its cash resources more efficiently. Treasury and investments are managed by a global and centralised organisation, which allows reducing cash flow risks, avoiding exposure to variations that may affect the companies' results.

Vista Alegre Atlantis, SGPS, S.A. is obliged to comply with the financial covenants in connection with the issuance of the 50 million euros bond loan contracted in October 2019. In 2021, as a result of the pandemic crisis caused by COVID 19, the Company negotiated a change to the debt financial covenant – Net Debt over EBITDA, which it was obliged to comply with in the scope of the bond loan contracted for a maximum limit of 5.0x, which was fixed in the following years at 4.0x in 2022 and 3.0x in 2023.

We can conclude that Vista Alegre Atlantis, SGPS, S.A. and its subsidiaries manage liquidity risk in two ways:

- (1) ensuring that its financial debt has a high medium and long-term component with maturities appropriate to the characteristics of the industries in which it operates, and
- (ii) by contracting credit lines available with financial institutions at any time, for an amount that guarantees adequate liquidity to the development of its operations.

In terms of available resources, they reached 9.2 million euros on the 31st of December 2023.

- **Interest rate risk**

Vista Alegre Atlantis, SGPS, S.A. and its subsidiaries' exposure to interest rate risk comes primarily from loans obtained at variable rates. Part of the financing had an interest rate indexed to Euribor in different maturities.

The year 2008 was marked by the *subprime* crisis in the USA, which caused bankruptcy of large financial institutions and which eventually infected economies around the world. It was also at the beginning of this year that the highest Euribor rates were recorded. However, after midyear, there was a decrease as a result of successive cuts in the European Central Bank's interest rate in response to the international financial crisis, which has led to a downward trend in recent years, in 2015 it reached negative values and the downward trend continued until mid-2022. From that date onwards, rates recorded progressive and repeated increases, only stabilising at the end of 2023. The expectation for 2024 is a downward revision of the main Euribor indexes.

The accentuated increase in interest rates during 2022 and 2023, together with the general increase in prices, imposed a much more challenging scenario than was observed in previous years. Inflation, which has been the main concern of the markets, has recently reached unprecedented high values. In the USA, inflation data is showing signs of decreasing and supports the argument that the central bank will not increase interest rates again. European inflation also shows signs of slowing down, but its path is slower than that of inflation in the United States. According to most recent forecasts, inflation in the Euro Zone continues on a downward trend. In October 2023, it stood at 2.9%, compared to a maximum of 10.6% during the same period the previous year. According to experts at the European Central Bank, projections point to average inflation of 2.3% in 2024, 2% in 2025 and 1.9% in 2026.

As a result of this record, officials at the European Central Bank (ECB) have repeated the message that it is premature to start discussing lowering interest rates while inflation remains at these levels and point to the decision to reduce interest rates during the 2nd semester of 2024.

If the average interest rate supported in 2023 had been 0.5 p.p. higher (lower), the net financial costs would have increased (reduced) by approximately 154 thousand euros (added values for Vista Alegre Atlantis, SGPS, S.A. and its subsidiaries).

The sharp increase in interest rates in 2022, together with the general increase in prices, imposed an increased burden on Portuguese companies during the 2023 financial year. During the first half of the year the sharp increases in interest rates continued, reaching levels that had not been seen for a long time, with a stabilisation trend during the last quarter of the year. In regard to loans granted to

companies, the average interest rate in 2023 was 3.9%, up from the rate of 1.98% observed in the previous year.

Additionally, Vista Alegre Atlantis, SGPS, S.A. issued guaranteed bonds in the amount of 45 million euros in 2019, with a fixed annual rate of 4.5% and maturity in October 2024, as well as guaranteed bonds in the amount of five million euros with an annual fixed rate of 3.5% and final maturity in October 2024. Thus, Grupo Vista Alegre ensured coverage of exposure to interest rate variations for 70% of total financial debt, recorded at the end of 2023 financial year. Taking into account the expected maturity of the bond loan contracted in 2019, Grupo Vista Alegre launched a refinancing program to be completed in 2024 in order to align the maturity of its financial debt with the strategic plan for the coming years (Note 26).

- **Credit risks**

Vista Alegre Atlantis, SGPS, S.A.'s subsidiaries are exposed to a variety of diversified risks. Management is aware of the importance of credit risk management and the protection of its treasury, recognising the importance of credit insurance as an essential instrument both domestically and abroad. Conscious of the importance of adopting active management of different financial risks in order to minimise their potential negative impacts on cash flow, results and value of companies, it seeks to manage these risks effectively by formulating adequate hedging strategies.

Credit risk is an important and complex aspect that is present in the activity of Vista Alegre Atlantis, SGPS, S.A. and its subsidiaries. Risk assessments imply credit decisions, at times, based on incomplete information, within a scenario of uncertainty and constant change, especially what has been experienced during the last three years, which has proved to be particularly atypical and which was caused by the COVID-19 spread and the Ukraine war, and all the implications that this has entailed. Credit risk management reflects the multiplicity, quality and origin of the information available so that the credit analyst can always take the best decision and that it is in accordance with the assumptions defined by the Group.

Vista Alegre Atlantis, SGPS, S.A. and its subsidiaries keeps the credit insurance policies, leaves the analysis of credit granting to professionals who are specialised in debts recovery, receiving from the credit company the indication of exposure - credit limit - adjusted to the credit capacity of each client. Thus, management can be primarily focused on operational issues. The coverage of this risk allows a compensation of 95% for the unpaid credits. Recent years have been marked by increased restrictions on lending in general, with credit limits having undergone significant unfavourable revisions. In view of this scenario, and in order to meet the credit risk coverage needs in foreign markets, in which the limits granted under the base policies are insufficient, Vista Alegre Atlantis, SGPS, S.A. and its subsidiaries has insured additional coverages that allow it to increase the partial coverage of its risks, up to twice the amount granted in the base policy, and as well as to obtain coverages for risks that have no value attributed in the said base policy, up to the limit of 100 thousand euros.

The greater restrictions on the external coverage of the credit granted imply of increased rigour and a greater requirement in the appraisal of the requests for the concession is internal credit. The detailed analysis of a customer's credit risk is normally summarised in a credit sheet, which contains the information that will allow the issuing of an opinion on a credit operation and which includes available and relevant information such as the character of the customer, its management capacity, asset value, history, financial information, credit guarantees and payment terms.

Vista Alegre Atlantis, SGPS, S.A. believes that it does not have significant credit risk concentrations, maintaining an active credit control for all its clients, overseen by the Financial Management.

25. Balances and Transactions with related parties

The entities that held, on 31st of December 2023 a qualifying holding in the VAA, SGPS, S.A. were:

Shareholder	Shares		(in euros)
	No of shares	% of voting rights	Carrying amount
NCFGEST, SA			
Directly (its own portfolio)	5,821,476	3.47%	4,657,180.80
Through Grupo Visabeira, SA	5,548,417	3.31%	4,438,733.60
Through Visabeira Indústria, SGPS, SA	137,965,968	82.29%	110,372,774.40
Through NCFTradetur	2,836,541	1.69%	2,269,232.80
Total attributable NCFGEST, SA	152,172,402	90.77%	121,737,921.60
Caixa Geral de Depósitos, SA:			
Directly (its own portfolio)	2,792,553	1.67%	2,234,042.40
Total attributable Caixa Geral Depósitos, SA	2,792,553	1.67%	2,234,042.40
Free Float	12,684,995	7.57%	10,147,996.00
Sub-totals	167,649,950	100.00%	134,119,960
Treasury shares	110	0.00%	88
Total shares Vista Alegre Atlantis	167,650,060	100.00%	134,120,048

- (1) The majority shareholder of VISTA ALEGRE ATLANTIS SGPS, S.A., VISABEIRA INDÚSTRIA, SGPS, S.A., is totally owned by Grupo Visabeira, S.A., whose majority shareholder, NCFGEST, S.A., a company totally owned by the individual partner Fernando Campos Nunes, possesses 98.57%.

The balances and transactions with related parties (Grupo Vista Alegre and Grupo Visabeira) and with members of the Governing Bodies are detailed below.

Remuneration of the Corporate Bodies

	31-12-2023	31-12-2022
Salaries and other short-term benefits of the Management	721,300	630,450
Retirement pensions	46,520	53,260
Remuneration of the Supervisory Board	26,600	26,069
Remuneration of the General Meeting	3,000	3,000
	797,420	712,779

The balances of assets and liabilities to related parties on the 31st of December 2023 and 2022 are as follows:

	31-12-2023	31-12-2022
Assets		
Supplementary benefits	7,120,711	6,945,711
Vista Alegre España, S.A.	3,185,050	3,185,050
Faianças da Capôa-Ind.Cerâmica, S.A.	2,025,523	2,025,523
Ria Stone Fábrica de Louça de Mesa em Grés, S.A.	1,276,107	1,276,107
Vista Alegre Atlantis Moçambique, LDA	459,031	459,031
Faianças Artísticas Bordalo Pinheiro	175,000	0
Other operations	48,382,194	31,897,656
Cerutil, S.A.	134,600	315,824
Cerexport, S.A.	3,403,930	3,240,991
Vista Alegre Atlantis, S.A.	41,183,661	25,888,896
Visabeira Industria, SGPS, S.A	1,114,655	546,529
VAA I.I.- Sociedade Imobiliária, S.A.	0	19,561
Ria Stone Fábrica de Louça de Mesa em Grés, S.A.	1,093,070	555,332
Faianças da Capôa-Ind.Cerâmica, S.A.	619	619
Faianças Artísticas Bordalo Pinheiro, SA	207,526	23,288
Vista Alegre USA Corporation	1,725	785
NCFGest, S.A. (RETGS)	333,338	332,924
Grupo Visabeira, S.A.	1,319	172
Vista Alegre Espana, S.A.	905,000	905,000
Vista Alegre França, S.A.S	2,611	67,735
VAA - Empreendimentos Turísticos, S.A.	140	0
	55,502,905	38,843,367
Liabilities		
Vista Alegre Atlantis,SA.	5,735	3,867
Ria Stone Fábrica de Louça de Mesa em Grés, S.A.	16,059,992	6,951,963
Faianças da Capoa-In.Cerâmica,S.A.	518,529	500,851
Cerutil, S.A.	35,336,469	311,825
Visabeira investigação e desenvolvimento	123,000	8,660
NCFGest, S.A. (RETGS)	8,968	8,968
Creative Shots - Agência de Comunicação, S.A.	61,500	61,500
Visabeira Industria, SGPS S.A.	73,800	0
Grupo Visabeira, S.A.	1,128,066	420,245
Empreendimentos Turísticos Montebelo, SA	644	0
VAA I.I.- Sociedade Imobiliária, SA	28,783	0
Faianças Artísticas Bordalo Pinheiro	1,314,215	0
	54,659,700	8,267,878

Transactions with related parties during the periods ended on the 31st of December 2023 and 2022:

	31-12-2023		31-12-2022	
	Purchases and other financial costs (COSTS)	Sales and other financial income (INCOME)	Purchases and other financial costs (COSTS)	Sales and other financial income (INCOME)
Grupo Vista Alegre Companies				
Cerexport, SA - Interests	0	162,939	0	84,838
Vista Alegre Atlantis, SA - Interests	0	1,842,465	0	921,128
Vista Alegre Atlantis, SA.	4,760	1,087,145	2,305	1,087,135
Vista Alegre França - Interests	0	2,611	0	1,840
Vista Alegre USA	0	120	0	57
Faianças Artísticas Bordalo Pinheiro	0	197,758	0	197,762
Ria Stone, SA	0	1,752,803	0	558,795
Ria Stone, SA - Interests	560,585	0	228,685	0
Faianças da Capôa-Ind.Cerâmica.SA- Interests	17,678	0	13,405	0
Cerutil-Cer. Utilitária, SA.	0	145,908	0	0
Cerutil-Cer. Utilitária, SA - Interests	10,458	0	4,409	145,908
VAA I.L.- Sociedade Imobiliária, SA - Interests	783	0	0	0
NCFGEST Companies				
Empreendimentos Turísticos Montebelo, SA	644	0	0	0
Grupo Visabeira, SA	420,586	1,050	420,245	3,332
Visabeira Indústria, SGPS, SA - Interests	0	568,126	0	546,529
Visabeira Indústria, SGPS, SA	60,000	0	60,000	0
VAA - Empreendimentos turísticos, SA	0	279	0	0
Total	1,075,494	5,761,204	729,049	3,547,324

26. Subsequent events

Since the end of February 2024, Vista Alegre Atlantis SGPS, S.A. management has been organising and setting up a bond loan using public subscription.

Since then, the Management of Vista Alegre Atlantis SGPS, S.A., together with coordinating banks, legal advisors and consultants in the area of sustainability, have been actively working to successfully complete this operation by the end of the first semester of 2024.

Taking into account that this is a public subscription offer, the amount of bonds to be issued will naturally depend on market demand, however, Vista Alegre Atlantis SGPS, S.A. management, defined the objective amount for this issue as a value between 40 million euros and 60 million euros, which will allow it to repay the current VAA Fixed Rate Guaranteed Senior Secured Notes 2019-2024 Class A bond issue, as well as cover investments planned for its activity.

This future bond issue will allow Vista Alegre Atlantis SGPS, S.A. to diversify its sources of financing, placing a substantial part of its debt with national private investors. Note that Vista Alegre Atlantis SGPS, S.A.'s financial performance and the reputation of the Vista Alegre brand among the general public

played a fundamental role in choosing this financing alternative, instead of traditional financing or bonds placed with institutional investors.

Finally, due to growing European regulations related to sustainability and the commitment that VAA undertakes in its activity towards future generations, VAA's management decided to include an ESG characteristic in the conditions of the aforementioned obligations, thus issuing SLB ("Sustainability-Linked Bonds") through the definition of a sustainability indicator ("KPI – Key Performance Indicator"), resulting in a penalty if the SPT - Sustainability Performance Target defined for this indicator is not reached.

It should also be noted that in 2024 the Company will celebrate Vista Alegre's 200th anniversary. A set of actions has been planned and are underway aiming at celebrating the brand's longevity.

There are no other events subsequent to the date of the financial statements which may influence the presentation and interpretation of consolidated financial statements.

27. Approval of the financial statements

These financial statements were approved by the Board of Directors on the 8th of April 2024.

Ílhavo, 8th of April 2024

Chartered Accountant

Cláudia Raquel Costa do Amaral Lourenço

The Board of Directors

Nuno Miguel Rodrigues Terras Marques
Chairman of the Board of Directors

Paulo Jorge Lourenço Pires
Vice-Chairman of Board of Directors

Alexandra da Conceição Lopes
Member of the Board of Directors

Alda Alexandra Abrantes Costa
Member of the Board of Directors

Nuno Miguel Ferreira De Assunção Barra
Member of the Board of Directors

Nuno Maria Pinto de Magalhães Fernandes Thomaz
Member of the Board of Directors

Cristina Isabel Sousa Lopes
Member of the Board of Directors

Teodorico Figueiredo Pais
Member of the Board of Directors

Carlos Alberto Sá Garcia da Costa
Member of the Board of Directors

Fernando Daniel Leocádio Campos Nunes
Member of the Board of Directors

Maria Isabel Couto Fernandes
Member of the Board of Directors

Céline Dora Judith Abecassis Moedas
Member of the Board of Directors

Mário Godinho de Matos
Member of the Board of Directors

Luís Miguel Poiares Pessoa Maduro
Member of the Board of Directors



CORPORATE GOVERNANCE COMMITTEE REPORT 2023

Part I

Information regarding the Shareholders Structure,
Organization, and Corporate Governance

A. Shareholders Structure

INTRODUCTION:

This report, which presents a summary of the most relevant aspects regarding the good governance practices of VAA-Vista Alegre Atlantis, SGPS, S.A. (hereafter designated by “VAA”, “Company” or “Society”), was organised in compliance with the regulation of the *Comissão do Mercado de Valores Mobiliários* [Securities Market Commission] (hereafter designated by “CMVM”) no 4/2013 and the Article 29ºH of the *Código dos Valores Mobiliários* [Portuguese Securities Market Code].

Thus, in this report, the Company assesses the compliance with the recommendations contained in the Corporate Governance Code of the *Governo das Sociedades do Instituto Português de Corporate Governance* (“IPCG”) [Portuguese Institute of Corporate Governance] in its version published in 2018 and reviewed in 2023 (“Recommendations”, “Rec.” Or “IPCG Code”) - exercise of comply or explain contained in Part II -, having as reference the report model contained in the Securities Market Commission Regulation No. 4/2013 - corresponding in particular to Part I. This document must also be read as a complement and attached to the Annual Management Report and Consolidated Accounts.

During 2023 and up to this date, VAA followed solid management practices and implemented a set of good practices regarding internal regulations, in line with the provisions of the IPCG Code, thus the VAA Board of Directors is convinced that the Company complies with a significant set of the IPCG Recommendations and adopts solutions that are materially equivalent to the other Recommendations and underlying principles contained in the IPCG Code, as described throughout this report.

The adoption of these Recommendations contributed, on one hand, to the transparency and reinforcement of VAA’s governance model and practices, and on the other hand, to the implementation of a system of checks and balances that constitutes a catalyst for the creation of value and sustained growth for the Company and the Grupo Vista Alegre.

PART I – INFORMATION REGARDING THE SHAREHOLDERS STRUCTURE, ORGANISATION, AND CORPORATE GOVERNANCE

A. SHAREHOLDERS STRUCTURE

I. CAPITAL STRUCTURE

1. The capital structure, including the shares not accepted to the negotiation, different actions' categories, rights and obligations inherent to them as well as the capital percentage that each category represents:

VAA share capital is currently of 134,120,048.00 Euros, is fully subscribed and paid up, and is represented by 167,650,060 nominative entry shares, with the nominal value of 80 cents each, trading on the Euronext Lisbon regulated market.

Except, of course, for treasury shares, all shares grant the same rights.

According to the available information in the Company, on the 31st of December 2023, the share capital structure of VAA was as follows:

Shareholder	No of shares	% of voting rights
NCFGEST, SA	5,821,476	3.47%
NCFTradetur, SA	2,836,541	1.69%
Grupo Visabeira, SA	5,548,417	3.31%
Visabeira Indústria, SGPS, SA	137,965,968	82.29%
Caixa Geral de Depósitos, SA:	2,792,553	1.67%
Free Float	12,684,995	7.57%
Sub-totals	167,649,950	100.00%
Treasury shares	110	0.00%
Total shares Vista Alegre Atlantis	167,650,060	100.00%

(1) On the date of this report, Visabeira Indústria, SGPS, S.A. directly owns 137.965.968 shares, representing 82.294% of VAA's share capital and voting rights, as communicated to the market.

2. Restrictions to shares transfer, such as consent clauses for sale or limits to shares ownership:

There are no limitations in the law or in the Company's Articles of Association to the transferability of shares representing VAA's share capital.

3. Number of equity shares, percentage of share capital corresponding to the percentage of voting rights to which correspond the equity shares:

The company owns 110 equity shares, representing 0.0000656% of the share capital. They would entitle the right to 11 voting rights, if it were applicable.

4. Significant agreements which the company has signed and that come into force, are changed or terminated in case of the company's control change, as a result of a takeover bid, as well as its effects, except if, due to its nature, its disclosure is seriously harmful to the company, unless the company is specifically required to disclose such information due to other legal imperatives:

VAA didn't sign any significant agreements that come into force, are changed or terminated in case of the company's control change, as a result of a takeover bid, or in the event of a change in the composition of the Board of Directors.

In accordance with normal market practice, the terms of the bond issue to which the Company is bound include a clause to change the Company's control, with the possibility for bondholders to request early repayment of the amount due.

The Company therefore complies with Recommendation III.7., not adopting the measures that determine payments or assumption of fees by the Company in the event of change of control or change in the composition of the managing body and which appear likely to impair the economic interest in the transfer of shares and the free assessment by Shareholders of the performance of the board members.

5. Regime subject to the renewal or termination of defensive measures, in particular those that provide for the limitation of the number of votes that may be held or exercised by a single shareholder individually or with other shareholders

The Articles of Association do not mention any limits to the voting counting, in the sense that votes cast by a single holder of common shares, either by itself or through a representative, in its own name or as a representative of another shareholder, are not counted, therefore there is no statutory provision as to the terms of its maintenance or not in the Articles of Association in the Recommendation III.6 which is not applicable.

6. Shareholders agreements that the company may be aware of and that may restrict the transfer of securities or voting rights:

That the company is aware of, there are no shareholders agreements that may lead to any restrictions in terms of securities or voting rights.

II. SHARES OWNED

7. Identification of natural or legal people that, directly or indirectly, hold qualifying shares with detailed indication of the percentage of capital and votes attributable and of the source and causes of attribution:

Taking into account the communications received by the Company on 31st of December 2023, the qualifying shares equal or superior to 2% on the VAA's share capital and voting rights were as follows:

Shareholder	Shares		(in euros)
	No of shares	% of voting rights	Carrying amount
NCFGEST, SA			
Directly (its own portfolio)	5,821,476	3.47%	4,657,180.80
Through NCFTRADETUR, SA	2,836,541	1.69%	2,269,232.80
Through Grupo Visabeira, SA	5,548,417	3.31%	4,438,733.60
Through Visabeira Indústria, SGPS, SA ⁽¹⁾	137,965,968	82.29%	110,372,774.40
Total attributable NCFGEST, SA	152,172,402	90.77%	121,737,921.60
Caixa Geral de Depósitos, SA:			
Directly (its own portfolio)	2,792,553	1.67%	2,234,042.40
Total attributable Caixa Geral Depósitos, SA	2,792,553	1.67%	2,234,042.40
Free Float	12,684,995	7.57%	10,147,996.00
Sub-totals	167,649,950	100.00%	134,119,960.00
Treasury shares	110	0.00%	88.00
Total shares Vista Alegre Atlantis	167,650,060	100.00%	134,120,048.00

⁽¹⁾ VISTA ALEGRE ATLANTIS SGPS, S.A.'s majority shareholder, Visabeira Indústria SGPS, S.A., is entirely owned (100%) by the shareholder Grupo Visabeira, S.A., of whose capital NCFGEST, S.A. owns 98.56873%, being the latter entirely owned by the shareholder Fernando Campos Nunes, who is to be accounted responsible for the voting rights of the Company by Visabeira Indústria SGPS, S.A. and Grupo Visabeira, S.A..

On the date of this report, Visabeira Indústria, SGPS, S.A. directly owns 137.965.968 shares, representing 82.294% of VAA's share capital and voting rights, as communicated to the market.

8. Indication on the number of shares and bonds held by members of the management and supervisory bodies.

On the 31st of December 2023 and on this date, Nuno Miguel Rodrigues Terras Marques, Chairman of the Board of Directors of VAA, holds 11,000 shares, acquired on the stock exchange, representing 0.007% of the Company's share capital and voting rights; Fernando Daniel Leocádio Campos Nunes, Member of the Company's Board of Directors, holds 1,766 shares, acquired on the stock exchange, representing 0.001% of VAA's share capital and voting rights.

9. Special powers of the management body, namely regarding decisions to increase capital, indicating the date on which they are assigned, the period until which such powers may be

exercised, maximum limit of the share capital increase, amount already issued under the powers assignment and implementation of the powers assigned.

The company's management body is currently not assigned special powers, namely regarding resolutions to increase capital, for which the competence lies exclusively in the General Meeting under the terms legally provided for.

10. Information on the existence of significant commercial relationships between the holders of qualifying shares and the company:

Throughout 2023, the holders of qualifying shares carried out transactions with VAA and its subsidiaries, under normal market transactions and within their activity, duly detailed in the Consolidated Annex to the Balance Sheet and Income Statement in note 34 "Transactions with Related Parties".

Part I

Information regarding the Shareholders Structure,
Organization, and Corporate Governance

B. Corporate Bodies and Commissions

B. CORPORATE BODIES AND COMMISSIONS

I. GENERAL MEETING

a) The General Meeting board throughout 2021

11. Identification and position of the General Meeting Board and its terms of office (beginning and end):

The General Meeting Board is currently chaired by Mr. Luís Manuel Gonçalves Marques Mendes and the secretary is Marta Sofia Cunha Albuquerque Santos Temudo, having the Chairman and the Secretary been re-elected at the annual General Meeting held on the 5th of June 2023, to carry out its functions during 2023.

Whilst performing its duties, and in terms of convening and conducting General meeting, the Chairman of the General Meeting shall have logistical and human resources appropriate to their needs and indispensable for the proper performance of their duties.

b) Voting right

12. Possible restrictions on voting rights, such as limitations on the exercise of voting rights depending on the number or percentage of shares held, time limits imposed for the exercise of voting rights or systems for highlighting assets content rights:

Pursuant to articles 12 and 13 of the Company's Article of Association:

- a) Each set of ten shares correspond to one vote.
- b) Only those shareholders who, on the date of registration - corresponding to the midnight (GMT) of the 5th negotiation day prior to the General Meeting's day -, hold a number of shares not inferior to ten, are entitled to attend the General Meeting, on each of the two sessions, in case of suspension, and to discuss and vote.
- c) The exercise of the rights referred to in the previous paragraph is not affected by the transfer of shares at a later date than the Registration Date, nor it depends on the blocking between the said date and the General Meeting's date.
- d) Shareholders wishing to participate in the General Meeting must declare it in writing to the Chairman of the Board of the General Meeting and to the financial intermediary where the individual account is opened no later than the day before the day mentioned on the paragraph a) above and may, for that purpose, use an e-mail.
- e) Those who have declared their intention to participate in the General Meeting, pursuant to the previous number, and transfer ownership of shares between the Registration Date and the end of the General Meeting, shall immediately notify the Chairman of the General Meeting and to the *Comissão do Mercado de Valores Mobiliários* [Securities Market Commission].
- f) The Shareholders who, in the face of what is established in a) above, do not have the number of shares necessary to participate and vote in the General Meeting may group together in

order to make up the number, and must appoint by agreement one among them to represent them in the General Meeting.

- g) Shareholders without voting rights and bondholders may not be present at General Shareholders Meetings, and shall be represented by their joint representatives;
- h) Natural shareholders may be represented at the General Meeting by another Shareholder or by those people the mandatory law permits
- i) Shareholders who are legal entities will be represented at the General Shareholders Meeting by the person they appoint for this purpose;
- j) The representation instruments provided for in the preceding paragraphs shall be addressed to the Chairman of the General Meeting Board and delivered to the Company at least five days before the General Meeting's date.
- k) Postal voting is permitted.
- l) Postal voting is taken into account for the General Meeting's quorum, and they are valid as well for the second call of the General Meeting to which they were issued. The Chairman of the Board, or its substitute, will be responsible for verifying their authenticity and regularity, as well as ensuring its confidentiality until the voting time.
- m) Postal voting shall be deemed revoked, if the Shareholder or his/her representative is present at the General Meeting.
- n) Postal voting shall be considered negative votes regarding the approval proposals submitted after the date on which those votes were cast.
- o) Without prejudice to the legal mandatory provisions and Articles of association, the resolutions of the General Meeting will be taken by a majority of the votes cast.
- p) The decisions on amendments to the Articles of Association, transformation, merger, division and dissolution of the Company shall be taken by a qualified majority of at least two-thirds of the votes cast.

The Company considers that it fully complies with Recommendation III.1., not setting an excessively high number of shares necessary to grant the right to one vote.

Thus, under the terms of the articles of association, to each ten shares correspond one vote, and it was decided that this proportionality doesn't need to be changed, depending on the shareholder structure of the Company (no 7. above) and the attendances and votes effectively registered at the General Meeting. In fact, the General Meetings held between 2011 and 2014 were attended by 6 (six) Shareholders, in 2015 by 8 (eight) Shareholders, in 2016 and 2017 by 7 (seven) Shareholders, in 2018 by 6 (six) Shareholders, in 2019 by 4 (four) Shareholders, in 2020 by 8 (eight) Shareholders, and in 2021, 2022 and 2023 by 9 (nine) Shareholders of which, in 2021, 5 (five) of them used the right of postal voting and in 2022 and 2023 2 (two) used this same option.

VAA, prior to each General Meeting and respecting the legal deadlines, broadly discloses the dates on which they will be held and the available means of participation and voting by the Shareholders, namely in person (directly or through a representative) or remotely (via postal

vote with an extended term), the notice of the respective call being made available on the VAA institutional website (www.vistaalegre.com).

In 2023 the Company did not implement the voting by electronic or telematic means. In any case, VAA considers that in 2023, as in other years, it provided suitable remote means of participation and voting in its general assemblies and thus comply with the principles underlying Recommendations III.4. and III.5., to an extent appropriate to its shareholder structure described in paragraph 7. *above* and to the history of participation and voting at its General Meetings (without any adherence to postal voting at its Meetings since it became available and only to have registered in 2020, for the first time since it became available, the adherence to the vote by correspondence by two shareholders).

The use of these functionalities at the aforementioned General Assembly meeting with the safety and authenticity requirements would therefore be disproportionate, particularly in view of the associated costs.

The VAA Articles of Association do not provide for prominent equity rights systems.

13. Indication of the maximum percentage of the voting rights which may be exercised by a single shareholder or by shareholders who may have any relationships under no 1 of the article 20:

The Articles of Association do not provide for any limitation to the voting rights that may be exercised by a single Shareholder or by Shareholders who are in any of the relationships indicated in Article 20 of the Portuguese Securities Code, so Recommendation III.6. does not apply.

14. Identification of the shareholders decisions which, by statutory requirement, can only be taken with a qualified majority, besides the requirements foreseen in the law, and indication of those majorities:

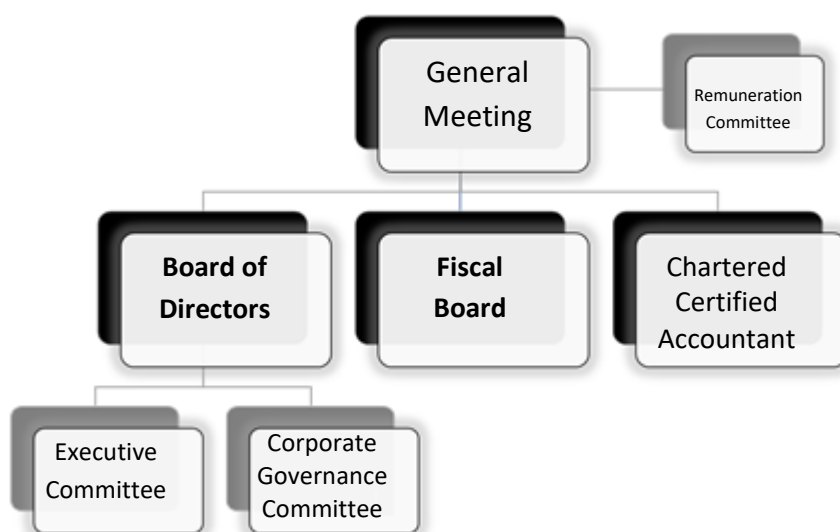
The Company's Articles of Association do not contain any provision that imposes a qualified majority in addition to those provided for by law, so the Company intends to adopt Recommendation III.3.

II. MANAGEMENT AND SUPERVISION

a) Structure

15. Identification of the governance model adopted

Pursuant to article 10 of the Articles of Association, the Corporate Bodies are the General Meeting, the Board of Directors, the Fiscal Board and the Chartered Certified Accountant or the Chartered Certified Accountants' Company.



The corporate governance model in force at VAA comprises: (i) a management structure, corresponding to the Board of Directors designated by the General Meeting, which in 2023 delegated day-to-day management powers to the Executive Committee and powers in matters of corporate governance, evaluation and appointments to the Corporate Governance Committee; (ii) a reinforced inspection structure, which includes the Audit Board and the Certified Auditor, both appointed by the General Meeting and the latter on a proposal from the Audit Board; as well as (iii) a Remuneration Committee appointed by the General Meeting responsible for setting the remuneration of the governing bodies.

Regarding the assessment of the Company's current Governance model, the Board of Directors considers that it is appropriate to the size and business of the Company, which, being essentially based on a separation of powers between the different corporate bodies, allows to keep good operating levels as well as performance efficiency regarding the functions of each corporate bodies and their interconnection.

In this context, the Board of Directors is responsible for monitoring and defining the implementation of Grupo Vista Alegre's strategic guidelines and risk profile/policy, as well as the other non-delegable matters described below, and monitoring management, as detailed at points 21. and 29. below.

In turn, the Executive Committee, with day-to-day management powers delegated by the Board of Directors, assumes functions of an operational nature, being responsible for implementing the strategic guidelines, risk profile/policy and corporate structure of Grupo Vista Alegre defined by the Board Directors, as detailed in points 21. and 29. below.

The assignment of responsibilities for the purpose of coordinating specific operational/functional management areas of the Executive Committee to each of its members, without prejudice to the collective nature of the management functions by this Committee, promotes the effective monitoring of the Society's management and taking advantage of synergies within each operational / functional area.

The Board of Directors also created a Corporate Governance Committee aiming at promoting reflection and improvement of the governance model and practices adopted by the Company, with powers in matters of corporate governance, remuneration, assessment and appointments, as detailed in point 29. below.

In legal, statutory and regulatory terms, the Audit Board is responsible for the following supervisory functions and as detailed in points 37. and 38. below:

- (i) The integrity of financial information;
- (ii) The statutory audit and the independence of the Certified Auditor;
- (iii) The effectiveness of risk management, internal control and internal audit systems;
- (iv) The Company's management and compliance with the law and the Articles of Association.

The Certified Auditor is responsible for examining the Company's accounts and also exercising control over the accuracy of the Company's financial information, as detailed in point 38. Below.

16. Rules governing the appointment and replacement of board members and the amendment of the articles of association:

The members of the Board of Directors, including the Chairman and one or more Vice-chairman, are elected by the Shareholders at the General Meeting.

The members of the Board of Directors are appointed for annual terms and may be reelected under the legal terms, considering themselves sworn in as soon as they are elected and will remain in office until the election of new members.

The absence of a director from three meetings, consecutive or not, without justification accepted by the Board of Directors, leads to his/her definitive absence, which must be declared by the Board of Directors. In the event of the absence or definitive impediment of any of the members of the Board of Directors, under the statutory and legally provided for terms, is incumbent upon the management body itself to proceed with the respective replacement through co-option, and must submit it for ratification at the following General Meeting.

The process of naming VAA's Board of Directors has also taken into account the diversity policy of VAA's corporate bodies, approved at a Board of Directors meeting on the 4th of December 2017 ("*Diversity Policy*"), pursuant to the following terms:

DIVERSITY POLICY IN CORPORATE AND SUPERVISORY BODIES

Following the entry into force of Law 62/2017 of the 1st August, VAA - Vista Alegre Atlantis SGPS, S.A. intends to adopt and implement a diversity policy with a view to promoting the appropriate gender and age diversity, as well as capacities and complementary education and professional experience, within the respective corporate bodies, based in particular on the following principles:

- (i) A diversity of knowledge, experience and know-how, as well as gender, considered essential for a more effective perception of the company's activity and the needs that may arise, better identification of solutions suitable for solving problems and a greater efficiency in confronting the challenges that it continually faces, in a consolidated growth strategy, both at national and international level;*
- (ii) An appropriate balance between the ages and seniorities of its members will enable a more agile, thoughtful, innovative and sustainable decision-making process;*
- (iii) The combination of an adequate set of differentiated education qualifications will allow the necessary competences to the company's activity and its expansion strategy;*
- (iv) Mastering areas of knowledge and professional experience in vital sectors in the face of strategic challenges which the company has to face, such as leadership, strategy, marketing & design, development and innovation, industrial operations management, business follow-up and management, quality management, management control, finance/funding, tax, audit, risk analysis, human resources, law and corporate governance;*
- (v) Periodic monitoring of the implementation of the principles that underlie the diversity policy adopted, reviewing it annually, always with a reasonable notice in advance of the General Meeting elective of the corporate bodies.*

In this context, the election of the Board of Directors and also of the Audit Board for the 2023 term, took this policy into account as these bodies integrate people of different ages, genders and qualifications as well as different professional experiences, with the purpose of promoting not only greater balance and performance within these bodies, but also strengthening of decision-making and control processes.

In turn, when preparing the elective process for 2024, the Corporate Governance Committee approved recommendations regarding the process of appointing members of the corporate bodies to carry out their functions within the scope of this process, implementing the Diversity

Policy and complying with the legal standards and recommendations applicable and adequate by the Company in this field.

According to such recommendations, to the extent of its powers and/or when requested by the Shareholders, the Corporate Governance Committee issues an appraisal report of the candidates for members of the governing bodies to enhance the effective performance of their functions, with reference to the legal standards and the (“IPCG”) Recommendations applicable as well as individual skills and diversity requirements considered relevant and provided by the Corporate Governance Committee.

To this extent, the Company considers establishing criteria and requirements related to the profile of new members of the appropriate corporate bodies and having adopted good practices in order to promote the idea that the proposals for the election of the members of the corporate bodies may have a reasoning process regarding the adequacy of the profile, knowledge and curriculum to the role to be played by each candidate (with the creation of a Corporate Governance Committee with the aforementioned role and activities) and, thus, fully comply with Recommendations II.2.1. and VI.3.1. of the IPCG Code.

17. Structure, as applicable, of the Board of Directors, indicating the minimum and maximum statutory number of members, statutory term duration, number of effective members, date of the first nomination, as well as each members’ term end:

Under the terms of the Article 14 of the Articles of Association, the Board of Directors has a minimum number of five members and a maximum number of fifteen, whichever is decided on the General Meeting, who will choose the Chairman and one or more Vice-Chairmen.

The members of the Board of Directors are elected annually by the General Meeting, which once they are elected, they will remain in the exercise of their functions until the election of those who will replace them.

The date of the first nomination and end of the current term of office (2023), of the members of the corporate body, who were in office until the 31st December 2023 and on this date, are presented:

Names	First Position		Term of Office ⁽¹⁾
	Mode	Date	
Nuno Miguel Rodrigues Terras Marques	Election	24 th of March 2017	December 2023
Paulo Jorge Lourenço Pires	Nomination	29 th October 2013	December 2023
Alexandra da Conceição Lopes	Election	22 rd of May 2013	December 2023
Alda Alexandra Abrantes Costa	Election	22 rd of May 2013	December 2023
Nuno Miguel Ferreira Assunção Barra	Election	6 rd of May 2016	December 2023
Nuno Maria Pinto de Magalhães Fernandes Thomaz	Election	18 rd of May 2018	December 2023
Cristina Isabel Sousa Lopes	Election	18 rd of May 2018	December 2023
Teodorico Figueiredo Pais	Election	12 th October 2018	December 2023
Carlos Alberto Sá Garcia da Costa	Election	6 th of June 2022	December 2023
Fernando Daniel Leocádio Campos Nunes	Election	5 th of June 2023	December 2023
Maria Isabel Couto Fernandes	Election	5 th of June 2023	December 2023
Céline Dora Judith Abecassis Moedas	Election	26 th of June 2020	December 2023
Mário Godinho de Matos	Election	26 th of June 2020	December 2023
Luís Miguel Poiars Pessoa Maduro	Election	16 th of June 2021	December 2023

⁽¹⁾ Without prejudice to the members of the Board of Directors remaining in the exercise of their functions until the election of the members of this body who will replace them.

18. Distinction of the executive and non-executive members of the Board of Directors and, regarding the non-executive members, identification of the members that may be considered independent:

Members of the Board of Directors in office on the 31st December 2023 and at this date:

Names	Position	Board of Directors	Executive	Independent ⁽¹⁾
Nuno Miguel Rodrigues Terras Marques	Chairman	Yes	Yes	-----
Paulo Jorge Lourenço Pires	Vice-Chairman	Yes	Yes	-----
Alexandra da Conceição Lopes	Member of the Board	Yes	Yes	-----
Alda Alexandra Abrantes Costa	Member of the Board	Yes	Yes	-----
Nuno Miguel Ferreira de Assunção Barra	Member of the Board	Yes	Yes	-----
Nuno Maria Pinto de Magalhães Fernandes Thomaz	Member of the Board	Yes	No	Yes

Names	Position	Board of Directors	Executive	Independent ⁽¹⁾
Cristina Isabel Sousa Lopes	Member of the Board	Yes	No	----
Teodorico Figueiredo Pais	Member of the Board	Yes	Yes	—
Carlos Alberto Sá Garcia da Costa	Member of the Board	Yes	Yes	----
Fernando Daniel Leocádio Campos Nunes	Member of the Board	Yes	No	----
Maria Isabel Couto Fernandes	Member of the Board	Yes	No	----
Céline Dora Judith Abecassis Moedas	Member of the Board	Yes	No	Yes
Mário Godinho de Matos	Member of the Board	Yes	No	Yes
Luís Miguel Poiars Pessoa Maduro	Member of the Board	Yes	No	Yes

⁽¹⁾ In assessing independence, the Company takes into account the criteria provided for in **Recommendation IV.2.4.** (**Recommendation IV.2.5.** is not applicable) of the IPCG Code as well as point 18 of the annex to CMVM Regulation No. 4/2013.

Bearing in mind Recommendation I V.2.2., In 2023 the Company has an adequate number of executive and non-executive members of the Board of Directors in view of the composition of this body approved by the General Shareholders' Meeting and the activity of VAA (in particular taking into account the size of the Company and its businesses, the governance model and the organisational structure described in this report). This number is considered adequate to ensure the effective performance of the functions entrusted to the management body and to contribute to the definition and implementation of strategic lines, as well as to monitor their implementation, taking into account the self-assessment carried out by the Board of Directors with the support from the Corporate Governance Committee.

Notwithstanding the fact that the number of non-executive directors equals the number of executive directors and the Company does not therefore adopt the Recommendation IV.2.3, VAA understands that it adopts the following solutions that are materially equivalent to the principles underlying that Recommendation, in order to promote that non-executive directors perform a supervisory role and challenge the executive management, taking into account the specifics of the Company:

- (i) In view of the composition of the Board of Directors approved by the General Meeting, the number of executive directors was adjusted to the Group's structure and to the organisational structure adopted by the Board of Directors (see point 21. *infra*), activity, strategic lines and size and geographical dispersion of the VAA, as well as the balance of skills and relevant knowledge to promote an effective performance of the executive areas, with special emphasis on:

- a) The management of industrial operations divided into segments and commercial areas (so that these responsibilities are entrusted to executive directors with the appropriate attributes bearing in mind the Company's strategic lines); and
 - b) The financial and the internal control/audit area, whose areas of responsibility were segregated from the business areas and from each other, having also overweighted the importance of assigning matters such as funding vs innovation and energy transition, sustainability and continuous improvement of production methods and processes to various administrators in the context of VAA's priorities in these matters in 2023, especially in view of the demands in terms of operation and business in general terms, as a result of the conflict between Russia and Ukraine that was maintained throughout the financial year, and the resulting implications in terms of the increase in inflation, and in relation to the respective individual attributes.
- (ii) In turn, the number of non-executive directors is appropriate to the size and corporate structure of the Company, as well as the complexity of the risks inherent to its activity, considering that:
- a) The Company has internal mechanisms and procedures that allow non-executive directors: to participate in the definition of the strategy and the main policies and decisions that should be considered strategic for the Company, due to their amount or risk, as well as in their supervision and evaluation compliance; and implement sound governance practices in the exercise of its management supervisory role, achieving the creation of a Corporate Governance Committee composed of a majority of independent directors, as detailed in point 27. below;
 - b) Most of the non-executive directors are independent directors (members not associated with any interest groups in the Company or in circumstances that may compromise their impartiality, in line with Recommendation IV.2.4.) and show a balanced and adequate diversity of skills, knowledge and professional experiences as detailed in points 18. and 19. below;
 - c) The Board has appointed a lead independent director, whose role is described below;
 - d) The checks & balances model adopted by VAA is further supported by the role of the Audit Board as a supervisory body as detailed in points 37. and following below.

In this context, and as reflected in the Regulations of the Board of Directors, the Chairman of the Board of Directors has been responsible for contributing to the effective performance of functions and powers by the non-executive directors and the internal committees of the Board of Directors, ensuring adequate coordination of their work and the necessary mechanisms so that they receive in time the information necessary for decision-making in an independent and informed manner, in compliance with Recommendations II.3.1. and II.3.2.

On the other hand, non-executive directors, with a view to perform their duties in an informed and independent manner, are legally qualified to obtain the information necessary to exercise their powers and duties (in particular, information regarding the powers to the Executive Committee and its performance, the implementation of the budget and plans and the situation and prospects for the development of the Grupo Vista Alegre's activity and also the archive of the meetings of the other governing bodies and respective committees), requesting:

- (i) The information regarding the Chairman of the Board of Directors, the lead independent director, or the Chairman of the Executive Committee, and the response to their requests must be provided in an appropriate and timely manner to all directors and members of the Audit Board, as applicable;
- (ii) The presence of executive officers or other employees of Grupo Vista Alegre at the meetings of the bodies/committees concerned, together with the Executive Committee;
- (iii) That the Executive Committee and other internal committees present a summary of the relevant aspects of its activity at the meetings of the Board of Directors.

Also in accordance with the Regulations of the Board of Directors, when the Chairman or Vice-Chairman of the Board of Directors carries out executive functions and/or is not independent, a non-executive and independent Member (lead independent director) will be appointed by the Board of Directors to: (i) monitor the performance of the Executive Committee's competences and functions as well as the competences and functions of the non-executive directors, ensuring an adequate coordination of their work and the necessary mechanisms for decision making in an independent and informed manner; (ii) undertake the role of middleman between the Chairman of the Board of Directors and the other directors.

By decision of the Board of Directors on the 5th of June 2023 and taking into account the role it was playing as a non-executive and independent director, Nuno Maria Pinto de Magalhães Fernandes Thomaz was appointed Lead Independent Director, formalizing the said role and thus fulfilling the Recommendation IV.2.1.

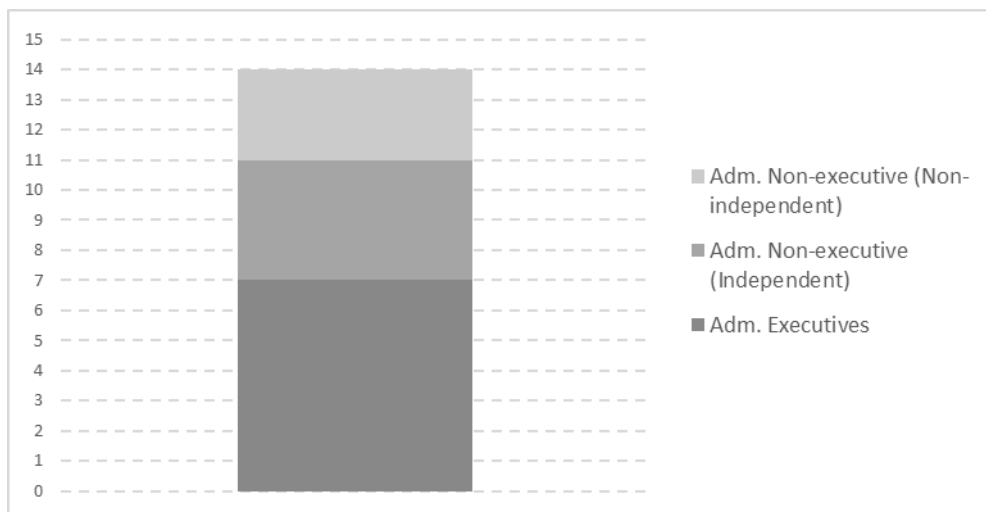
In view of the above, the Company considers to fully comply with Recommendations IV.2.2 and IV.2.4. and that, in 2023 and until this date, it has developed governance practices that are materially equivalent to the content of Recommendation IV.2.3. in order to promote the performance of the said role of executive directors with a careful and effective challenge of executive management and contribution to the definition of VAA's strategic orientation.

19. Professional qualifications and other curricular elements of each of the members of the Board of Directors:

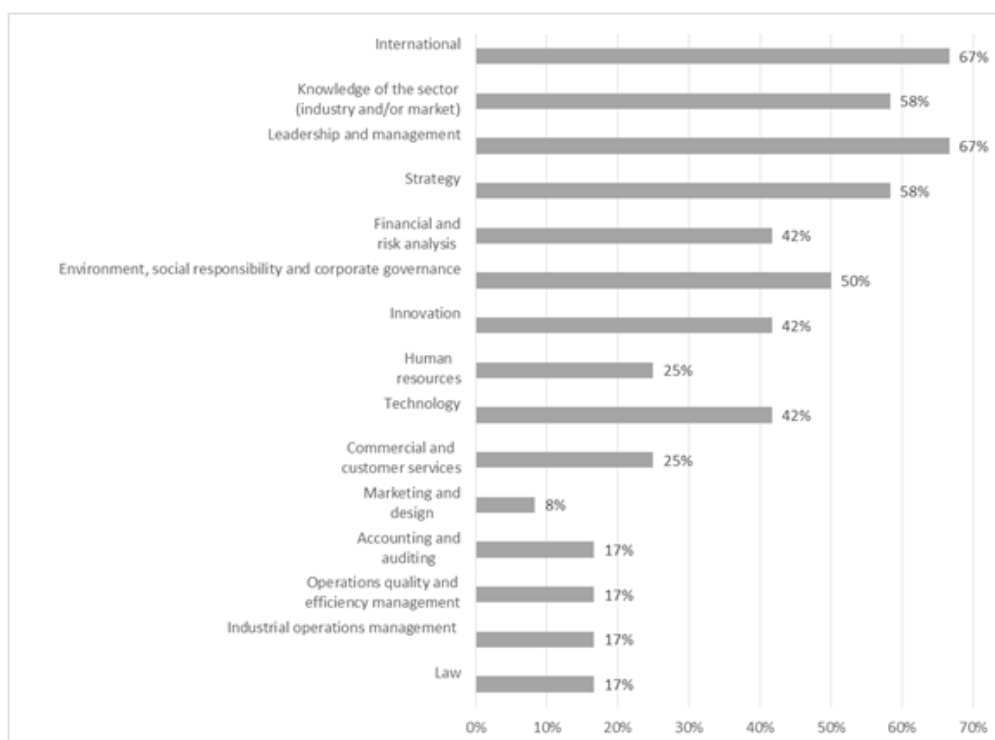
The professional qualification of the members of the Board of Directors who were in office on the 31st of December 2023, the professional activity developed and the other companies where they have carried out management functions is present in the Annex A of this document.

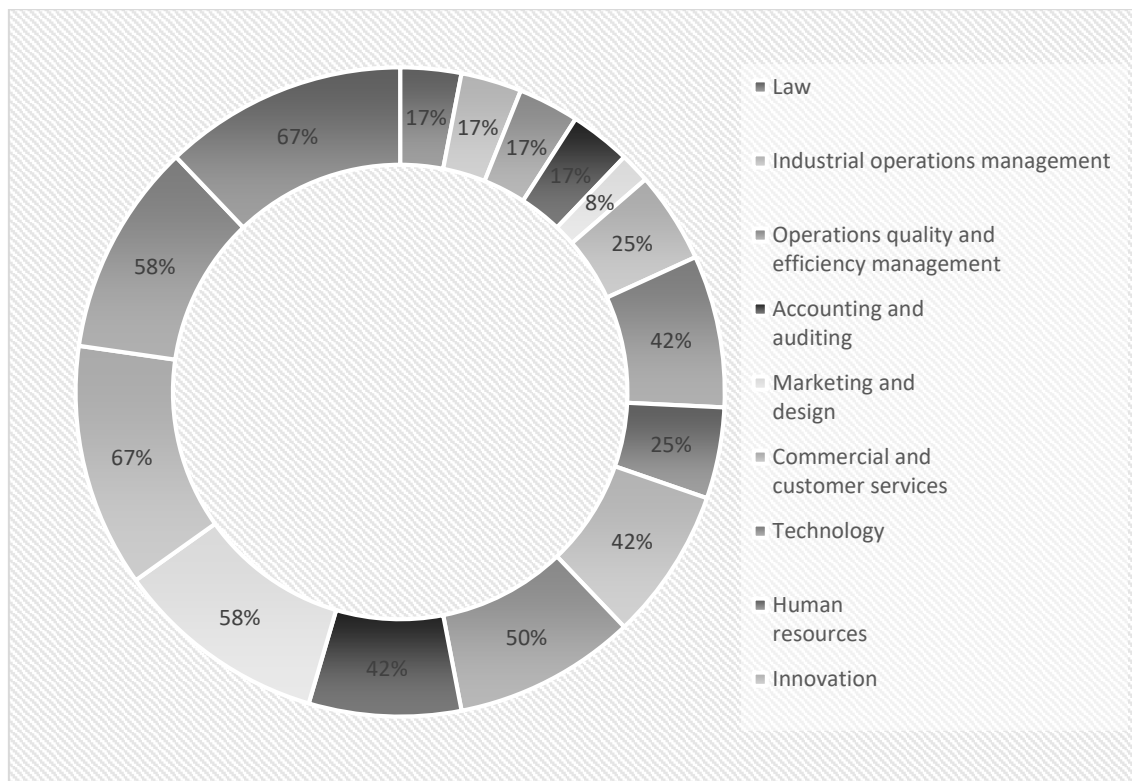
Taking into account the Diversity Policy in force since 2017 and more recently the recommendations of the Corporate Governance Committee, in the current term of 2023, the Board of Directors has a balanced composition in order to promote the effective performance of its functions, thus fully complying the Recommendation I.2.1., as shown below:

Independence:



Powers:





20. Usual and significant family, business or commercial relationships of the members of the Board of Directors with shareholders whose attributable share is higher than 2% of the voting rights:

Among VAA's managers, the following have professional relationships with shareholders whose attributable share is higher than 2% of the Company's voting rights:

- Nuno Miguel Rodrigues Terras Marques: is the Chairman of the Board of Directors of Grupo Visabeira, S.A. and Chairman of the Board of Directors of Visabeira Indústria SGPS, S.A., companies to which is attributable a share higher than 2% of VAA share capital and voting rights.
- Fernando Daniel Leocádio Campos Nunes: is member of the Board of Directors of Grupo Visabeira, S.A. and of Visabeira Indústria SGPS, S.A., companies to which is attributable a share higher than 2% of VAA share capital and voting rights.
- Alexandra da Conceição Lopes: is member of the Board of Directors of Grupo Visabeira, S.A. and of Visabeira Indústria SGPS, S.A., companies to which is attributable a share higher than 2% of VAA share capital and voting rights.

- Cristina Isabel Sousa Lopes: is member of the Board of Directors of Visabeira Indústria SGPS, S.A., company to which is attributable a share higher than 2% of VAA share capital and voting rights.

During 2023, no business was required, analysed or authorised between the members of the Board of Directors and VAA or companies under the control of this entity or the Grupo Vista Alegre.

The Banking Group holding qualifying share carried out transactions with VAA and its subsidiaries under the normal market conditions and within their current activity. The information on transactions with related parties is duly disclosed in the consolidated Annex to the Balance Sheet and Income Statement in note number 34 “Transactions with Related Party”.

21. Organisational charts or functional maps relating to the division of powers between the different corporate bodies, committees and/or departments of the company, including information on delegation of powers, in particular as regards to the delegation of daily management of the company:

Under the terms of the Articles of Association, the Board of Directors has a minimum of five members and a maximum number of fifteen members. On the 31st December 2023, the Board of Directors had fourteen members, seven executive and seven non-executive members.

The Board of Directors has the widest management and representing powers of the company, being responsible for all the necessary or convenient acts to carry out the company’s objects, that do not comply within the competence of other governing bodies.

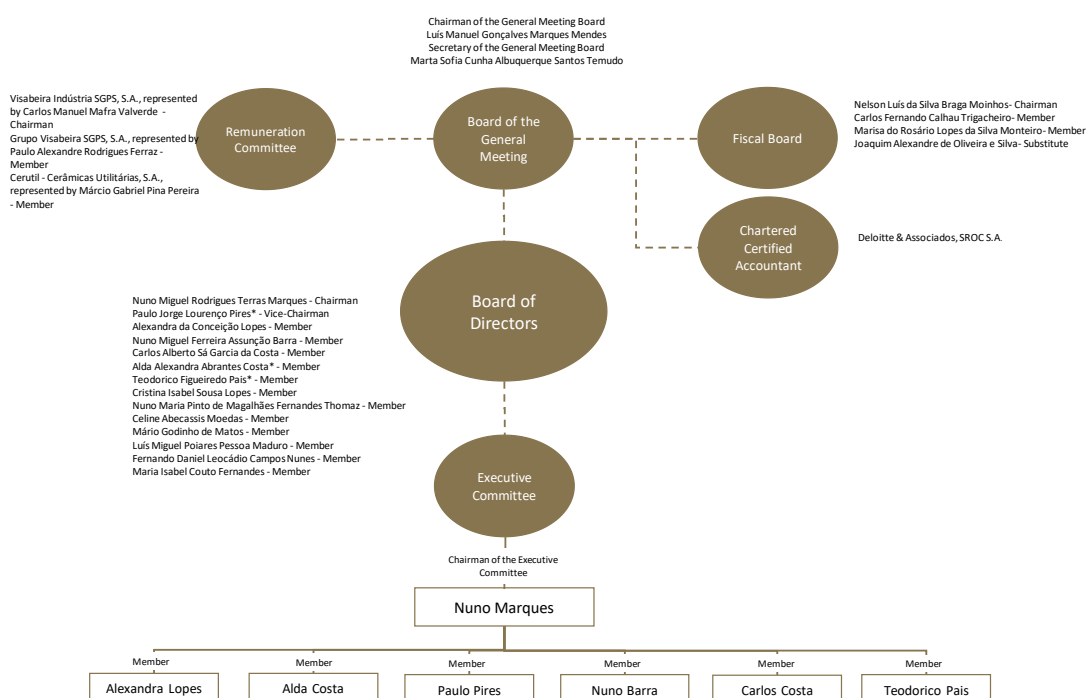
Pursuant to Article 16, paragraph 2, b) of the Articles of Association, the Board of Directors delegated, by decision of the 5th of June 2023, to the Executive Committee the day-to-day management of the Company, under the terms and within the limits of the legal and statutory provisions. When carrying out these delegated powers, the Executive Committee must observe the applicable limits with respect to non-delegable matters as provided for in Articles 406 and 407 of the CSC.

Throughout 2023, the strategic direction and definition of the main policies and corporate structure of the Company was the Board of Directors’ responsibilities, as meanwhile provided for in Article 5 of the Board of Directors’ Regulations and in particular in the context of the annual budgeting cycles and strategic planning/risk policy (in line with Recommendations IV.1.1., VII.1. and VII.5.).

Pursuant to the Regulations of the Board of Directors and the Executive Committee, in addition to the matters that cannot be delegated under the terms of Articles 406 and 407 of the CSC, the powers identified in point 29. below were not delegated to the Executive Committee.

Considering the characteristics of the company which, since 1st of May 2001, has been a holding without any activities of its own, we will also develop this view of the organisation of the corporate decision process of Grupo Vista Alegre, which is what makes sense in terms of disclosure of our organisational structure.

Thus, in operational terms, VAA Board of Directors defined and implemented, for all the Group's operating companies, an organisational and functional structure with few hierarchical levels, led by the Executive Committee, as described in the following organisation chart and the following table, with the areas of responsibility for the purpose of assigning the coordination of operational/functional areas to each of the members of the Executive Committee (without prejudice to the collective nature of the day-to-day management functions):



Executive Committee	Positions	Members	Functional Area
	Chairman	Nuno Marques	Investor relations
	Members	Paulo Pires	Ovenware and stoneware operational area Sustainability, QMS, Ongoing Improvement
		Alexandra Lopes	Financial Area Human resources
		Alda Costa	Digital Transition (Administrative Processes) Revenue Assurance Customer Services & Master Data
		Nuno Barra	Marketing & Product Design (Hotels and Brand) E-Commerce Retail sales area (Domestic market)
		Teodorico Pais	Operating area: Porcelain & Crystal/Glass B2B sales area (Crystal and Glass) Hospitality Business Strategy and Coordination Innovation and Energy Transition
		Carlos Costa	Retail sales area (Foreign market) B2B sales area (Ceramics) Hospitality sales area DM/FM/Branches (Hospitality)

On the 5th of June 2023, the Board of Directors also created a Corporate Governance Committee aiming to promote the reflection and improvement of the governance model and practices adopted by the Company, with corporate governance functions and competences, assessment, remunerations and appointments, as detailed in point 29. below.

b) Operation

22. Where the functioning regulations of the Board of Directors can be found:

The Board of Directors operates in accordance with the Board of Directors Regulation approved on the 30th of April 2021, and subsequently amended on the 5th of June 2023, which reflects not only the current composition of the Board of Directors, but also operation rules, powers, conflicts of interest and rules of conduct applicable to its members at the Grupo Vista Alegre, complementing the applicable legal and statutory rules, complying as well with Recommendations II.2.2., II.4.1. and II.4.2.

A set of mechanisms was also formalised to ensure an effective and efficient flow of information between the members of the corporate bodies and their committees, as detailed in points 18., 29., and 34., in compliance with Recommendations II.3.1. and II.3.2.

The Board of Directors' Regulations are fully disclosed on the Company's website (www.vistaalegre.com), in line with Recommendation II.2.2.

23. Number of meetings held and degree of attendance of each member of the Board of Directors to the meetings held:

During the 2023 financial year, the Board of Directors met 10 (ten) times, with almost all members present, having recorded the degree of attendance indicated below (information available on the website of the Company (www.vistaalegre.com), complying with Recommendation I.2.4.):

Members of the Board of Directors	Total number of meeting of the Board of Directors	Effective attendances
Nuno Miguel Rodrigues Terras Marques	10	10
Paulo Jorge Lourenço Pires	10	10
Alexandra da Conceição Lopes	10	10
Alda Alexandra Abrantes Costa	10	10
Nuno Miguel Ferreira de Assunção Barra	10	8
Nuno Maria Pinto de Magalhães Fernandes Thomaz	10	9
Cristina Isabel Sousa Lopes	10	9
Teodorico Figueiredo Pais	10	10
Carlos Alberto Sá Garcia da Costa	10	8
Fernando Daniel Leocádio Campos Nunes	6 ^(a)	6
Maria Isabel Couto Fernandes	6 ^(a)	5
Céline Dora Judith Abecassis Moedas	10	9
Mário Godinho de Matos	10	10
Luís Miguel Poiares Pessoa Maduro	10	7

(a) Directors appointed at the VAA Annual General Meeting on the 5th of June 2023.

The resolutions of the Board of Directors are approved by a simple majority and minutes of their meetings are recorded.

24. Corporate bodies competent to carry out the evaluation of the executive directors:

The Remuneration Committee, elected by the General Meeting in accordance with Article 23 of the Articles of Association, is the governance structure responsible for assessing the performance of the executive directors, based on the remuneration policy and the criteria

approved by it, which are the object of consideration by the General Assembly in the context of the approval of the annual declaration on said policy.

Moreover, under the terms of the law, the General Meeting evaluates annually the management (and supervision) of the Company.

On the other hand, the non-executive members of the Board of Directors, within the scope of their supervisory function, monitor the performance in particular of the executive directors.

In this context, the Board of Directors also created a Corporate Governance Committee, at its meeting on the 5th June 2023, which monitors and supports the annual assessment process of the overall performance of the Board of Directors and the respective committees members (in the case of the members of the Executive Committee, after hearing the respective Chairman), taking into account namely (i) compliance with the strategic lines and budget, (ii) the risk management of the Company and (iii) the efficiency of the functioning of that body and of its articulation with the different VAA bodies and its committees and the contribution of each member.

Following the self-assessment process for 2023, the Corporate Governance Committee and the Board of Directors believes that this body continues to show a high level in terms of its composition, functioning and the activity carried out in defining the strategic plan, budget and risk profile/policy (an area that was identified as an area for improvement in the 2022 self-assessment process), the analysis of the performance of the Company and its subsidiaries, the monitoring of the strategic and financial challenges of Grupo Vista Alegre, the definition of corporate governance practices and policies, standards of conduct, human resources, social responsibility and sustainability, the supervision of the Executive Committee's activity and the contribution of non-executive and independent members to the performance of the Board of Directors, which reflects an overall very positive assessment of the performance of this corporate body.

Notwithstanding the above, with regard to the functioning of the Board of Directors, as well as the availability of information to support the respective meetings, including the detail in which it is presented, continues to be identified as an area for improvement in order to render the members of the Board of Directors contribution more effective, namely the non-executive directors.

As for the activities it carries out, supervision of the internal control, risk management and internal auditing systems continues to be an area with room for improvement, and liaison between the Board of Directors and the other governing bodies (General Meeting, Supervisory Board and Statutory Auditor) is also an area to be intensified, with the *Lead Independent Director* playing a fundamental role in promoting the communication channels that are appropriate for this purpose.

In terms of the committees set up by the Board of Directors, when assessing the performance of the Corporate Governance Committee, although the results were positive overall, in this context, the matters within its remit relating to remuneration and selection were identified as areas of improvement.

In relation to the results recorded above at the level of the Board of Directors and its committees (Executive Committee and Corporate Governance Committee), the Corporate Governance Committee continues to believe that the most effective way of approaching, discussing and effectively monitoring the issues is through (i) including them on the agendas of the respective meetings, which will guarantee continuous monitoring by the Board of Directors and each of the aforementioned Committees, (ii) greater and more effective coordination of the issues being analysed with the non-executive directors themselves, and (iii) reinforcement of mechanisms to promote greater coordination between governing bodies and the respective committees, in coordination with the Lead Independent Director.

The Company intends to comply with Recommendation VI.1.1., since the Board of Directors carried out an assessment during 2023 that took into account criteria related to its performance and its committees', considering in particular the compliance with the strategic plan, budget and risk profile/policy, its internal functioning, the contribution of each member and the relationship between the Company's bodies and committees.

25. Pre-determined criteria to evaluate the executive directors' performance:

As explained in the annual statement regarding the remuneration policy approved at the General Meeting on the 5th of June 2023, the allocation of a possible variable component by the Remuneration Committee to executive directors in relation to their performance during the 2023 financial year will always be based on mechanisms that allow for promoting an appropriate alignment, in the medium or long term, of the interests of management with those of the Company, including the following financial and non-financial criteria for performance evaluation:

- ✓ strategic and financial performance objectives of the Company, taking into account quantitative indicators of the degree of implementation of the strategic plan and appreciating the evolution of turnover, operating results and EBITDA.
- ✓ initiatives and goals for creating value for shareholders and for maintaining and developing the Company's financial and business sustainability as well as competitiveness, in the long term and in line with the strategic plan and appreciating the evolution of financial strength and investments and measures of ESG (*Environmental, Social and Governance*) adopted.
- ✓ compliance with qualitative objectives of maintaining and developing a favourable image as well as recognition and notoriety for the Company.
- ✓ compliance with individual and qualitative objectives of the Director's efficiency when carrying out his/her functions in terms of the strategic and commercial vision and the results obtained.

In view of these criteria and as reflected in the annual statement on the remuneration policy to be considered by the annual General Meeting to be held in 2024, the Remuneration Committee proceeded to assess those criteria taking into account the budget and strategic lines approved by the Board of Directors for 2024, as detailed in points 70. and following below, as well as the self-assessment for 2023 carried out by the Board of Directors regarding its performance.

Within the scope of the annual performance assessment process of the Board of Directors, the Corporate Governance Committee approved, at a meeting held on the 10th of March 2020, the VAA management's self-assessment model in order to assess the collective appraisal of the corporate body, as well as the qualifications and professional experience of the respective members, suitability for the exercise of the position, effectiveness when carrying out the respective functions and interrelation with the other corporate bodies.

After analysing the information collected, the Corporate Governance Committee submitted to the Board of Directors the conclusions indicated on 24. above regarding the annual assessment (2023) of the performance of the management body (including executive directors), in line with Recommendation V.1.1.

26. Availability of each member of the Board of Directors, indicating the position held simultaneously in other companies, inside and outside of the Group, as well as other relevant activities carried out by the members of those bodies during the year:

The members of the Board of Directors have consistently and diligently demonstrated their availability in the performance of their duties, having regularly attended meetings held within that body and participated in its work, as mentioned in the number 23. above.

The relevant positions and activities carried out by each of the VAA directors at the same time in other companies are those indicated in Annex B.

Moreover, according to the Board of Directors' Regulations: (i) the performance of executive management functions in entities outside the business group, to which the Company belongs, by the Company's directors who carry out executive functions is subject to a prior opinion of the Corporate Governance Committee, in order to assess whether those functions will be complementary to the Grupo Vista Alegre's activity and do not imply a significant expenditure of time; and (ii) (i) the directors must inform the Chairman of the Board of Directors prior to the beginning of functions in any corporate body, with adequate advance (thus complying with Recommendation IV.1.2.).

The information indicated in said Annex B about the positions and activities carried out provides evidence of compliance with these requirements, since the Company's directors work in management bodies of companies that are part of the same business group as VAA. Therefore, your availability and dedication to serve as a member of the VAA Board of Directors is complete.

c) Committees within the managing and supervisory board and managing directors

27. The committees established within the Board of Directors, and where the operating regulations may be consulted:

The Board of Directors created, throughout 2023 and in the terms detailed below, the Executive Committee and the Corporate Governance Committee, thus adopting Recommendations IV.1.1., II.2.5. and VI.3.1. to VI.3.2.

Executive Committee

At a meeting held on the 5th of June 2023, VAA Board of Directors, pursuant the article 16, no 2, b) of the Company's Articles of Association, appointed the Executive Committee for the term of 2023, with the structure mentioned in the numbers 17. and 18. above.

The Executive Committee became responsible for the day-to-day management of the Company with the scope and limits of the delegation of powers identified in number 21. above and with the composition indicated in number 28.

Regarding the procedures' regulations of the Executive Committee, it was approved at the Board of Directors' meeting on the 26th June 2020, and is available on the Company's website (www.vistaalegre.com), adopting Recommendation II.2.2.

Corporate Governance Committee

On the 5th of June 2023, the Board of Directors appointed a Corporate Governance Committee, composed of three members of the Board of Directors, two of which are non-executives and independents, including their Chairman, for the term to be exercised during 2023.

The composition of the Corporate Governance Committee, on the 31st of December 2023 and on this date, is as follows:

- Nuno Maria Pinto de Magalhães Fernandes Thomaz (Chairman of this Commission, *Lead Independent Director and Non-executive and Independent Administrator*);
- Nuno Miguel Rodrigues Terras Marques (Member of this Commission and Chairman of the Board of Directors and of the Executive Committee, non-independent);
- Mário Godinho de Matos (Member of this Commission and Non-executive and Independent Administrator).

Regarding the operation of the Corporate Governance Committee, it is defined by the Corporate Governance Committee Regulation, approved on the 8th of July 2020, and is available on the Company's website (www.vistaalegre.com).

28. Structure, if applicable, of the executive committee and/or identification of the managing directors(s):

The composition of the Executive Committee, on the 31st of December 2023 and on this date, is as follows:

- Nuno Miguel Rodrigues Terras Marques (Chairman);
- Paulo Jorge Lourenço Pires (Member);
- Alexandra da Conceição Lopes (Member);
- Alexandra Abrantes Costa (Member);
- Nuno Miguel Ferreira de Assunção Barra (Member);
- Teodorico Figueiredo Pais (Member);
- Carlos Alberto Sá Garcia da Costa (Member).

29. Powers of each committee and summary of the activities developed within the scope of those powers:

Executive Committee

Pursuant to Article 16, paragraph 2, b) of the Articles of Association, the Board of Directors delegated, by decision of the 5th of June 2023, to the Executive Committee the day-to-day management of the Company, under the terms and within the limits of the legal and statutory provisions. When carrying out these delegated powers, the Executive Committee must observe the applicable limits with respect to non-delegable matters as provided for in Articles 406 and 407 of the CSC.

Throughout 2023, the strategic direction and definition of the main policies and corporate structure of the Company was under the Board of Directors' responsibility, as provided for in Article 5 of the Board of Directors' Regulations (in line with Recommendations IV.1.1., VII.1. and VII.6.).

Pursuant to the Regulations of the Board of Directors and the Executive Committee, in addition to the matters that cannot be delegated under the terms of Articles 406 and 407 of the CSC, the following powers were not delegated to the Executive Committee:

- a) The definition of the Company's strategy and main policies, namely through the approval of:
 - (i) VAA's plans regarding strategic, activity, investments, budgets and/or risk management, internal control and internal audit policies and systems (including the risk profile/policy);
 - (ii) VAA selection and diversity policies and general rules of conduct;
 - (iii) evaluation of the effectiveness, compliance and/or alteration of the matters referred to in (i) and (ii), at least annually;

- b) The organisation and coordination of the corporate structure of *Grupo Vista Alegre*;
- c) Matters which are, at each moment, considered strategic due to their amount, risk or special characteristics, considering as such the decisions aimed at:
 - (i) start or end the presence in a specific country, market or business area, either through strategic partnerships or through the acquisition or sale of share holdings;
 - (ii) opening or closing industrial units;
 - (iii) contracting of debt, on the form of financing or issuance of financial instruments, above €10,000,000, per operation or on an aggregate basis with the same counterparty in each 12-month period or financial year;
 - (iv) signing or terminating agreements with partners or customers that represent a revenue of more than €15,000,000, per operation or on an aggregate basis with the same counterparty in each 12-month period or financial year; and
 - (v) any other businesses, operations, investments or acts, not foreseen in the budget, which imply responsibilities or obligations of a amount above € 1,000,000, per operation or on an aggregate basis with the same counterparty in each 12-month period or financial year.
- d) The approval (i) of internal rules and procedures regarding the approval, hiring, execution and verification of transactions with related parties under the terms described in point 89 and following below, with a prior binding opinion of the Supervisory Board, and (ii) the hiring or carrying out transactions with related entities also identified in point 89 and following below;
- e) The annual assessment of the performance of the Board of Directors above referred to in points 24. and 25.

A set of mechanisms were also formalised to ensure effective and efficient monitoring of control by non-executive members of the Executive Committee's activity and to facilitate the exercise of the respective right to information, in compliance with Recommendation I.I.2.2.

In fact, in accordance with the Regulations of the Board of Directors and the Executive Committee, the Executive Committee has the duty to provide the Board of Directors and the Audit Board with the information and documentation necessary for the exercise of their duties, in a timely manner in particular information on the powers delegated to the Executive Committee and its performance, the implementation of the budget and plans and the situation and prospects for the development of the Grupo Vista Alegre's activity and the archive of the Executive Committee's meetings.

The Chairman of the Executive Committee must also inform the Chairman of the Board of Directors, the Lead Independent Director, the Chairman of the Audit Board and the Certified Auditor of the agendas and resolutions of their meetings necessary for the exercise of the powers of these same bodies.

At meetings of the Board of Directors, the Executive Committee shall provide a summary of the relevant aspects of its activity.

In turn, and in accordance with the Regulations of the Board of Directors, the Chairman of the Board of Directors must monitor and consult the internal committees created by the Board of Directors, including the Executive Committee, on the performance of the respective powers, assisting, when he/she deems pertinent and without the right to vote, to their meetings, as well as to contribute to the effective performance of their duties by the non-executive directors and the internal committees of the Board of Directors, ensuring an adequate coordination of their work and the necessary mechanisms so that they receive the information needed to make decisions independently and in a timely manner.

In accordance with its Regulation, the Executive Committee must ordinarily meet once a month and whenever convened by its Chairman, the respective deliberations are validly taken by a majority of votes, and the President shall have a casting vote.

Throughout the financial year 2023, the Executive Committee continuously performed the daily management of the Company, following business activity, in view of the strategic lines subject to approval by the Board of Directors and the context of uncertainty and volatility arising from the conflict between Russia and Ukraine and the resulting impact on rising inflation, and promoting decisions made by this body to the Board of Directors, which at each moment proved to be appropriate for the Company and its shareholders, in accordance with its powers and within the scope of the delegation of powers attributed.

Among the matters monitored by the Executive Committee, the following stand out: *(i)* definition of the measures that were deemed necessary at any given time in order to minimise the impact of the increase in energy, fuel and raw material costs, by renegotiating contracts with suppliers and updating product prices (among other measures adopted); *(ii)* monitoring of the production process and management of the order book, defining the delivery plan and managing customer expectations; *(iii)* analysis of the human resources situation and proposals to revise the salary policy; *(iv)* monitoring of ongoing investments, the process of developing new products and the evolution of sales per business segment (stores and online commerce), *(v)* analysis and framing of the results achieved during the year and *(vi)* planning of the programme to celebrate Vista Alegre's 200th anniversary.

In 2023, the Executive Committee met 8 (eight) times, and minutes of the respective meetings were drawn up.

Corporate Governance Committee

The Corporate Governance Committee aims to promote the reflection and improvement of the governance model and practices adopted by the Company, with the following functions and powers, in line with Recommendations II.2.5., VI.2.1., VI.2.6., VI.1.1., VI.3.1. to VI.3.4.:

- a) Advise the Board of Directors in defining and evaluating the Company's governance model and practices and the Grupo Vista Alegre's rules of conduct;
- b) Present recommendations and opinions to the Board of Directors with a view to adopting the necessary measures to comply with the applicable rules and recommendations considered appropriate in matters of corporate governance;
- c) Define an updated questionnaire and provide opinions on the assessment of independence;
- d) Assist in the preparation of the Company's annual governance report;
- e) Submit recommendations and opinions to the Remuneration Committee about the applicable provisions and recommendations considered appropriate with regard to (i) the remuneration policy of the members of the VAA's corporate bodies and (ii) the independence of any service providers from that committee (the hiring of these providers by Grupo Vista Alegre is subject to the authorisation of the Remuneration Committee and the opinion of the Corporate Governance Committee);
- f) Monitor and support the annual evaluation process of the global performance of the Board of Directors and the respective committees and their members (in the case of the members of the Executive Committee, after hearing the respective Chairman), taking into account in particular (i) compliance with the strategic lines and budget, (ii) the Company's risk management and (iii) the efficiency of the functioning of that body and its articulation with the various VAA bodies as well as its committees and the contribution of each member;
- g) Prepare recommendations and opinions on the diversity and selection policies of the members of the VAA's corporate bodies (considering both the individual profile and diversity requirements for each position) and take measures aiming at transparent processes based on those policies;
- h) To know and monitor the selection processes of managers.

The Corporate Governance Committee must ordinarily meet twice a year and whenever convened by its Chairman, the respective deliberations are validly taken by a majority of votes, and the President shall have a casting vote.

In meetings held on the 17th of March 2023, 30th of April 2023 and 12th of May 2023, the Corporate Governance Committee carried out the following activities: (i) approving the conclusions resulting from the self-assessment process of the Board of Directors and the Supervisory Board with reference to the 2022 financial year to be submitted to the Board of Directors; (ii) approving its recommendations regarding the process of appointing the members of the governing bodies for the 2023 term, taking into account the VAA Diversity Policy; and (iii) assessed the remuneration policy for the members of the management and supervisory bodies to be adopted by the Company in the 2023 term, as well as (iv) the annual corporate governance report 2022 and (v) approved the report to be issued in terms of the proposal for the election of the members of the governing bodies for the 2023 term, in line with their duties referred to

above. The resolutions adopted at each of the meetings held during 2023 by the Corporate Governance Committee (three in total) are duly recorded in the minutes.

However, in view of the new election process of the corporate bodies for the annual term of 2024, to take place at the respective Annual General Meeting, the Corporate Governance Committee met on the 7th of March 2024 and on this date, having once again deliberated on the matters identified in *(i)* above for the year 2023 and in *(ii)*, *(iii)* and *(iv)* for the 2024 term.

III. AUDIT

a) Structure

30. Identify the audit board (Fiscal Board, Audit Committee or General and Supervisory Board) corresponding to the model adopted:

Pursuant to Article 19 of the Articles of Association, the audit of the company's business activities is assigned to a Fiscal Board and a Chartered Certified Accountant, which are not members of the said corporate body, elected at the General Meeting.

31. The structure Supervisory Board, indicating the minimum and maximum statutory number of members, statutory term duration, number of effective members, date of the first nomination, as well as each members' term end:

Pursuant to Article 19 of the Articles of Association of the company, the Fiscal Board has three permanent members and a substitute, being the General Meeting responsible for appointing the Chairman among its permanent members, to whom is assigned the casting vote.

The members of the Audit Board are elected annually (annual terms), and they can be re-elected under the legal terms and without prejudice to the applicable rules regarding the assessment of independence.

The structure of the Fiscal Board, on the 31st of December 2023 at the present, is as follows, indicating for each member the first position and the current annual term of office:

Names	First Position		Term of Office ⁽¹⁾
	Mode	Date	
Nelson Luís da Silva Braga Moinhos (Chairman)	Election	16 th of June 2021	31 st of December 2023
Carlos Fernando Calhau Trigacheiro (Member)	Election	6 th of June 2022	31 st of December 2023
Marisa do Rosário Lopes da Silva Monteiro (Member)	Election	30 th of April 2019	31 st of December 2023
Joaquim Alexandre de Oliveira e Silva (Substitute)	Election	16 th of June 2021	31 st of December 2023

⁽¹⁾ Without prejudice to the members of the Supervisory Board remaining in the exercise of their functions until the election of the members of this body who will replace them.

Bearing in mind Recommendation IV.22., in 2022 the Company has an adequate number of executive and non-executive members of the Board of Directors regarding the composition of this body approved by the General Shareholders' Meeting and the activity of VAA (in particular taking into account the size of the Company and its business activities, the governance model and the organisational structure described in this report).

This number is considered adequate to ensure the permanent and effective performance of the functions entrusted to the supervisory body, taking into account the self-assessment carried out on this date by the Audit Board with the support of the Corporate Governance Committee.

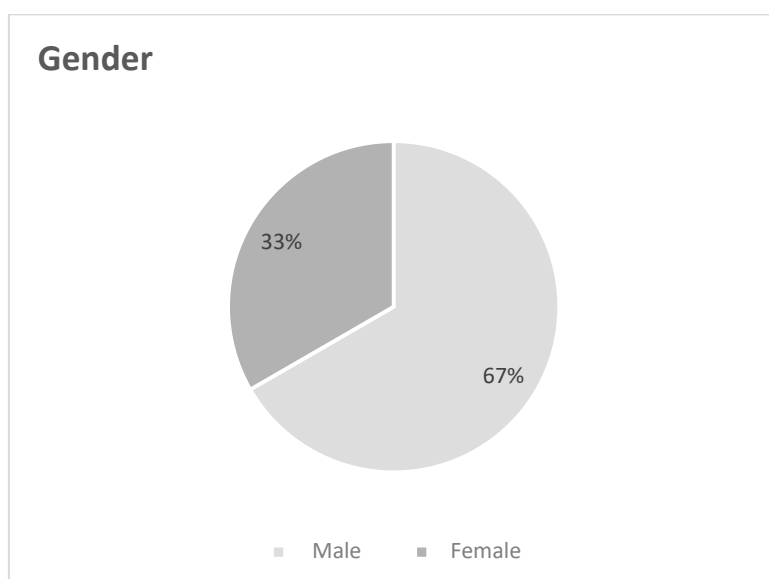
32. Identification of the members of the Audit Board who consider themselves independent, under the terms of article 414, paragraph 5 CSC:

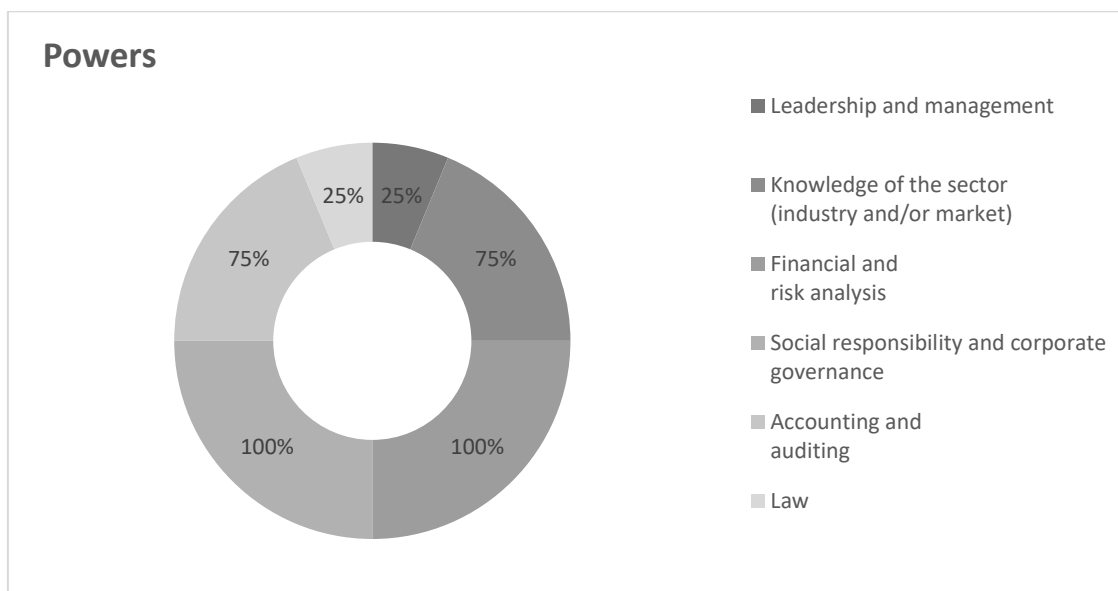
Names of the Fiscal Board's Members	Independent (no 5 artº 414º CSC)
Nelson Luís da Silva Braga Moinhos	Yes
Carlos Fernando Calhau Trigacheiro	Yes
Marisa do Rosário Lopes da Silva Monteiro	No
Joaquim Alexandre de Oliveira e Silva	Yes

33. Professional qualifications of each member of the Audit Board and other relevant curricular elements:

The professional qualification of the members of the Fiscal Board on the 31st December 2023, professional activity carried out, as well as the indication of other companies where he/she carries out managing functions are set out in Annex C.

Taking into account the Diversity Policy in force since 2017 and more recently the recommendations of the Corporate Governance Committee, in the current term, the Audit Board has a balanced composition in order to promote the effective performance of its functions, thus fully complying the Recommendation II.2.1., as shown below:





b) Operation

34. Where the functioning regulations of the Audit Board can be found:

The rules on the functioning, powers, conflicts of interest and rules of conduct applicable to the Audit Board are defined in its Regulations approved on the 20th December 2019, which can be visited on the Company's website (www.vistaalegre.com), in line with Recommendation II.2.2.

A set of mechanisms were also formalised to ensure effective and efficient monitoring of control by the members of the Audit Board over the activity of the Board of Directors and its committees, in compliance with Recommendations II.3.1. and II.3.2.

In fact, the Board of Directors has the duty to provide VAA's supervisory bodies, under the legally and statutory required terms, with the information and documentation necessary for the exercise of its powers, as embodied in the Board of Directors' Regulations. In particular:

- a. The Chairman of the Board of Directors endeavors that the agendas and resolutions of the Board of Directors in which matters are discussed which, pursuant to the law or the Articles of Association, must be the subject of an opinion by the Audit Board or the Certified Auditor, or which contain necessary information to exercise the powers of these bodies, they are sent in time to the members of these governing bodies;
- b. The Chairman of each Board of Directors committee informs the Chairman of the Board of Directors and the lead independent director, the Chairman of the Audit Board and the

Certified Auditor of the agendas and resolutions of their meetings necessary for the exercise of the powers of these bodies.

In fact, in accordance with the Regulations of the Board of Directors and the Executive Committee, the Executive Committee has the duty to provide the Board of Directors and the Audit Board with the information and documentation necessary for the exercise of their duties, in a timely manner in particular information on the powers delegated to the Executive Committee and its performance, the implementation of the budget and plans and the situation and prospects for the development of the Grupo Vista Alegre's activity and the archive of the Executive Committee's meetings.

The Chairman of the Executive Committee must also inform the Chairman of the Board of Directors, the Lead Independent Director, the Chairman of the Audit Board and the Certified Auditor of the agendas and resolutions of their meetings necessary for the exercise of the powers of these same bodies.

On the other hand, non-executive directors and the Chairman of the Audit Board, with a view to perform their duties in an informed and independent manner, are legally qualified to obtain the information necessary to exercise their powers and duties (in particular, information regarding the powers to the Executive Committee and its performance, the implementation of the budget and plans and the situation and prospects for the development of Grupo Vista Alegre's activity and also the archive of the meetings of the other governing bodies and respective committees), requesting:

- a) The information to the Chairman of the Board of Directors, the lead independent director, or the Chairman of the Executive Committee, and the response to their requests must be provided in an appropriate and timely manner to all directors and members of the Audit Board, as applicable;
- b) The presence of executive officers or other employees of Grupo Vista Alegre at the meetings of the bodies concerned, together with the Executive Committee;

In the performance of their duties, and without prejudice to other powers attributed to them by law, the Articles of Association and these Regulations, the members of the Audit Board may:

- a) Obtain information or clarifications on the course of the Company's operations or activities or on any of its business activities, and may convene management staff for this purpose (together with the management body);
- b) Have access to information and to the Company's employees for the assessment of the performance, situation and development prospects of the Company, including, in particular, the minutes, documentation supporting the decisions taken, the agendas and the archive of the meetings of the other corporate bodies and respective committees,

without prejudice to access to any other documents or people to whom clarifications may be requested;

- c) Obtain the necessary clarifications from the Certified Auditor for the performance of its duties;
- d) Attend management meetings, whenever they deem it convenient or legally due, including in any case the meetings where the accounts of the financial year are appraised.

35. Number of meetings held and degree of attendance at meetings held by each member of the Audit Board:

During 2023, the Audit Board met 15 (sixteen) times, with the presence of all its members (information available on the website Company (www.vistaalegre.com), in line with Recommendation II.2.3.).

The resolutions of the Audit Board are approved by a simple majority and minutes of their meetings are drawn.

36. Availability of each member of the Supervisory Board, indicating the position held simultaneously in other companies, inside and outside of the Group, as well as other relevant activities carried out by the members of those bodies during the year:

The Members of the Supervisory board have consistently and diligently demonstrated their availability in the performance of their duties, having regularly attended meetings held within that body and participated in its work, detailed in point 35. below.

The relevant positions and activities carried out by each of the members of the VAA Fiscal Board at the same time in other companies are listed in Annex D, resulting in the availability conditions for the exercise of their functions as members of the VAA Fiscal Board.

In this sense, according to the Regulations of the Audit Board, its members must inform this body on time prior to the beginning of functions in any corporate body, with adequate advance notice.

c) Powers and Functions

37. Description of the procedures and criteria applicable to the intervention of the audit board for hiring additional services to an external auditor:

Throughout 2023, the Audit Board monitored the services provided by the Certified Auditor and the conditions for the exercise of its functions with due safeguards for independence and in compliance with legal regulations on the provision of different audit services.

Accordingly, the Regulations of the Audit Board provide the rules regarding the monitoring of the services provided by the Certified Auditor, with a view to complying with said regulations,

adopting Recommendation VIII.2.1. and including the following functions of the Audit Board: (i) monitor the work of the Certified Auditor in such a way that different prohibited audit services are not provided, namely in the context of supervising their work and independence; (ii) approve/issue a prior reasoned opinion regarding contracting such services when allowed, under the terms and within the legally established limits; (iii) obtain information and documentation legally provided for or relevant to assess and confirm the Certified Auditor's independence; and (iv) to assess the threats to the independence of the Certified Auditor and the safeguard measures applied or to be applied, discussing these issues with the Certified Auditor.

During the financial year of 2023, different statutory audit services were provided by the Certified Auditor (Deloitte & Asociados, SROC S.A.), as described in 47. *infra*..

38. Other functions of the supervisory bodies

In accordance with the law, the Statutes and Regulations of the Audit Board, this corporate body has the following duties in general: (i) inspect the integrity of financial information; (ii) oversee the statutory audit and the independence of the Certified Auditor; (iii) oversee the effectiveness of risk management, internal control and internal audit systems; and (iv) inspect the Company's management and monitor compliance with the law and the Articles of Association.

In terms of competences regarding financial information and adopting Recommendation VIII.1.1., the Audit Board is responsible in particular for:

- a) Checking the regularity of the books, accounting records and documents that support it and the accuracy of the accountability documents, supervising the process of preparation and disclosure of financial information;
- b) Check the adequacy of accounting policies and their application (including the adequacy of accounting policies, estimates, judgements, relevant disclosures and their consistent application between years, in a duly documented and communicated manner);
- c) Issuing an opinion on the management report including the non-financial statement, the accounts for the year and the proposals presented by management, also expressing its agreement or not with the annual management report and with the accounts for the year and issuing the statement provided for in paragraph c) of no. 1 of Article 29-G of the Securities Code (or the standard that succeeds it), as well as certifying whether the annual corporate governance report includes the elements referred to in Article 29-H of the Securities Code (or standard that succeed it).

With regard to its powers regarding the supervision of the statutory audit and the independence of the Certified Auditor and adopting Recommendations VIII.2.1., VIII.2.2. and VIII.2.3., the Audit Board is responsible in particular for:

- a) Select the Certified Auditor to be proposed to the General Meeting according to the process described in point 44. below, also proposing the respective remuneration to the competent body;
- b) Verification and control of the Certified Auditor's independence and monitoring and approval of the provision of services other than audit services as described in point 37. above;
- c) To monitor the auditing of the financial statements, holding regular meetings with the Certified Auditor, namely when analysing the Company's accounts, as detailed below;
- d) Annually assess the work carried out by the Certified Auditor, including its independence and suitability for the exercise of functions, proposing to the General Assembly its dismissal or the termination of the contract for the provision of its services whenever there is just cause before the competent bodies.

In this context, it should be noted that the Audit Board monitors the work of the Certified Auditor, assuming itself as the main interlocutor of VAA before him (and the first recipient of his reports), articulating his communication in particular through the Chairman of the Audit Board and periodic status check meetings and having promoted that it has conditions within the Company for the provision of its services.

In terms of the inspection of risk management, internal control and internal audit systems, in accordance with the legal terms and its Regulation and adopting Recommendations V.1., VII.3., VII.4. and VII.11., the Audit Board is responsible for evaluating and supervising the effectiveness of the risk management, internal control and internal audit systems approved and implemented by the Board of Directors and the Executive Committee, to the extent of the respective delegation, including:

- a) Monitor the process of preparing and disclosing financial information and accounting and auditing matters;
- b) Monitor the work of quality services, management control and internal audit and ombudsman services in relation to the VAA (including the work plan and related resources and being the recipient of your reports, particularly those on matters related to accountability, identifying or resolving conflicts of interest and detecting potential irregularities);
- c) Monitor the strategic lines and risk profile/policy to be approved by the management body and the respective system and services in the risk management area (in particular in the context of the annual budgeting cycles and strategic planning/risk policy).

It is also responsible for issuing a prior binding opinion on the procedure to be approved by the Board of Directors regarding the approval/execution and verification of transactions with

related parties and a prior opinion on certain business proposals with related entities detailed in points 89 and following below.

The Audit Board is also responsible for monitoring the activities of the Company and for supervising and inspecting the activity of the management body, adopting Recommendations V.1., VII.3, VII.4, and VII.5.: a) following the strategic lines, the risk profile/policy and the VAA's risk mitigation and monitoring measures to be approved by the management body; and b) assessing, at least annually, compliance with strategic lines and the budget and whether the risks effectively incurred by VAA are consistent with the objectives set in terms of risk tolerance, as well as the internal functioning and relationship of the Board of Directors with the other bodies and committees.

As a supervisory body, the Audit Board monitors compliance with the law and the Articles of Association applicable to the Company, receiving and managing the system of communication and treatment of irregularities in accordance with the Whistleblowing Policy approved by the Board of Directors with a binding opinion of the Audit Board, described in paragraph 49 below.

In turn, the Certified Auditor has the powers provided for in Article 446 of the CSC, in the legal regime of audit supervision, in the statute of the Order of Certified Auditors and in Regulation (EU) No. 537/2014 (or rules that follow them).

IV. CHARTERED CERTIFIED ACCOUNTANT

39. Identify the chartered certified accountant and the chartered certified accountant who represents him/her:

VAA chartered certified accountant for 2023, is the company *Deloitte & Associados, SROC S.A.*, registered in the *Ordem dos Revisores Oficiais de Contas* under the no 43, represented by Miguel Nuno Machado Canavarro Fontes, and registered at the *Ordem dos Revisores Oficiais de Contas* under the no 1397.

40. Indicate the number of years the chartered certified accountant works with the company and/or group:

Deloitte & Associados, SROC S.A. was appointed the VAA Chartered Certified Accountant for the first time at the Annual General Meeting on the 24th of March 2017, to carry out duties during the 2017/2019 period. They were then re-elected at the Annual General Meeting on the 30th of April 2019 for the 2019/2020 period at the Annual General Meeting on the 16th of June 2021 for the 2021/2022 period, and at the Annual General Meeting on the 5th of June 2023, for the 2023/2024 period.

41. Description of other services provided by the chartered certified accountant to the company:

The Chartered Certified Accountant currently in office did not provide any services other than audit services for the year 2023, as indicated in 47. *infra*.

V. EXTERNAL AUDITOR

42. Identify the external auditor appointed pursuant of the article 8 and who represents him/her to carry out its functions, as well as the registration number at the CMVM:

Audit services are provided by the external Statutory Auditor hired by VAA for 2023, *Deloitte & Associados, SROC S.A.* registered at the *Ordem dos Revisores Oficiais de Contas* under no 43, represented by Miguel Nuno Machado Canavarro Fontes, registered at *Ordem dos Revisores Oficiais de Contas* under no 1397.

43. Number of years the external auditor and the respective associate chartered certified auditor who represents him/her carry out the duties assigned to them in the company and/or group:

Deloitte & Associados, SROC S.A. as well as the respective partner that represents it, began their functions inherent to the provision of external audit services to VAA in 2017, under a service provision contract for 2017 and 2018, which was successively renewed for an additional two-year periods (2019-2020 and 2021-2022), with a service provision contract currently in force for 2023 and 2024.

44. Rotation policy and frequency of the external auditor and the respective associate chartered certified auditor who represents him/her carrying out the duties assigned to them:

The Audit Board monitors and supervises the independence of the Certified Auditor and the partner who represents him (properly assessing the threats to his independence and the safeguard measures applied or to be applied and annually confirming his independence and suitability for the exercise of functions) , assesses its work annually and is also responsible for proposing to the General Meeting its appointment and dismissal when there is just cause for the effect, as indicated in point 38. above.

The selection process of the Certified Auditor to be proposed to the General Meeting is promoted and organised by the Audit Committee, in compliance with the following criteria and methodologies, without prejudice to the other requirements at all times provided for by law, in particular in accordance with the provisions of legal regime of audit supervision, in the statute of the Order of Certified Auditors and in Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 (or rules that follow them), as far as applicable, according to which the rotation of the Certified Auditor is foreseen (currently there is an eight year term applicable to the VAA for rotation, except in cases of legally permissible extension) and the responsible partner (currently there is a seven year period for rotation), and must:

- a) Begin with sufficient advance in relation to the date scheduled for the General Meeting;
- b) To be attended by several entities selected by the Audit Board and run for a period defined by this body;
- c) To be a process free of any external influence and free of any contractual clause that limits the choice of the General Meeting in the designation of the Certified Auditor to certain categories or lists of entities;
- d) Observe selection, transparency, non-discrimination and exemption criteria, and the Audit Board, when assessing the proposals received, should consider, namely:
 - i. the reputation of the participating entities;
 - ii. the conditions of independence and objectivity;
 - iii. knowledge of the sectors and markets in which VAA and Grupo Vista Alegre's companies operate;
 - iv. the experience in companies with listed securities;
 - v. the resources and capacities of each entity in view of the size and organisation of the Grupo Vista Alegre;
 - vi. the financial conditions presented by each entity; and
 - vii. the contractual terms and conditions and the methodological approach presented by each entity, in particular with regard to the scope and work schedule.

Bearing in mind the fact that the Certified Auditor, in office since 2017, has been re-elected at the Annual General Meeting on the 16th of June 2021, at the Annual General Meeting on the 5th of June 2023, following a proposal by the Fiscal Board, for 2021-2022 and 2023-2024,

respectively; as well as the way these duties have been carried out, there was no need, on the part of the Fiscal Board, to have to take steps towards its rotation.

45. Indicate the body responsible for the evaluation of the external auditor and the frequency with which the said evaluation is carried out:

The VAA Audit Board is responsible for overseeing the audit of the financial statements, as indicated in paragraph 38 above, including in particular:

- a) Monitor the work of the Certified Auditor, assuming as VAA's main interlocutor (and the first recipient of his reports), articulating his communication in particular through the Chairman of the Audit Board and periodic meetings of status reports;
- b) Ensure that the adequate and necessary conditions for the provision of services by the Certified Auditor are ensured within the Company;
- c) To annually assess activity, adequacy and independence, critically evaluating the reports and other relevant information it produces, in particular the legal certification of accounts and the audit report, as well as the additional report.

The Audit Board annually presents, in the annual report on its supervisory activity, the assessment of the Certified Auditor.

46. Identify the work, different from the audit's, carried out by the External Auditor to the company and/or companies with which it has a control relationship, as well as the internal procedures to approve hiring the said services, indicating the reasons for the hiring:

The Statutory Auditor did not provided services related to the services for 2023, and also other auditing services, as referred to in the 47. *below*.

47. Indicate the amount for the annual remuneration paid by the company and/or companies with which it has a control or group relationship, to the auditor and other natural or legal people belonging to the same network, and specify the percentage regarding the following services:

For the Company*		%
Amount for auditing services (€)	€49,231.00	36%
For companies of the Group*		
Amount for auditing services (€)	€87,369.00	64%
<i>*Including individual accounts in Portugal and Spain</i>	€136,600.00	100%

Part I

Information regarding the Shareholders Structure,
Organization, and Corporate Governance

C. Internal structure

C. INTERNAL STRUCTURE

I. ARTICLES OF ASSOCIATION

48. Rules applicable to the changes to the company's articles of association (article 29-H, no 1, paragraph h))

Nothing is defined under the articles of association, therefore the law in force is applicable, namely the Commercial Companies Code.

II. REPORTING IRREGULARITIES

49. Means and policy for reporting irregularities in the company

The Company has adopted mechanisms for preventing and reporting irregularities as regulated by the Reporting Potential Violations Policy in compliance with Recommendation I.2.4, approved by the Board of Directors on the 25th of July 2022 and subject to internal disclosure to employees through the normal means of communication, as well as externally through the Company's website (www.vistaalegre.com).

Taking into account the activity of Grupo Vista Alegre and as foreseen in the Reporting Potential Violations Policy:

- a) VAA adopts conduct standards in terms of business ethics and social responsibility in accordance with the Company's Code of Ethics and Business Conduct;
- b) VAA is committed to maintaining a corporate environment that encourages employees and a system which allows reporting possible violations either to the law and/or of the Vista Alegre Code of Ethics and Business Conduct under the terms of this policy;
- c) This Policy is therefore intended to establish a transparent and effective system as well as the adequate means for reporting violations and to ensure equally suitable protection for those who report them on reasonable grounds;
 - a) The Ombudsman with functions at the level of Grupo Vista Alegre and the business group that VAA is part of contributes to affirming and promoting the rights of customers, suppliers and employees and improving the quality and efficiency of the services provided by these companies;
 - b) In turn, quality and management control services take on functions relating to identifying and monitoring compliance with applicable standards at the level, respectively, of product/service quality management and financial areas, and in internal auditing through periodic control measures and evaluations.

The Whistleblowing Policy allows any interested party associated with VAA or its subsidiaries, namely employees, members of governing bodies, Shareholders, investors, customers, service providers, suppliers or business partners, to report situations that may represent an irregularity,

as defined in the Policy itself. The acts or omissions, intentional or negligent, which can be reasonably expected to constitute an offense in the following areas are thus considered:

- Prevention of corruption and related offences;
- Prevention of money laundering and terrorist financing;
- Environmental protection, public health and consumer protection;
- Protection of privacy and personal data;
- Public contracting;
- Violations of the law or regulations applicable to Vista Alegre at any time (namely in the various jurisdictions in which each company operates, including those which foresee crimes of administrative offences) in particular violations within the scope of protection for reporting people and/or related to administration, financial, accounting, internal control and auditing areas.

The Supervisory Board is responsible for the reception and management of the communication system and treatment of irregularities contained in the Policy. The Board is supported by the Compliance Officer and by the Data Protection Officer of Vista Alegre (without prejudice to the legal powers of the other governing bodies of the Vista Alegre group).

VAA may resort to external consultants expressly appointed by the competent bodies of the Company to implement reception, registration and treatment procedures defined in this Policy, strictly complying with the applicable legal requirements in terms of independence, impartiality and absence of conflicts of interest by the people in charge or involved in the procedures under analysis.

When reporting a violation, the reporting person must provide all available information regarding the violation. Reports must provide sufficient information to allow VAA to properly investigate the violation. However, a reporting person does not need to have conclusive evidence before filing a reporting, and it is sufficient to have reasonable grounds for reporting a violation, i.e., reasonable grounds for, given the circumstances and information available at the time of the reporting and acting in good faith, believing that the information reported is true and to predict with probability that an irregularity occurs.

While a reporting person is not required to prove his/her claims, reportings are more likely to be considered founded on reasonable grounds if they are supported with objective information and supporting documentation.

VAA's governing bodies and employees (including reporting people) must not attempt to investigate any potential Violation on their own (including by gathering evidence through unlawful means, such as covert audio or video recording), as this may harm the formal investigation under this Policy.

The reporting person may choose to use external reporting when legally permitted, namely if he/she has reasonable grounds to believe that the Violation cannot be effectively known or resolved internally by Vista Alegre or that there is a risk of Retaliation, or if the Violation in

question constitutes crime or administrative offence punishable by a fine of more than €50,000.00.

The reporting person may remain anonymous when filing a report and during any follow-up communication. However, VAA encourages reporting parties to identify themselves when reporting any irregularity, ensuring their protection and confidentiality, so that VAA can properly analyse the report and coordinate with reporting parties to obtain additional information, if necessary for the investigation.

Vista Alegre will not attempt to identify a reporting person who has requested anonymity. However, VAA may be obliged to report the information related to the reporting and VAA's investigation thereof to public authorities and regulatory bodies.

VAA ensures that the system of communication and treatment of violations under the terms of this Policy safeguards the confidentiality of the information reported, the identity of third parties mentioned in the reporting and the identity of the reporting person (including the information that, directly or indirectly, allows for his/her identity to be assumed).

Even if the reporting person mentions his/her name, the system implemented will safeguard the confidentiality under the terms of this Policy.

The identity of the reporting person is only disclosed to people authorised to receive or monitor the reporting and/or as a result of legal obligation or a court decision (when it occurs, VAA shall inform the reporting person in advance, if permitted and if the provision of such information does not compromise related investigations or legal proceedings).

Without prejudice to the foregoing, depending on the nature of the reporting and the information provided, the identity of the reporting person may be obvious to those involved in the investigation (such as witnesses or employees accused of violations).

Due to their confidentiality, only these people will have access to the communication processes: members of the Supervisory Board, the Compliance Officer and the Data Protection Officer of the Company, as well as members of the competent governing bodies and employees or external consultants expressly designated by the competent bodies of VAA, in all cases to the extent strictly necessary.

VAA does not accept any form of retaliation against a reporting person. Specifically, VAA may not, for reasons related to the filing of a reporting, dismiss, discriminate, threaten, suspend, repress, withhold or suspend payments of salaries and/or benefits, demote, transfer or otherwise take any disciplinary or retaliatory action related to the terms and conditions of the employment contract or other contractual relationship established with a reporting person.

If any member of VAA's governing bodies or employee undertakes any act of retaliation, he/she may be subject to sanctions (namely disciplinary measures, including dismissal). If a reporting person believes he/she has suffered such retaliation, he/she must report it to Human Resources.

VAA will protect the rights of individuals accused of committing Violations whenever possible, in compliance with the Company's legal obligations. If permitted by the applicable law and VAA has the ability to lead a fair and thorough investigation of a reporting, the company will be able to notify the reported people regarding:

- the reporting;
- the research results (but research reports will not be provided);
- possible corrective measures to be taken into account.

The communication of irregularities under the aforementioned Policy must be in writing, through the internal whistleblowing channels available for this purpose, which is to say using the Integrity Line, or the Audit Board at the following postal address: C/O Supervisory Board of Vista Alegre Atlantis SGPS, S.A., Lugar da Vista Alegre, 3830-292 Ílhavo, Portugal.

Once received, the communications are recorded, and the whistleblower must be informed of the complaint receipt within a period of seven days.

After the registration has been carried out, communications are preliminarily analysed in order to determine the degree of credibility of information, the irregular nature of the behaviour reported, the feasibility of the investigation and the identification of the people involved, or who have knowledge of relevant facts, and those that therefore should be confronted or inquired about.

The preliminary analysis report should conclude whether or not the investigation should progress. In case the communication is considered to be inconsistent or implausible, it must be filed, and the Reporting Person should be informed regarding the causes of the decision taken. Moreover, personal data and the information involved in its filing should be destroyed, unless the reporting person's identity is unknown.

In case the communication is consistent, plausible and credible, an investigation process shall be undertaken. This investigation will be conducted and supervised by VAA, without prejudice to the possibility of requesting technical and legal assistance from third parties.

Upon completion of the investigation phase, a report will be prepared, duly substantiated regarding the facts found during the investigation, which is to be presented to the competent governing bodies of VAA with a view to adopting the appropriate measures to correct the violation.

In certain cases, VAA may be required to inform the relevant law enforcement authorities on the details of the reporting.

As part of any investigation, the Investigator may wish to speak with the reporting person, the subject of a report, and members of VAA's governing bodies or employees in order to obtain more information regarding the contents of the reporting.

During the course or completion of an investigation, Vista Alegre's competent governing bodies may determine that corrective and/or disciplinary actions are appropriate to address a Violation.

Such action must be taken in accordance with applicable law, the Code of Ethics and the Business Conduct, as well as other VAA guidelines and policies.

Whenever possible, the reporting person will be updated on the progress of the investigation and its outcome. In any case, VAA will contact the reporting person to provide an update within three months of acknowledging receipt of the reporting.

If the Reporting Person so requests, the result of the Reporting investigation will be communicated to him/her within fifteen days of its completion, however, sometimes it may not be possible to provide specific details of the investigation or any other action taken due to confidentiality issues.

The reporting person must, in turn, keep all information regarding the investigation confidential, without prejudice to the right to report it to the competent authorities, in the cases legally provided for.

III. INTERNAL CONTROL AND RISKS MANAGEMENT

50. People, bodies or committees responsible for the internal audit and/or implementation of internal control systems:

The Board of Directors is aware of the importance of internal control, internal audit and risk management systems. The systems implemented results from the Company's continuous improvement and reflection process, including the Managing and fiscal areas as well as the different functional areas.

The Management is responsible for defining the company's strategic purposes, as well as encouraging the creation of conditions for the company's performance to comply with the said purposes.

This plan includes the Board of Directors defining the basic principles of the internal control and internal audit systems (as well as the evaluation of their effectiveness at least on an annual basis and their alteration), and the Executive Committee is responsible for implementing the set of procedures and methods that ensure the implementation of the plans defined above and guarantee the safeguarding and operability of the Company's resources.

Furthermore, the Board of Directors, upon proposal of the Executive Committee, has to approve VAA's risk policy/profile and risk management system (as well as to evaluate its effectiveness at least on an annual basis and modify it), the latter being responsible for implementing the set of procedures and methods inherent to this system.

The implementation of the internal control, internal audit and risk management systems is a process that, despite being led by the Management, comprises the company in all the processes in which it is organised, as described in paragraph 51, below.

However, it is worth mentioning the role and functions that are played in the risk management system by the Financial Department, the Management Control Department and the Quality Management System Department.

At the level of internal control and internal audit systems, the role and functions of the services in terms of quality, management control and internal audit of VAA are highlighted, as well as of the provider services of Grupo Vista Alegre and the business group to which it belongs.

The Supervisory Board is responsible for monitoring the effectiveness of the risk management, internal control and internal audit systems approved and implemented by the Board, with a view to proposing possible adjustments to the Board.

To this end, the Supervisory Board is responsible for implementing periodic control procedures with a view to: *(i)* monitoring the work and resources allocated for the functioning of the risk management unit; *(ii)* monitoring and commenting on the strategic guidelines, risk profile/policy, risk mitigation and monitoring measures of VAA to be approved by the management body; and *(iii)* assessing at least annually whether the risks actually incurred by VAA are consistent with the objectives set in terms of risk tolerance, informing the management of all checks, inspections and diligences they have made and the results thereof.

The Supervisory Board is also responsible for *(i)* evaluating and supervising the internal control system approved and implemented by the Board, in particular periodically evaluating the internal controls relating to the process of preparation and disclosure of financial information and to accounting and auditing matters, and *(ii)* Comment on the work plan and resources allocated to the services in terms of quality, management control and internal audit, as well as monitor the activities of these services and the provider services in relation to the VAA, periodically ,monitoring the effectiveness of the internal audit system.

The fiscal Board confirmed the suitability of the contents of the Internal Control Manual with the verified procedures, receiving reports issued by the internal audit services and obtaining information through meetings held to confirm their effectiveness, achieving the desired results.

The Chartered Certified Accountant, within the scope of its powers and the external audit service it provides to the Company, provides a regular analysis of the suitability of the mentioned internal control system and its main elements.

The Company therefore intends to fully comply with Recommendations V.1., VII.3, VII.4, VII.10. and VII.11.

51. Explain, although by including the organisation chart, the hierarchical and/or functional relationships with other bodies or committees of the company:

The internal control systems and internal audit, still defined and implemented by higher decision, as described in point 50., result from procedures and methods regulated at different hierarchical levels, and are periodically monitored and evaluated.

It is intended that these systems acts transversally through the company, promoting its organisation into processes. Each process is assigned, by the process manager, to a person in charge, who answers before an executive director, who in turn reports to the executive officer through the Board of Directors. The aggregation of the processes and of the different people in charge is done according to functional areas, being the Director responsible for the portfolio, their allocation, assignment of functions and periodic monitoring.

More broadly, the Board of Directors appoints as its representative an Operational Executive Director, who must ensure, among other, that the defined procedures are implemented and kept, that their performance and adjustment needs are regularly reported to the Management, and that the necessary means and resources are provided to the system.

The internal control system foresees the definition of purposes and their monitoring, not only at the level of each functional area, but also at the level of the business segments, which are currently Porcelain and Other Products, Faïence, Stoneware Ovenware and Crystal and Glass.

The system's operability and effectiveness are continuously monitored, with the implementation of an internal audit program. In this area, we intend to ensure as well the awareness of the entire company, and VAA has a team of internal auditors from different business areas, which comply with an annual activity plan that covers all the relevant processes and areas of the system. The audits carried out result on reports, which are reported to the Director responsible for the processes.

Regarding the business segments, their supervision and control thereof is carried out at the level of the Executive Committee and the Board of Directors.

The accuracy and the reliability of the system and its control mechanisms are further ensured by an annual review of the system, under which the elements of all the processes are analysed and in which participated all process managers, directors and the Management.

With regard to the risk management system, although further defined and implemented as described in paragraph 50. *above*, the Company and its Management seek to actively involve all employees in the risk management process, promoting their commitment to that and the adoption of control measures and behaviours at different hierarchical levels, following the process described in paragraph 54. *below*.

Necessarily, the sustainability of the Company and of all interacting with it comes from the soundness of its internal control and risk management structure as part of the Company's strategic planning and operational management process, thus enabling a better identification, evaluation, and management of uncertainties, threats and opportunities.

52. Existence of other functional areas with powers to control the risks:

The functional areas with powers to control the risk are identified on numbers 50 and 51 above mentioned.

53. Identify and describe the main types of risks (economic, financial and legal) to which the company is exposed while carrying out its activity:

The risk translates into the possibility of a loss or non-compliance of previously established purposes. Thus, VAA faces a number of risks, many of which are non-diversifiable, which are characterised by the fact that its control is outside the Company's scope. Of course, in all cases (controllable or not) the Company seeks to act in a proactive way, making efforts so that there is a timely identification and monitoring which allows it to act in a preventive way, thus reducing the possibility of occurring, as well as reducing the possible impacts.

As such, hereafter is presented a set of economic, financial, legal and operational risks, which VAA believes to be, on 31st of December 2023 and in accordance with the information available, the most significant.

Economic risks

Macroeconomics and competition

The activity of VAA is naturally subject to the evolution of the macroeconomic environment, with demand in markets where VAA operates being affected by the instability of the national and international environment in general, and by uncertainties and turmoil in the economy and financial system of some countries, particularly within the Euro Zone.

Oscillations in the macroeconomic environment affect the consumers' behaviour and interfere with the evolution of demand within the markets where VAA operates. Moreover, the investment level (CAPEX) which has been implemented by the Company in recent years renders it vulnerable to the evolution of the macroeconomic environment.

VAA cannot predict how the economic cycle will develop in a short term or in the coming years, or whether there will be a further deterioration of the global economic cycle in the countries where it operates.

In 2023, most of the sales and services provisions of VAA are carried out in foreign markets, mainly in European countries (such as Spain, Germany, France, Italy, The Netherlands, Belgium and The United Kingdom), with a presence in other countries such as Brazil, United States of

America, Mexico and Mozambique, among others (having subsidiaries in Spain, France, Brazil, United States of America, Mexico and Mozambique). Among other factors, any significant changes to the political environment, to the currency policies, legislation or regulation, to the acceptance levels of the consumers, to the increase on the costs or decrease of the demand, or on the economic situation, in those foreign countries or in Portugal, may significantly limit the capacity to generate profit and they may have adverse material consequences in the activity, in the financial situation or in the VAA operating results.

Moreover, the markets where VAA operates are highly competitive and in constant development, namely in technological terms, changes to the consumer habits and design trends. In this sense, VAA is required to be able to monitor these changes and thus maintain its competitiveness. Notwithstanding, the efforts undertaken by the Company, it is not possible to guarantee the loyalty of its customers, which may translate into material adverse effects on its activity, financial situation and operating results.

Notwithstanding the above, it should be noted that in relation to the stoneware segment, a significant portion of turnover (around 30% of consolidated turnover) corresponds to one particular customer client, IKEA, as a result of the strong partnership based on competitiveness, customer service and the ability to develop new products. VAA has managed to hold onto the loyalty of this client, keeping up its production capacity, with good results in terms of sales and results.

As its subsidiary, Ria Stone is a “Prioritised Supplier” for IKEA, which has been extending its distribution to other destinations, namely the UK, the Netherlands and the USA, allowing the Ria Stone factory to continue producing at full capacity. It should be noted that the current contract between Ria Stone and IKEA ends in December 2026. Although the extension of this contract has not yet been formalised as of the date of this report, VAA’s Board of Directors is very confident that it will be renewed for another 7 years, due to (i) an existing and recurring track record of renewals, (ii) a long-standing relationship of partnership and trust, based on the continuous improvement of operational efficiency, (iii) excellent customer service (with delivery times of 5-7 days, with around 70% direct deliveries to IKEA stores), and (iv) a capacity for innovation and the development of new products.

VAA monitors and controls regularly the market in which it operates in order to measure the impacts of possible variations in the turnover, implementing management measures which may avoid its profitability reduction. Regardless of the VAA continuous monitoring, through management, information and insurance policies coverage systems, it is not possible to ensure control and prevention of these risks, under circumstances that may escape the Company’s control.

Strategics

VAA is also subject to strategy risks, with the possibility of making inadequate decisions, failure to implement decisions or lack of responsiveness to unforeseeable market conditions.

The Company's eventual inability to attract and retain qualified professionals may impact as well on its ability to successfully implement its business strategy. Although the Group's human resources policy is geared towards achieving these objectives, it is not possible to ensure that in the future there are no limitations in this area.

All of the situations described at the level of macroeconomic risks and the development of the business plan established and underway imply the need for additional financing, for which the Company has nevertheless obtained the necessary funds, but for which the Company cannot assure its profitability.

Although innovation and marketing are major success factors for creating value for VAA brand, which are assumed to be key strategic pillars, there are risks associated with protecting brands that may be adversely affected by events beyond their control.

Financial Risks

At Grupo Vista Alegre, the main financial liabilities are loans signed with financial institutions, public bodies, namely the *Agência para o Investimento e Comércio Externo de Portugal*, accounts payable relating to commercial transactions and other accounts payable. Financial liabilities are incurred in order to finance the Group's operations, namely the Companies' Group working capital and investments in expansion and maintenance of production capacity of its Companies. Within the context of the war that we have been living, the Group continued to work actively working capital management, as well as curbing investments in order to guarantee adequate cash flow.

Financial assets derive from operations and are comprised of trade accounts receivable and other debtors and cash and short-term deposits. The Grupo also has investments available for sale, such as investments in financial assets, which include shares in risk capital companies, which are accounted for at their fair value, as well as other financial investments accounted for at acquisition cost as they are investments in unlisted companies with reduced significance.

Grupo Vista Alegre is basically exposed to (i) market risk essentially with interest rate and Exchange rate changes, (ii) credit risk and (iii) liquidity risk. The Group has an approach focused on creating risk strategies, developing activities and skills so that risks are managed in the most appropriate way possible and so that strategic goals are not compromised. Awareness of the existence of risks is the first step towards making strategic and operational decisions, which must be aligned with the level of risk that the Company is willing to undertake.

Market risk

Market risk is generally determined by the risk that the fair value of future cash flows may fluctuate as a result of events that systematically affect the market. Market risk includes the following risks: interest rate risk, exchange risk, credit risk and liquidity risk.

Interest rate risk

The Group exposure to interest rate risk comes primarily from loans obtained at variable rates. Part of the financing had an interest rate indexed to Euribor in different maturities.

The year 2008 was marked by the *subprime* crisis in the USA, which caused bankruptcy of large financial institutions and which eventually infected economies around the world. It was also at the beginning of this year that the highest Euribor rates were recorded. However, after midyear, there was a decrease as a result of successive cuts in the European Central Bank's interest rate in response to the international financial crisis, which has led to a downward trend in recent years, in 2015 it reached negative values and the downward trend continued until mid 2022. From that date onwards, rates recorded progressive and repeated increases, only stabilising at the end of 2023. The expectation for 2024 is a downward revision of the main Euribor indexes.

The accentuated increase in interest rates during 2022 and 2023, together with the general increase in prices, imposed a much more challenging scenario than was observed in previous years. Inflation, which has been the main concern of the markets, has recently reached unprecedented high values. In the USA, inflation data is showing signs of decreasing and supports the argument that the central bank will not increase interest rates again. European inflation also shows signs of slowing down, but its path is slower than that of inflation in the United States. According to most recent forecasts, inflation in the Euro Zone continues on a downward trend. In October 2023, it stood at 2.9%, compared to a maximum of 10.6% during the same period the previous year. According to experts at the European Central Bank, projections point to average inflation of 2.3% in 2024, 2% in 2025 and 1.9% in 2026.

As a result of this record, officials at the European Central Bank (ECB) have repeated the message that it is premature to start discussing lowering interest rates while inflation remains at these levels and point to the decision to reduce interest rates during the 2nd semester of 2024.

If the average interest rate supported in 2023 had been 0,5 p.p. higher (lower), the net financial costs would have increased (reduced) by approximately 154 thousand euros.

The sharp increase in interest rates in 2022, together with the general increase in prices, imposed an increased burden on Portuguese companies during the 2023 financial year. During the first half of the year the sharp increases in interest rates continued, reaching levels that had not been seen for a long time, with a stabilisation trend during the last quarter of the year. In regard to loans granted to companies, the average interest rate in 2023 was 3.9%, up from the rate of 1.98% observed in the previous year.

Additionally, Grupo Vista Alegre issued guaranteed bonds in the amount of 45 million euros in 2019, with a fixed annual rate of 4.5% and maturity in October 2024, as well as guaranteed bonds in the amount of five million euros with an annual fixed rate of 3.5% and final maturity in October 2024. Thus, Grupo Vista Alegre ensured coverage of exposure to interest rate variations for around 70% of total financial debt, recorded at the end of 2023 financial year. Taking into account the expected maturity of the bond loan contracted in 2019, Grupo Vista Alegre launched a refinancing program to be completed in 2024 in order to align the maturity of its financial debt with the strategic plan for the coming years.

Exchange risk

Grupo VAA has subsidiaries in Brazil, the United Kingdom, Mozambique, the United States of America, Mexico and India (with no activity in 2023), through which it markets in its respective markets in Reals, Pounds, Meticals, US dollars, Mexican Pesos and Indian Rupees, respectively. thus being exposed to the exchange rate risk of operating activities denominated in currencies other than their functional currency. In Brazil, where the impact was more significant, exchange rate risk vis-à-vis the euro, the currency in which its imports of goods from Portugal are made, the Group holds a short position of around 2 million euros. The Brazilian real appreciated 4.17% against the euro in 2023. A 2% change in the exchange rate would have an impact of around 40 thousand euros. In consolidated terms it presents a balance sheet risk by incorporating the accounts.

In commercial accounts receivable and commercial accounts payable there are balances in currencies different from the euros, namely American Dollars, but without any significant value., as explained below.

Credit risks

Vista Alegre Atlantis, SGPS, S.A.'s subsidiaries are exposed to a variety of diversified risks. Management is aware of the importance of credit risk management and the protection of its treasury, recognising the importance of credit insurance as an essential instrument both domestically and abroad. Conscious of the importance of adopting active management of different financial risks in order to minimise their potential negative impacts on cash flow, results and value of companies, it seeks to manage these risks effectively by formulating adequate hedging strategies.

Credit risk is an important and complex aspect which is present in the daily life of Grupo Vista Alegre. Risk assessments imply credit decisions, at times, based on incomplete information, within a scenario of uncertainty and constant change, specially what has been experienced during the last three years, which has proved to be particularly atypical and which was caused by the COVID-19 spread and the Ukraine war, and all the implications that this has entailed. Credit risk management reflects the multiplicity, quality and origin of the information available

so that the credit analyst can always take the best decision and that it is in accordance with the assumptions defined by the Group.

The Group keeps the credit insurance policies, leaves the analysis of credit granting to professionals who are specialised in debts recovery, receiving from the credit company the indication of exposure - credit limit - adjusted to the credit capacity of each client. Thus, management can be primarily focused on operational issues. The coverage of this risk allows a compensation of 95% for the unpaid credits. Recent years have been marked by increased restrictions on lending in general, with credit limits having undergone significant unfavourable revisions. In view of this scenario, and in order to meet the credit risk coverage needs, in which the limits granted under the base policies are insufficient, the Group has insured additional coverages that allow it to increase the partial coverage of its risks, up to twice the amount granted in the base policy, and as well as to obtain coverages for risks that have no value attributed in the said base policy, up to the limit of 100 thousand euros.

The greater restrictions on the external coverage of the credit granted imply of increased rigour and a greater requirement in the appraisal of the requests for the concession is internal credit. The detailed analysis of a customer's credit risk is normally summarised in a credit sheet, which contains the information that will allow the issuing of an opinion on a credit operation and which includes available and relevant information such as the character of the customer, its management capacity, asset value, history, financial information, credit guarantees and payment terms.

The Group believes that it does not have significant credit risk concentrations, maintaining an active credit control for all its clients, overseen by the Financial Management.

Liquidity risk

Liquidity risk is the risk that Grupo VAA will encounter difficulties in meeting commitments associated with financial instruments. This risk is the biggest that Grupo VAA have been exposed to. Grupo VAA substantially improved its financial conditions following changes in its shareholder structure during the previous years, and the very positive evolution of its operations in recent years. Moreover, Grupo VAA has a centralised treasury management contract with Visabeira Indústria, SGPS, SA, its main shareholder, in order to manage its cash resources more efficiently. Treasury and investments are managed by a global and centralised organisation, which allows reducing cash flow risks, avoiding exposure to variations that may affect the companies' results.

Vista Alegre is obliged to comply with the financial covenants in connection with the issuance of the 50 million euros bond loan contracted in 2019. In 2021, as a result of the pandemic crisis caused by COVID 19, the Company negotiated a change to the debt financial covenant – Net Debt over EBITDA, which it was obliged to comply with in the scope of the bond loan contracted

for a maximum limit of 5.0x, which was fixed in the following years at 4.0x in 2022 and 3.0x in 2023.

We can conclude that the Group manages liquidity risk in two ways:

- (i) ensuring that its financial debt has a high medium and long-term component with maturities appropriate to the characteristics of the industries in which it operates, and
- (ii) by contracting credit lines available with financial institutions at any time, for an amount that guarantees adequate liquidity to the development of its operations.

Legal Risks

The Group's production activities are subject to environmental, health and safety regulations and may to cause industrial accidents and environmental, safety or other risks, affecting employees and third parties. To this end, the Company has and updates insurance, licenses and authorisations, implementing as well programs and procedures to control associated risks and, while believing that its industrial units have been well designed and build, there is no guarantee that accidents will not occur, which of course can translate into costs and possible limitations in operating capacity. Although not foreseen, changes in related legislation or regulations may affect the design of industrial plants, and/or involve additional payments, which are expected to adversely affect the VAA's operating performance or profitability.

Compliance with international environmental laws and regulations, particularly with regard to climate change and carbon emissions management, may result in increased investment due to the need to implement changes in project execution that affect their costs.

In addition to the production of the various types of products (porcelain, crystal, faïence and stoneware), the sale of these products takes place in emerging or developing economies with a very different legal and regulatory framework from the domestic one. The Grupo Vista Alegre has subsidiaries in several countries such as Spain, France, the United Kingdom, Mozambique, India, Mexico and the United States of America.

Activities outside Portugal are subject to political, legal and regulatory risks, with special focus on regulatory issues and competition laws.

Changes in legal frameworks may have an impact and adversely affect the Company's profitability.

Likewise, any changes to the law and other tax regulations, in addition to the increase in taxes or the reduction of tax benefits, applicable in the markets in which the Company operates may have an adverse effect. This risk is increased for the group of countries for which the Company has been expanding its activity in a more significant way.

VAA acts in accordance with international standards and the specific laws and regulations of the various countries in which it operates. Nevertheless, any irregularities (actual or alleged) or lack of conformity committed by the Company, its employees, suppliers/ service providers and their counterparts may have a significant adverse effect on the Company's ability to carry out its business.

Nevertheless, the Company always seeks to comply with all legal, fiscal, regulatory and other regulations in all markets and areas in which it pursues its activity, always ensuring that they are monitored by the Board of Directors or by experts whenever necessary.

Grupo Vista Alegre is currently party in certain litigation proceedings and may in the future become a party to lawsuits, claims and disputes relating to its environmental activities, permits, employment claims and contractual disputes or claims for personal injury, or property damages relating to products marketed by VAA, or lawsuits filed by regulatory, tax or other entities.

Operational risks

Market factors

The value of assets and the results of the companies of the Grupo Vista Alegre depend on several market factors, in particular, the prices of raw materials, their end products, energy resource prices (gas and electricity) as well as exchange and interest rates.

Prices of raw materials, their end products, gas and electricity vary from market to market, and are central to reducing their impact and the speed with which supply/purchase and commercial/sales strategies are adjusted and properly implemented.

It should be noted that Grupo Vista Alegre has developed a set of investments over the last few years which are aimed at improving the energy efficiency of its processes. The investment included namely the modernisation of ovens, replacing old ones with more efficient ovens with lower specific consumption, with light fibre, with more efficient combustion and control systems, with preheating air combustion, roller systems or wagons with thinner SiC refractory lightweight furniture; use of variable speed drives in higher power engines; installation of photovoltaic panels for electricity production, replacement of fluorescent lamps with LED lighting, among other measures aimed at reducing energy consumption.

Together with the measures to improve consumption efficiency, we are leaders of bidding a consortium within the scope of the green agendas of the Recovery and Resilience Plan, in which hydrogen use appears as a source of energy and is one of the pillars of this project.

The current increase in energy costs naturally has had an immediate impact on the Grupo's results. However, different strategies and policies have been adopted and implemented internally to mitigate the respective effects in the short and medium term. By more efficient management of consumption and of means of production, such as increasing the percentage of

reused waste and of recycled products in final products, by the passing on of the total or partial cost of energy in the sales price to the main customers, by price-fixing contracts as currently happens in electricity, or by adopting some exceptional measures by the Government to support to intensive energy-consumption industries. Furthermore, measures such as accelerating investments and more sustainable policies that depend on renewable energies, including green hydrogen, as well as other innovative processes under study, leading to the development of new products that require less specific energy consumption, and with circularity projects, are factors that accelerate the reduction of risks and dependence on the energy supply of natural gas and electricity.

Fluctuations in exchange rates affect revenues and, consequently, the results and cash flow generated by the Company's sales. The book value of its financial assets and investments, mainly those denominated in U.S. dollars and Brazilian reais, is influenced by exchange rate risk in the consolidated financial statements of the Grupo Vista Alegre expressed in euros.

Adverse changes in the market may have a negative impact on the value of assets and the results of the Grupo Vista Alegre.

Geopolitics

Exposure to political developments and the consequent changes in the operating environment may compromise the continuity of operations and adversely affect the value of assets and the results of the Grupo Vista Alegre.

Significantly adverse changes in project environment may compromise operations and negatively affect the value of assets and results of the Grupo Vista Alegre.

Innovation and Marketing

One of the main critical success factors of the Grupo Vista Alegre is its Innovation and Marketing, for creating value for the VAA brands.

This risk is also associated with the digital world and cybersecurity, where most sales and advertising channels are digital, online sales and all the security risk surrounding the media (internet, television, radio, press).

A digital security breach or failure of the Grupo Vista Alegre's digital infrastructure could damage operations, increase costs and affect the reputation of the Grupo Vista Alegre. The integrity and availability of our systems are also crucial to our operations.

Information systems are crucial for the development of business and any failure in their security, whether accidental - by network, hardware or software failures - or the result of intentional actions - computer attacks - or negligence, can have extremely negative impacts. To minimise potential negative impacts, the Grupo uses external services to reinforce the security of its information systems.

These failures may compromise, cause interruptions or affect the quality of Grupo Vista Alegre's operations and damage its reputation through potential loss, misuse or abuse of confidential information, loss of lives, damage to the environment or to the Grupo's assets, legal or regulatory non-compliance, accompanied by possible fines or another type of penalty.

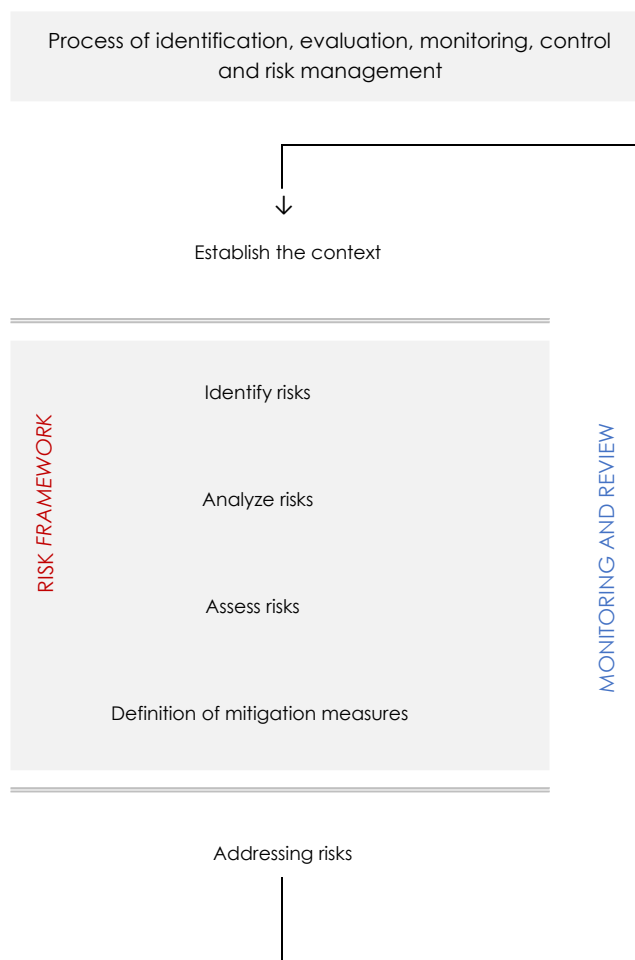
Thus, in addition to all the risks above mentioned, VAA could be exposed to unidentified risks or to an unexpected risk level, despite the risk management policies pursued. In spite of the implementation of careful management methods for each type of risk, in the event of exceptional adverse scenarios, the policies and procedures used to identify, monitor and manage risks; it may not prove to be fully effective.

54. Description of the process of identifying, assessing, monitoring, control and risk management

Bearing in mind that VAA only works as a holding company, the control and management of risks inherent to the activity is carried out directly by the Board of Directors and Executive Committee, to the extent of the respective delegation of powers. In the associate companies, specific control systems are defined for each of the activities, whose most important body is the Board of Directors of each of the companies.

As indicated in paragraphs 50. and 51 *above*, the risk management policy is defined by the Board of Directors, which naturally places careful risk management as a constant and central concern, in line with Recommendations IV.3. and VII.1. This body promotes and creates the necessary conditions for such risks to be duly identified, analysed and controlled, thus reducing the probability of their occurrence and minimising the impacts resulting from the possible occurrence of risks that cannot be avoided.

The *Grupo Vista Alegre's* risk management policy consolidates the objectives and principles in force in terms of the risk management process. In line with this policy and adopting the Recommendation VII.3., a process for risk management based on best practices was created and a flow for the correct identification, assessment, follow-up, control, monitoring and risk management was internally defined. This process consists of several phases, related to each other, which follow a certain logic and determine chronologically the different performance moments of the parties directly involved in the process.



After identifying the risks and carrying out the correct classification of the impacts that they may cause to the Company, an assessment of these risks is carried out based on the classifying criteria of the degree and the risk impact that it may represent.

It is based on this result that a Risk Priority Level will be determined, which will determine which mitigation measures to apply and the term of that application, so that the impacts undergone may be the least materially relevant for the Company.

Risk assessment involves prioritizing risks according to their quantification, that is, the result obtained from analysing each one in terms of: severity, detection and frequency.

The risk profile of the Grupo Vista Alegre (risk framework) is also approved by the Board of Directors and consolidates the identified risk events, the criteria and classification of the degree and impact of each risk, as well as the limits/objectives and levels of acceptable exposure

tolerance for each risk and the respective Risk Priority Level, thus adopting the Recommendations IV.1..

Thus, each risk event is classified through a matrix called Risk Priority Level, which is based on a classification between the degree of risk and the impact of that same risk, described in more detail in point 54 of the Corporate Governance Report.

Assessment of the degree and impact of risk:

The NPR indicator is based on the following matrix:

Degree of Risk → Impact of Risk ↓	2	4	6
3	6	12	18
5	10	20	30
7	14	28	42

Degree of Risk	Description
2	Reduced: unlikely to occur
4	Unwanted: may occur punctually
6	Unacceptable: almost certain to occur

Impact of Risk	Description
3	Low: should not have a materially relevant impact on company's activity
5	Medium: may have an impact on company's activity
7	High: should not have a materially relevant impact on company's activity/results

The main vectors of this matrix are the Degree of Risk and the Impact of Risk, which have the following measures:

Limits/objectives and acceptable exposure tolerance levels for each risk and the respective NPR

Once the NPR level has been determined for each risk event, it is classified according to the following table:

0 - 13	Acceptable	Risk that may be considered acceptable/tolerable if you select a set of measures for its control
14 - 22	Moderate	Risk that should be avoided if it is reasonable in practical terms; requires a detailed research and cost-benefit analysis; is essential to the monitoring
23 - 40	Critical	Intolerable risk; is essential to control the risk (e.g. eliminating the origin of the risks, changing the likelihood of occurrence and/or consequences; transferring the risk, etc.)

The aforementioned policy and risk profile are at the basis of the mitigation measures (which is to say, action plans to increase opportunities and reduce threats/risks) to be applied and the deadline for such application, so that the impacts undergone can be the least materially relevant to the Company, as well as monitoring and reporting actions.

After the treatment of these risks, monitoring, reporting and review stages are followed, in which the risk is assessed annually, through a review meeting of the VAA Quality Management System, the identified risks are monitored and new risks and opportunities are identified. In this monitoring, the effectiveness of action plans is assessed and adjustments to the system are considered.

Those responsible for mitigation, monitoring and reporting are the executive directors responsible for the areas related to the environment and quality management system, risk analysis and internal audit.

The stages of this risk management process allow the Company to annually assess and review the degree of internal compliance and the performance of the risk management system. Moreover, it will allow the assessment, review and possible changes, on an annual basis, of the risk management system, and of the risk profile and policy by the Board of Directors, in which case the Statutory Audit Board also gives its opinion regarding the powers of these bodies, referred to in the above paragraph 50 and in accordance with Recommendation VII.5.

Aware of the fact that the operations continuity depends critically on the mitigation and control of risks that can significantly affect all of its assets (people, equipment, service quality, information, installations) and therefore jeopardize its strategic purposes, VAA and in particular its Board of Directors focus on the risks inherent to its activities.

The permanent evaluation of the risk management procedures allow a timely intervention, mitigating potential risk situations, since timely identification of their causes and intervention help to minimise possible impacts that may occur.

In particular, the following assessments/controls of the external and internal environment are highlighted:

- Control in the external environment is mainly carried out by the Financial Management, who is responsible, based on the external information collected, for the approval of the credit to be granted, and control of the ceiling established and/or to be established. In this sense, the granting of loans to customers is based on a careful evaluation of the management capacity, the evaluation of the assets and the credit guarantees given by each client.
- An external environment control is also carried out by the Quality Department, through audits performed to suppliers, in order to evaluate their own management capacity and thus

ensure supplies that are compliant, stable and with the quality required by the Grupo Vista Alegre.

- It is also practice of the company and its associate companies to insure all areas, for the amounts deemed adequate, thus seeking to cover a significant set of property and personal risks. Whenever justified, and in a similar way, the company endeavours to mitigate the risks arising from possible fluctuations in foreign exchange markets by reducing its exposure to them, either by contracting, when necessary, derivative financial instruments that allow it to hedge these fluctuations effectively or by preferentially carrying out transactions in euros. In terms of exposure to interest rate risk, it is mitigated by contracting loans at fixed interest rates, avoiding exposure to fluctuations that may occur.

Bearing in mind the above described as well as in points 50. to 55., VAA believes that the risk management policy implemented in the Company is adequate to effectively manage the main risks, thus allowing to reduce the frequency and respective impacts, adopting Recommendation VII.4.

The internal control systems and internal audit in the Company is characterised by the organisation in processes, having been implemented the cycle of continuous improvement whose fundamental vectors are based on planning, execution, control and action in the face of deviations.

Thus, each process is characterised by the existence of a set of operational procedures, defined and approved by top management, which are disclosure and promoted by various levels of the organisation, complemented by the existence of performance measurement measures (*KPI's - Key Performance Indicators*) that fulfil the purposes defined above. Monitoring is evaluated on a regular basis. These processes stand out for their scope, including the shared services provided within the business group, which the Company belongs to, and the set of all activities carried out in each of the manufacturing plants that are part of the Grupo, and since 2011, its own retail network in Portugal and abroad.

In order to bring together the different processes that characterise the organisation, each one of them is led by a manager, chosen by the director in charge for that department, who is responsible for:

- Coordinating the definition of the regulations inherent to each process (including procedures, instructions, specifications, registration forms and other documents);
- Coordinating the implementation of the approved regulations applicable to the respective process;
- Managing the interconnection between all the elements of its process, and between its process and the remaining elements;
- Monitoring the performance against highly defined indicators;
- Analysing possible causes of deviations and propose its correction;

- Monitoring the implementation of defined actions.

The different process managers respond to an executive director, who reports to the Board of Directors, namely to the director responsible for that department, and is responsible for ensuring implementation and performance in accordance with approved procedures, reporting on their performance and possible adjustment needs, as well as promoting the operation and promotion of continuous improvement of all established procedures. The Board of Directors, provides the necessary resources to achieve the purposes defined above.

For the operation evaluation, VAA has a team of internal auditors, composed of elements from several business areas, and approves an annual plan that covers all processes and areas considered relevant to the management system. This plan is defined in the beginning of each year and is disclosed internally in the company and is available on the intranet. On a monthly basis, the internal audit actions are carried out, verifying whether the activities and results are in line with what is planned. Within this context, the evaluation of the execution of actions defined for previous occurrences is carried out in order to determine whether they complied with the timing and what effectiveness was obtained. The internal audit actions give rise to evaluation reports which are informed to the different responsible parties involved in the process. On what the manager of each process is concerned, he/she is responsible for justifying the deviations identified, indicating corrective and/or preventive measures, assigning employees and deadlines, whenever this is deemed necessary. In this process it is also important to identify the impacts on society. These reports are the subject of a report to the director responsible for the respective department.

The result of these audits is transferred to biannual follow-up reports, of which is given the management's due knowledge and which also assists in the preparation of the annual review report of the system and whose review seeks to involve all internal control system's parties (administration, executive director, process managers and other people in charge of the manufacturing units and other areas of the system).

Thus, the operational and continuous improvement of the system and its processes is still achieved through a periodic set of corrective and/or preventive actions defined by the managers of all the processes.

During the meeting regarding the management system's evaluation (which currently is carried out annually) all management elements are analysed. In this process, the audits' results, the resources assigned to, the status of the corrective and preventive measures, the evaluation of the existing performance indicators, the analysis of deviations, their impacts on society, as well as suggestions for improvements are analysed.

55. Main features of the company's internal control and risk management systems implemented in the company in relation to the financial reporting process (article 29-H, no 1, paragraph I)):

Regarding the process of information disclosure and inherent risks control must be considered mainly the internal risk and the risk regarding the Grupo's relation with the exterior (compliance risk).

Thus, in addition to the control of the various managers and the management and supervisory bodies, we highlight the control of the Internal Audit, which is based on the various approved procedures and good management practices, the equally controlling action performed by the Management Control Department and the Quality Management.

As far as procedures are concerned, such control are expressed in the periodic external audits carried out, both in the scope of administrative and control process certification that covers all areas, and the accounts review and certification. These include comprehensively, verifying the adequacy of the procedures, identifying deviations, adopting corrective measures and reviewing the financial information produced, verifying their accuracy and reliability, compliance with applicable legal and articles of association's regulation, consistency and reasonability of the consolidated information as well as the process leading to it. They also involve a review of the Company's internal control procedures as a process designed to promote an acceptable level of safety regarding the achievement of operational purposes, compliance with standards, rules and procedures as well as the credibility of the individual and consolidated financial reporting process itself.

Thus, the existence of a set of operational processes and procedures, previously defined and established, transversal organised in the Company, seeks to provide a reliability and accuracy of the supporting information produced and that it will be the basis for the preparation of the financial statements and subsequent information disclosure process.

Furthermore, Grupo Vista Alegre has been implementing an accounting management system, which allows to control the income and expenses of each segment, monitoring its profitability and defining preventive and/or corrective measures whenever necessary.

In addition to the internal control levels set up and the periodic internal audits to which they are subject to, the external audits are regularly checked for the accounting records and supporting documents, the accuracy of the individual and consolidated accounts, the accounting policies and valuation criteria adopted by the company, in order to ensure they transmit the correct evaluation of the Company's assets and income. Moreover, the compliance with legal and standard provisions are also subject to a periodic monitoring.

Thus, the process of financial information production and treatment, regarding its different levels, is closely monitored by the corporate bodies, taking into account the company's

structure, but in particular regarding its disclosure, being subject to prior approval. The control is carried out by the financial, fiscal and legal external auditors, which carry out their activity in all areas and in all the Grupo's companies, as well as a continuous internal and external audit carried out in compliance of the Company's quality management system, aiming at ensuring that the existing information is completed, promoting the reduction of possible non-compliance risks.

VAA has a reasonable level of confidence in the internal control system implemented, viewing as appropriate the segregation of existing functions and procedures as well as the defined authorisation procedures and levels, considering that risk management is assured, mainly regarding the process of financial disclosure.

IV. INVESTOR SUPPORT

56. Service responsible for the investor support, composition, functions, information provided by such services and contact elements:

The service in charge of investor support is the Investor Relations (IR) Department, which is currently the responsibility of the Advisor of the Board of Directors for that area, Romas Tauras Veselauskas Vieasulas, who is also the Representative designated by the Company for Market Relations and relations with CMVM.

The department of Investor Relations (IR) ensures the management of the Company's relations with the capital markets, namely Shareholders, retail and institutional investors and financial analysts, ensuring that the result of the Company's communication to the market is a full and consistent perception of VAA's strategy and operations, so that investors can make informed decisions, in line with Recommendation I.I.1.1. For this purpose, the IR Department produces and provides the market with relevant, clear and objective information about VAA, in a regular, transparent and timely manner.

The IR Department is also responsible for complying with VAA's legal reporting obligations as an issuer of securities listed for trading, including to market regulatory and supervisory authorities (in particular CMVM), covering production and information processing responsibilities with emphasis on preparing results disclosure reports and activities of the Grupo Vista Alegre, the drafting and disseminating communications on inside information and receiving and responding to requests for information from investors, financial analysts and other agents in the capital market.

The IR Department follows the evolution of the VAA share price and supports the management team through direct and regular contacts, with financial analysts, both in conferences and collective presentations whether aimed at investors or in bilateral meetings.

Contacts with the IR Department are made by telephone or email to: +351 926 062 338; romasviesulas@vistaalegre.com.

57. Representative for Market Relations:

The Representative for Market and CMVM Relations is Romas Tauras Veselauskas Vieasulas, as per the information contained in number 56. above.

58. Information on the proportion and response timing to request information entered during the year or previously:

To promote a close relationship with the capital market community, the IR department ensures that requests for information received are answered through the telephone and e-mail contact identified in number 56. above.

Answers and clarifications are provided as soon as possible, adapting the deadline for response to the nature and complexity of the issues in question, and always ensuring the transparency, symmetry and consistency of the information available on the market.

On the 31st of December 2023, VAA had no pending information request and the average response time to requests sent to its Investor Support Office was less than 5 (five) business days. In 2023, 124 requests for information were received and answered.

V. WEBSITE

59. Address(s):

www.vistaalegre.com

60. Where is the information on the company, on the quality of an open society, on the head office, and other elements mentioned on article 171 of the Commercial Companies Code:

The information on the company, on the quality of an open society, on the head office, and other identifying elements of the Company can be found on VAA's corporate website at www.vistaalegre.com ("Investors" tab).

61. Where are the articles of association and the operating regulations of the corporate bodies/committees:

VAA's governing bodies and internal committees have regulations defining, in particular, their duties, powers, responsibilities, chairmanship, frequency of meetings, operation and the duties of its members.

The updated articles of association of the Company are available on the institutional website of the VAA with the address www.vistaalegre.com ("Investors" tab), in line with the Recommendation I.2.2.

These Regulations have reinforced the Company's internal corporate governance rules and in some cases reflected the governance practices already implemented by VAA's Board of Directors and Supervisory Board.

62. Where is the information on the identity of the corporate bodies' members, the representative for market's relationships, the Investor Support Office or similar, its functions and access means:

Information on the identity of the corporate bodies' members, the representative for the market's relationships, the investor support office (IR Department), and their functions and access means are available on the VAA's institutional website at www.vistaalegre.com ("Investors" tab).

In line with the Recommendation II.2.3., the information on the composition, the number of annual meetings of the corporate bodies is available on its corporate website www.vistaalegre.com ("Investors" tab).

63. Where the accounting documents were provided at least for five years, as well as the calendar of corporate events, disclosed at the beginning of each semester, including inter alia, general meetings, disclosure of annual, half-yearly and, if applicable, quarterly financial statements:

The accounting documents (quarterly, half yearly and annual) are available on the Information Dissemination System (IDS) of the Securities Market Commission (www.cmvm.pt) as well as in the institutional website of the VAA www.vistaalegre.com ("Investors" tab), remaining accessible for a minimum period of 5 years.

64. Where are disclosure the convening of the general meeting and all preparatory and subsequent related information:

The convening for the General Meeting, together with all the preparatory and necessary documents for the consideration and voting of the items on the agenda, are disclosed on the CMVM website and on the institutional website of the VAA (www.vistaalegre.com), and are also available for consultation.

65. Where is available the historical collection with the resolutions made during the company's general meetings, represented capital and voting results, with reference to the previous 3 years:

The historical background of the past years with the resolutions passed at general meetings, the share capital represented and the results of voting are available on the *Company's* website – www.vistaalegre.com (tab "Investors").

Part I

Information regarding the Shareholders Structure,
Organization, and Corporate Governance

D. Remunerations

D. REMUNERATIONS

I. POWERS TO DETERMINE

66. Indication as to the competence to determine the remuneration of the corporate bodies, the members of the board of directors or the executive director and the managers of the company:

In accordance with the Articles of Association and in line with the Recommendation VI.2.2., the corporate bodies' members will have fixed and / or variable remuneration, according to whatever is decided by the General Meeting, or by a Remuneration Committee composed of three members, elected together with other bodies by the General Meeting, which chooses the President, who is assigned the casting vote.

The Company's General Meeting held on the 5th of June 2023 elected a Remuneration Committee to be in office during the year 2023.

Under Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16th of April, only the respective members of the Board of Directors and of the Supervisory Board are qualified as VAA managers.

II. REMUNERATION COMMITTEE

67. Composition of the Remuneration Committee, including identification of natural or legal people hired to provide support and declaration on the independence of each of the members and advisors:

On the 31st of December 2023 and as of this date, the Remuneration Committee elected by the General Meeting for the 2023 term of office was constituted as follows:

Visabeira Indústria SGPS, S.A., represented by Mr. Carlos Manuel Mafra Valverde	Chairman
Grupo Visabeira S.A., represented by Mr. Paulo Alexandre Rodrigues Ferraz	Member of the Board
Cerutil – Cerâmicas Utilitárias, S.A., represented by Mr. Márcio Gabriel Pina Pereira	Member of the Board

All members of the Remuneration Committee are considered independent of the Board of Directors and the Supervisory Board of VAA, to the extent that said members and their spouses, relatives and related individuals in direct line up to and including the third degree are not members of such bodies.

In 2023, and despite having this power, the Remuneration Committee did not hire or require the hiring of any natural or legal person to provide services to support the performance of its duties.

In the context of its duties, the Corporate Governance Committee of the Board of Directors is responsible for presenting recommendations and opinions to the Remuneration Committee on the rules and recommendations applicable and deemed appropriate in this respect: (i) the remuneration policy of the members of VAA's management and supervisory bodies; and (ii) the independence of any service providers to that committee (the contracting of these providers by the Grupo Vista Alegre being subject to the authorisation of the Remuneration Committee and the approval of the Corporate Governance Committee).

VAA therefore adopts Recommendations VI.2.1., VI.2.5., VI.2.6. and VI.2.7. regarding the independence of the members of the Remuneration Committee and any service providers to this committee.

68. Knowledge and experience of the remuneration committee's members on remuneration policy:

The members of the Remuneration Committee have knowledge and skills in remuneration policy, based on their academic training and extensive professional experience in companies (including a combination of expertise in the legal area and in the areas of business management, finance and risk analysis), for an appropriate reflection and decision on matters of responsibility of the Remuneration Committee.

III. REMUNERATION STRUCTURE

69. Description of the remuneration policy of the corporate bodies mentioned on article 2 of the law 28/2009, on the 19th of June:

At the VAA General Meeting held on the 5th of June 2023, the following Remuneration Policy for Management and Supervisory Bodies was unanimously approved (15,116,162 votes cast, corresponding to 90.1650% of the voting share capital) complying with Recommendation VI.2.2.:

"Whereas:

- a) **Legal requirements and recommendations**, respectively, (i) to articles 26 A to 26 F of the Securities Code, approved by Decree-Law 486/99, of the 13th of November, as amended in particular by the recent Law 50/2020, of the 31th of August, and (ii) to the Recommendations contained in Código de Governo das Sociedades do Instituto Português de Corporate Governance (IPCG Code) of 2018, revised in 2020, determine that the Remuneration Committee submits the remuneration policy to be applicable to the different governing bodies for approval by the General Meeting, at least every four years and whenever there is a relevant change in the current remuneration policy, with the content and purposes provided for in the aforementioned legal and recommendatory provisions.
- b) When setting remunerations and preparing the aforementioned policy, the Remuneration Committee is responsible for complying with the following provisions contained in the

Commercial Companies Code (see Articles 399, 374-A and 422-A), as well as the Company's Articles of Association:

- ✓ The remuneration quantum of the corporate bodies, by the Remuneration Committee, must take into account the functions carried out and the company's economic situation;
 - ✓ The variable remunerations of the Board of Directors may comprise a share not higher than 5% of the fiscal year's net profit and;
 - ✓ The remuneration of the members of the Fiscal Board and of the General Meeting Board should be a fixed amount to be determined as foreseen legally and according to the articles of association for the remaining corporate bodies (functions carried out and the company's economic situation).
- c) Also in that context, the Remuneration Committee still considers it relevant to comply with the Recommendations contained in the IPCG Code, in accordance with the terms presented herein.
- d) As established in the Company's Articles of Association, the members of the corporate bodies will have fixed and/or variable remuneration fixed by the General Meeting or by a Remuneration Committee elected at the General Meeting. This policy was prepared by the **Remuneration Committee** elected by the General Meeting held on the 6th of June 2022 and composed of 3 independent members in relation to the Board of Directors and the Audit Committee of the Company (insofar as the referred members and their spouses, family member and relative in the straight line up to and including the third degree, do not form part of such bodies).
- e) In turn, the **Corporate Governance Committee of the Board of Directors** of the Company (composed of a majority of independent directors) issued an opinion on this date regarding the terms of the present policy prepared by the Remuneration Committee, with reference to the above mentioned standards and recommendations considered appropriate in regard to the remuneration policy for the members of the management and supervisory bodies.
- f) The Remuneration Committee also considers relevant, for **transparency and information**, that:
- ✓ The remuneration policy is immediately disclosed on the VAA website, containing mention of the voting results and the respective date of approval at the General Meeting.
 - ✓ The members of the Remuneration Committee confirmed the absence of conflict of interest in the context of the decision to approve this policy proposal.
 - ✓ This Committee is also bound before the Shareholders to the presence of its Chairman or, in his/her absence, of another member of this Committee at the annual general meeting and in any others if the respective agenda includes matters related to remuneration or if requested by a shareholder of the Company.
- g) The **decision-making process** described, which gave rise to the present proposal to be submitted to the General Meeting, contributes effectively to avoiding conflicts of interest, in addition to the rules adopted by the Company to identify and manage any conflicts.

I. REMUNERATION OF CORPORATE BODIES AND SUPERVISORY BOARD BY REFERENCE TO THE MANDATE FOR 2022:

- 1) In this policy and in the governance report for 2022, information is presented to Shareholders on the **implementation of the remuneration policy approved at the General Meeting held on the 6th of June 2022 and the remuneration received in 2022.**
- 2) Thus, in the mandate for 2022, the following **criteria were applied with regard to the fixed component of the remuneration of the members of the Board of Directors and the Fiscal Board** of the Company, especially considering the functions performed and associated responsibilities (taking into account the model of government and organisational structure, as well as the initiative, effort, commitment, competence and dedication inherent) and the situation of the Company (i.e. , the shareholder structure, organisational structure and above all the economic situation):

Board of Directors ^(a)	Monthly Fixed Remuneration (€)
Non-executive and non-independent administrator	0 ^(b)
Executive Director with responsibilities in the areas of operations, retail commercial area (internal market), B2B (crystal and glass) and online, strategy and coordination of the hotel business, sustainability, QMS and continuous improvement, innovation and energy transition and marketing & design	8,000.00 ^(c)
Executive Administrator with responsibilities at the level of human resources and financial department	2,700.00 ^(d)
Chairman of the Board of Directors with responsibility for investor relations	5,000.00 ^(d)
Executive Director with responsibilities in the areas of customer service and master data, digital transition (administrative processes) and revenue assurance	5.500,00 ^(e)
Non-executive and independent administrator	2500.00

^(a) Fixed gross monthly remuneration earned fourteen times a year from the 1st of June 2021.

^(b) Members of the Board of Directors that perform management functions in other entities of the business group in which the Company operates are not remunerated by VAA.

^(c) To the extent that they carry out remunerated management functions in other companies of Grupo Vista Alegre, the members of the Board of Directors do not receive any remuneration paid by VAA (as disclosed in the annual corporate governance report).

^(d) Position with accumulation of functions and synergies in the context of the business group in which the Company operates.

^(e) Position that implies exclusive dedication to the functions in Grupo Vista Alegre.

Fiscal Board ^(a)	Monthly Fixed Remuneration (€)
Chairman	700.00
Member of the Board	600.00

^(a) Fixed gross monthly remuneration earned fourteen times a year from the 1st of June 2021.

- 3) Still in 2022 and after the aforementioned Annual General Meeting, the Remuneration Committee continued to monitor the context of uncertainty experienced as a result of the conflict between Russia and Ukraine with caution, as well as all resulting impacts, having understood that it was justified to apply the variable remuneration model referring to the 2021 performance provided for in the remuneration policy approved at the General Meeting of the 16th of June 2021 for the term under analysis. For this purpose, it considered meeting the various corporate and individual criteria which were expressly approved by the Annual General Meeting on the 6th of June 2022. Thus, this Committee decided **to pay a variable remuneration to all members of the Executive Committee in 2022**, given the persistence of the extraordinary context of the COVID-19 pandemic during the financial year under analysis, which represented broad challenges in terms of corporate resilience and sustainability. The variable remuneration was based on the measurement of a weighted average of achieving higher than 90% of the targets for the financial performance evaluation criteria contained in the model approved at the aforementioned Annual General Meeting on the 6th of June 2022, such as turnover, operating result, EBITDA and net debt. Once this condition was verified, the setting of the respective amount resulted from the weighting of **95% of the various corporate criteria** (e.g. quantitative corporate criteria referred to above (75% weight); brand recognition (5% weight); execution of at least 85% of the investment plan (10% weight) and sustainability indicator (10% weight)) and **5% of the various individual criteria** (e.g. contribution to the reputation of society, organisational culture and relationship with shareholders (2.5% weight) and contribution to the performance of the executive team (Executive Committee functioning, strategic and/or commercial vision, depending on the area (2.5% weight), included in the variable remuneration model for 2021 approved at the Annual General Meeting on the 6th of June 2022, with the limits per department and the total fixed remuneration for 2021 of the executive team contained therein not having

been exceeded, the respective payment having occurred without deferral, after approval of the 2022 accounts, in accordance with what was approved at the Annual General Meeting.

Thus, the Remunerations Committee understood that the **extraordinary derogation in the variable remunerations component for the 2021 financial year regarding the principal of partial deferral of payment** and the adjustment mechanisms that could result from it, is appropriate insofar as it was understood that before (i) the persistence of a particularly challenging and extraordinary scenario, (ii) the maximum limit of the variable remuneration according to quantitative corporate criteria established, (iii) the annual terms of Vista Alegre bodies (with fixed and variable components to be reviewed annually) and (iv) the defined assessment criteria, such deferral is not justified in order to discourage excessive risk-taking and to promote the imminent alignment of management with a perspective of long-term sustainability and resilience.

This derogation is assumed as necessary and essential to contribute to the implementation of the strategic plan by the executive team in the concrete scenario of enormous demand for the executive team, thus serving the long-term interests and sustainability goals of the Company. In this way, it is possible to allocate variable remuneration in order to ensure the motivation of the executive team, without the variable remuneration exceeding 12.5% of the total fixed remuneration for 2021 of the executive team.

- 4) In **implementing the terms of the remuneration policy in 2022**, no departures or derogations from its application took place in view of what had been approved at the Annual General Meeting of the VAA on the 6th of June 2022.
- 5) With regard to the **evaluation of the Company's performance in 2022**, in a statement issued to the market, VAA disclosed the consolidated results for 2022 approved by the Board of Directors, of which the Remuneration Committee highlights the following:
 - (i) Vista Alegre registered a decrease during 2022, when compared to the same period of the previous year, in terms of **turnover, operating results and EBITDA**. Turnover of 143 million euros, operating income of 11.3 million euros and EBITDA of 27.5 million euros represent an increase of 22.5%, 21.3% and 21.3% respectively over the same period.
 - (ii) 2022 was marked by a strong increase in the costs of energy, fuel and raw materials, as a result of the increase in inflation namely caused by the conflict between Russia and Ukraine, thus generating an increase in uncertainty in the macroeconomic context at a global level.
 - (iii) However, the Company showed resilience and adaptability to this adverse context, and the resulting negative impact was mitigated by continuous

investment in improving the efficiency of production processes and more careful management of consumption and means of production.

- (iv) The Company maintained in this exercise the **implementation of a strategic plan** focused mainly on the development of new products and collections, on the formalisation of strategic partnerships with suppliers and designers, as well as the improvement of productive efficiency and technological innovation.*
 - (v) The markets of Brazil and the United States of America, and the markets of the Netherlands, France, Spain and Germany in Europe, were the main international contributors to sales in the foreign market, representing 72% of the turnover of Vista Alegre, with 103 million euros in sales. Although the increase was across all business segments, the stoneware and porcelain segments were the ones that served as a catalyst for the growth in turnover for 2022, with porcelain revenues reaching 49.8 million euros, representing a growth of 17.2% compared to 2021, and stoneware revenues reaching 62.3 million euros, representing a growth of 23.8% compared to 2021.*
 - (vi) In turn, **investments** made in 2022 corresponded to around 7 million euros, namely in the acquisition of equipment in the porcelain and stoneware segment, thus continuing to promote greater operational efficiency and cost reduction.*
 - (vii) Vista Alegre's **consolidated net debt** in 2022 was reduced by around 11.7 million euros compared to the previous year.*
- 6) *Additionally, the Remunerations Committee was aware of the results of the **Company's Board of Directors' self-assessment for 2022** and concluded that this body continues to demonstrate, as according to the assessments carried out during previous years, a high level in terms of its composition, functioning and the activity carried out in relation to the analysis of the performance of the Company and its subsidiaries, the monitoring of the strategic and financial challenges of Grupo Vista Alegre, the definition of corporate governance practices and policies, standards of conduct, human resources, social responsibility and sustainability, the supervision of the Executive Committee's activity and coordination with the other governing bodies (General Meeting, Supervisory Board and Chartered Accountant), which translates into a very positive assessment of the performance of this governing body overall. Despite the discussion of the various types of risk applicable to the sector in which the Grupo Vista Alegre operates, throughout the year the Board of Directors' agenda, the definition of the strategic plan, budget and risk profile, as well as the supervision of the systems of internal control, risk management and internal audit were identified as areas for continuous improvement, which demonstrates the increasing relevance of risk management topics in the definition/management of the business strategy itself, especially in contexts of uncertainty as was effectively the case during 2022.*

With regard to advance notice for the meetings of the Board of Directors, as well as the availability of information to support the respective meetings, including the detail in which it is presented, continues to be identified as an area for improvement in order to render the members of the Board of Directors contribution more effective, namely the non-executive directors. With an equivalent result and a similar purpose, communication with shareholders by the Chairman of the Board of Directors, was again identified as an area to be strengthened.

Reinforcement of the Board of Directors' intervention in the areas identified above, whether including the topics under analysis in the agenda of the respective meetings with a view to ensuring ongoing monitoring by this governing body or through greater and more effective coordination of the areas under analysis with the non-executive directors themselves will continue to be, in the opinion of the Corporate Governance Committee, the most effective process of approaching, discussing and effective monitoring the topics, with the consequent strengthening of procedures and practices, which prove to be the most appropriate for effective implementation.

- 7) *The **current environment of uncertainty is still largely driven by the Russian invasion of Ukraine in 2022** and its impacts on global economic prospects (e.g. increase in energy costs, disruption of supply chains and inflationary trends without unprecedented recent), imposing special cautions for the Company and the implementation of measures to mitigate the indirect impacts of this scenario on its business.*
- 8) *In view of the evolution of the Company's economic and financial situation in this context, the Company's Remuneration Committee considered, on this date, that it was appropriate to implement the **variable remuneration ("RV") model referring to the 2022 performance provided for in the approved policy, with the following characteristics** that aim to contribute to the long-term sustainability of the company and the group and to further strengthen the alignment of management interests:*

Variable Remuneration model		2022
Eligible Directors		<i>All members of the Executive Committee</i>
Maximum variable remuneration per departments:		
- CEO		<i>- Up to 15% of the fixed remuneration ^(a)</i>

Variable Remuneration model		2022
<ul style="list-style-type: none"> - Financial and Human Resources - Operational, Commercial and Marketing & Design - Customer Service, Digital Transition and Revenue Assurance 		<ul style="list-style-type: none"> - Up to 7.50% of the fixed remuneration ^(a) - Up to 13.50% of the fixed remuneration - Up to 7.50% of the fixed remuneration
<p>Quantitative corporate criteria</p> <p>(Goals set to be evaluated by the Remuneration Committee taking into account the plan and budget and the policy approved by the General Meeting)</p>		<ul style="list-style-type: none"> - Turnover - Operating income - EBITDA - Net debt
<p>Minimum degree of achievement of quantitative corporate criteria for 2022</p> <p>(If the Company does not reach this minimum level of achievement, none of the eligible executive directors will receive any amount as a variable remuneration)</p>		<p>90% achievement of goals for all the aforementioned criteria</p>
<p>If the minimum degree of achievement of all quantitative corporate criteria is verified, the variable remuneration will be defined by applying the following criteria:</p> <p>1. Corporate Criteria:</p> <ul style="list-style-type: none"> - Quantitative corporate criteria mentioned above - Brand recognition - Execution of at least 85% of the investment plan 		<p>1. 95% total weight</p> <ul style="list-style-type: none"> - Weight of 75% - Weight of 5% - Weight of 10%

Variable Remuneration model		2022
<p>- Sustainability indicator (i.e., ISO 9001 adoption)</p> <p>2. Individual criteria:</p> <p>- Contribution to the company's reputation, organisational culture and relationship with shareholders</p> <p>- Contribution to the performance of the executive team (EC functioning, strategic and/or commercial vision, depending on the department)</p> <p>(In all cases, the goals set to be evaluated by the Remuneration Committee taking into account the plan and budget and the policy approved by the General Meeting)</p>		<p>- Weight of 10%</p> <p>2. 5% total weight</p> <p>- Weight of 2.5%</p> <p>- Weight of 2.5%</p>
Assignment and payment		<p>Evaluation, attribution and payment by the Remunerations Committee after approving the accounts of the General Meeting, only with deferral if a maximum limit representing between 20% and 40% of the fixed annual remuneration is applied (not less than 50% and for a period of three years).</p>

^(a) Position with accumulation of functions and synergies in the context of the business group in which the Company operates.

II. PRINCIPLES AND CRITERIA FOR STRUCTURING THE REMUNERATION OF CORPORATE BODIES AND SUPERVISORY BOARD IN THE MANDATE FOR 2023:

The Company's Remuneration Committee generally maintains the principles and criteria for structuring the remuneration of the members of the Company's management and supervisory bodies that have been implemented in recent years, therefore submitting to the Shareholders the following REMUNERATION POLICY OF THE COMPANY'S MANAGEMENT AND SUPERVISORY BODIES, containing the following principles and criteria for structuring remuneration for the 2023 term (with the adjustments expressly identified below):

(a) Contribution to the Company's business strategy and sustainability, taking into account the long-term interests of the Company and its shareholders.

(i) The remuneration of the members of the Board of Directors continues to be mainly determined based on the following criteria:

✓ Competitiveness, taking into the account the sectoral practices of the Portuguese Market.

- ✓ *Equity, and the remuneration must be based on uniform, consistent, fair and balanced criteria.*
 - ✓ *Effectiveness of the functions and responsibilities carried out.*
 - ✓ *Performance evaluation, according to the functions and the level of responsibility assumed and taking into account the performance evaluation criteria to be considered in the eventual variable component of the executive directors' remuneration as described in (b) below.*
 - ✓ *Alignment of the interests of managers with the Company's interest and disincentive for excessive risk taking in the setting and implementation of strategic orientation, namely taking into account the balance between the fixed component and the eventual variable of the remuneration of the executive directors and the performance evaluation criteria it would depend on, as described in (b) below.*
 - ✓ *Weighting the several interests of the Company's shareholders in particular:*
 - the interests of employees, with a view to promoting measures that meet the conditions of employment and remuneration within the legal and economic framework. (i) in maintaining and defining the principles applicable to the remuneration of the members of the governing bodies in 2022 and 2023, under the terms set forth herein, the Remuneration Committee took into account the current socio-economic and Grupo Vista Alegre context, marked by the adoption of measures aimed at contributing to the resilience and sustainability of the Company and the continuity of its business; and (ii) the remunerations defined take into account an exercise of analysis of the evolution of the conditions of the employees and the salary difference between the members of the governing bodies and employees of the Grupo Vista Alegre in relation to the respective functions and responsibilities; and*
 - the shareholders' interests, contributing to the creation of long-term shareholder value and defining a remuneration model aligned with the importance, at the present moment, of promoting the Company's resilience and sustainability.*
 - ✓ *The economic situation of the Company, in particular within the context of the continuous uncertainty regarding the evolution and impacts of the war between Ukraine and Russia in the economic perspectives on a global scale and in VAA's business, naturally dependent on the evolution of this situation of an extraordinary nature whose persistence poses challenges to the resilience and sustainability of business models.*
 - ✓ *Depending on their respective portfolios and/or the accumulation of positions and taking into account their shareholder structure and organisational structure, some members of the Company's Board of Directors may be remunerated at the level of companies of the business group that the Company integrates and/or at the level of companies of Grupo Vista Alegre.*
- (ii) *In turn, the remuneration of the members of the Fiscal Board continues to be mainly determined based on the following criteria:*
- ✓ *Responsibilities associated with carrying out functions.*
 - ✓ *The Company's economic situation in particular within the current context.*

(b) Components of the remuneration of members of governing bodies, including fixed component and eventual variable component

(i) The remuneration of non-executive members of the Board of Directors (including members of the internal committees of this body) for the year 2023 comprises only a fixed component.

(ii) The remuneration of the executive members of the Board of Directors for the year 2023 includes a fixed component and a possible variable component with extraordinary character in view of the prudence and disincentive to the excessive assumption of risk that the current moment of the Company and the panorama in which it operates requires.

(iii) The fixed part of the remuneration of the members of the Board of Directors consists of a monthly amount payable fourteen times a year, to be established according to the complexity and responsibility of the duties assigned, to and the Company's economic situation;

(iv) The allocation of a possible variable component to the executive directors shall, in any event, have by mechanisms to promote an adequate alignment, in the medium and imminently in the long term, of the interests of management with those of the Company, such as the following financial and non-financial performance evaluation criteria:

- ✓ strategic and financial performance objectives of the Company, taking into account quantitative indicators of the degree of implementation of the strategic plan and appreciating the evolution of turnover, operating results and EBITDA.*
- ✓ initiatives and goals for creating value for shareholders and for maintaining and developing the Company's financial and business sustainability as well as competitiveness, in the long term and in line with the strategic plan and appreciating the evolution of financial strength and investments and measures of ESG (Environmental, Social and Governance) adopted.*
- ✓ compliance with qualitative objectives of maintaining and developing a favourable image as well as recognition and notoriety for the Company.*
- ✓ compliance with individual and qualitative objectives of the Director's efficiency when carrying out his/her functions in terms of the strategic and commercial vision and the results obtained.*

(v) The variable component of the executive directors is of a possible and extraordinary character as stated and, if the Remuneration Committee considers that there are conditions for their allocation from a long-term economic and financial sustainability perspective of the company and the group, in any case and with a view to further strengthening the alignment of interests referred to:

- ✓ assume the verification and measurement of the Company's sustained performance levels, taking into account the performance assessment criteria referred to above, (a) to be quantified and implemented by the Remuneration Committee, taking into account the Company's strategy and risk profile/policy approved by the Board of Directors, especially within the scope of the Company's plan and budget, and (b) to be evaluated according to the*

- qualitative and quantitative evaluation process, as applicable, by the Remuneration Committee after the approval of the accounts for the relevant year by the Meeting General.*
- ✓ *this component shall have a possible maximum limit representing no more than 40% of the annual fixed remuneration, nor 25% of the annual remuneration.*
 - ✓ *only if a maximum limit representing between 20% and 40% of the annual fixed remuneration is eventually applied by the Remuneration Committee, this component will be partially deferred over time in a significant part of not less than 50% and for a period of three years, (a) associating it with the confirmation of the sustainability of the Company's performance (positive performance of the Company) and (b) providing for adjustment mechanisms that may, in exceptional situations, determine the refund of variable remuneration (related to false statements and/or errors materially relevant in financial statements or significant losses to which an objective conduct of the director in violation of his legal duties has contributed decisively) and (c) establishing, still, the inadmissibility of the execution of contracts or other instruments that have the effect of mitigating the risk inherent in variability of this possible component of the remuneration.*
- (vi) *No bonus system is established in addition to the possible variable remuneration described above and there are no other significant benefits of any kind obtained by the members of the management bodies.*
- (vii) *Directors who, however, carry out management functions in other entities of the business group in which the Company is inserted and/or at the level of companies of Grupo Vista Alegre may or may not have a remuneration for the exercise of their position in VAA, in terms to be defined by the Remuneration Committee, bearing in mind the principles and criteria contained in this and the shareholder and organisational structure of VAA.*
- (viii) *The remuneration assigned to the members of the Fiscal Board should consist of a fixed amount, to be established according to the complexity and responsibility of the duties assigned, to and the Company's economic situation;*
- (ix) *The remuneration of the members of the corporate bodies and fiscal board does not include any mechanism for the assignment or purchase of shares or other rights on the Company's or any of its subsidiaries' shares.*
- (x) *The remuneration paid to the members of the Board of the General Meeting shall consist of a fixed amount to be determined taking into account the duties performed and the economic situation of the Company.*
- (xi) *With regard to the Chartered Certified Accountant, a fixed amount should be established, and it is proposed, as a guiding criterion of the remuneration policy to be implemented regarding each of the audited fiscal years, which the annual remuneration rate reflects the terms of the remuneration usually applicable, by reference to the market, for the provision of identical services.*
- (c) *Agreements, termination clauses and supplementary pension schemes for members of the management and supervisory bodies*

(i) *The Company does not sign contracts or agreements with the members of the management and supervisory bodies in office for the terms of 2022 and 2023, which are elected for the respective annual term in accordance with the law and the articles of association of the Company.*

(ii) *In the context of the termination of duties by the corporate bodies and supervisory board, the legally provided for indemnification rules shall apply and no indemnification clauses shall be agreed or established in the remuneration policy or otherwise. It is therefore clarified that the Company will not allocate or pay compensation to the members of said corporate bodies due to the respective termination of functions, without prejudice to Company compliance with the legal provisions applicable in this area.*

(xii) *The members of the Company's management and supervisory bodies in office in 2022 and 2023 are not covered by supplementary pension or early retirement schemes."*

Still in 2023, following the aforementioned Annual General Meeting, the Remuneration Committee continued to monitor the context of uncertainty experienced as a result of the war between Russia and Ukraine with caution, as well as all the resulting impacts, particularly in terms of rising inflation. Thus, it was decided to apply the variable remuneration model for 2022 performance provided for in the remuneration policy approved at the General Meeting on the 5th of June 2023 for the term of office under review. For this purpose, it followed the weighting and degree of achievement of the various corporate and individual criteria that were expressly approved at the Annual General Meeting on the 5th of June 2023, although with a slight deviation from the maximum variable remuneration limit applicable to the operational, commercial, marketing, design, financial and human resources areas, as well as to the CEO (the deviation being, on average, less than 3%).

To this end, the Committee decided to award and pay variable remuneration to all members of the Executive Committee during 2023, with reference to the 2022 term of office, as it considered this to be an essential component in terms of recognising, encouraging and motivating the executive team in view of the extraordinary results achieved in the term of office in question – even within the extraordinary context as a result of the war between Russia and Ukraine and all the resulting inflationary context, marked by a sharp increase in energy, fuel and raw material costs, resulting in major challenges to business resilience and sustainability. Variable remuneration was awarded on the basis of a weighted average of achieving more than 90% of the targets set in terms of the financial performance assessment criteria, set out in the model approved at the aforementioned Annual General Meeting on the 5th of June 2023, such as turnover (up 22.5% on the previous year), operating profit and EBITDA (both up 21.3% on the same period last year), as well as net debt (down 11.7M€ during the previous year). Given the exceptional results obtained in 2022, , within a highly inflationary context - whose negative impact on the operation has been somewhat reduced as a result of several investments over the last few years, aiming at improving the efficiency of its processes, and more efficient management of consumption and means of production - setting the amount of variable remuneration awarded to the executive team resulted from weighting 95% of the various

corporate criteria (e.g. quantitative corporate criteria mentioned above (weight of 75%); brand recognition (weight of 5%); execution of at least 85% of the investment plan (weight of 10%) and sustainability indicator (weight of 10%)) and 5% of the various individual criteria (e.g. contribution to the Company's reputation, organisational culture and stakeholder relations (weighting of 2.5%) and contribution to the executive team's performance (functioning of the Board of Directors, strategic and/or commercial vision, depending on the area of responsibility (weighting of 2.5%)), included in the variable remuneration model for 2022 approved at the Annual General Meeting on the 5th of June 2023.

However, in terms of procedure for applying the variable remuneration model, there was a slight deviation from the maximum limits set for the operation, sales, marketing, design, financial and human resources areas, as well as for the CEO. This deviation was, on average, less than 3% in relation to the maximum limits set out in terms of the remuneration policy (as detailed in paragraphs 77 and 78 below), and the respective payment was carried out without deferral, after the approval of the 2022 accounts, in accordance with what was approved at the Annual General Meeting.

Thus, the Remuneration Committee considered that the deviation from the maximum variable remuneration limits set for the operation, sales, marketing, design, finance and human resources areas, as well as for the CEO, and the extraordinary derogation from the principal of partial deferral of the payment of variable remuneration and the adjustment mechanisms that could arise from this, were appropriate insofar as it was understood that in view of (i) the extraordinary results achieved in 2022 - in relation to each of the quantitative corporate criteria (turnover, operating profit, EBITDA and net debt) -, and in view of the persistence of a particularly challenging scenario for each of the operations, (ii) the immateriality of the deviation recorded in relation to the maximum RV limits set for each of the areas identified above (on average less than 3%), (iii) the annual terms of Vista Alegre's bodies (with the fixed and variable components being reviewed annually) and (iv) the evaluation criteria defined, not only is the exceptional deviation from the limits in question justified, but also the non-implementation of the deferral mechanism as a way of discouraging excessive risk-taking and promoting the alignment of management with a perspective of long-term sustainability and resilience.

The deviation and derogation being analysed were considered necessary and essential in order to contribute to the executive team's implementation of the strategic plan within a specific context that was extremely demanding for the executive team, thus serving the company's long-term interests and sustainability objectives. In this way, it is possible to allocate variable remuneration in order to ensure the motivation of the executive team, without the variable remuneration exceeding around 15% of the total fixed remuneration for 2022 of the executive team.

In 2023, during the implementation of the terms of the Remuneration Policy for the Management and Supervisory Bodies approved at the VAA Annual General Meeting held on the 5th of June 2023, there were no deviations or derogations from its application in relation to what

was approved, except for the deviation and derogation mentioned above, which were necessary and justified in view of the interests of the Company mentioned above.

At the VAA Annual General Meeting held on the 5th of June 2023, Paulo Alexandre Rodrigues Ferraz, representant of the member of the Remuneration Committee of Grupo Visabeira, S.A., was present, in order to provide information or clarification to Shareholders and therefore the adoption the Recommendation VI.2.4.

70. Information on how remuneration is structured so as to allow the alignment of the interests of the corporate body with the long-term interests of the company as well as how it is based on performance appraisal and discourages excessive risk-taking:

The Corporate bodies' members have fixed and/or variable remuneration which have been decided by the Remuneration Committee.

The Articles of Association foresee that the variable remunerations of the Board of Directors may be constituted by a participation, globally not exceeding 5% of the net profits for the exercise year of the Company.

As per the Member's Remuneration Policy of the Administrative and Supervisory Bodies approved by the Annual General Meeting held on 5th of June 2023, the remuneration of the members of the Board of Directors was fixed by the Remuneration Committee considering the following principles and remuneration structure for the 2023 term:

- a) The remuneration of non-executive members of the Board of Directors (including members of the internal committees of this body) comprises only a fixed component.
- b) The remuneration of the executive members of the Board of Directors for the year 2023 includes a fixed component and a possible variable component with extraordinary character in view of the prudence and disincentive to the excessive assumption of risk that the current moment of the Company and the panorama in which it operates requires.
- c) The fixed part remuneration of the members of the Board of Directors consists of a monthly amount which is payable during fourteen months per year, and determined taking into account:
 - (i) The functions performed and the level of responsibility and complexity associated with their position in the context of the VAA's governance model and organisational structure, as well as the initiative, effort, commitment, competence and dedication essential to: (1) Non-Executive and Non-Independent Director, (2) Non-Executive and Independent Director, (3) Executive Director with responsibilities in the operational area, the retail (domestic market), B2B (crystal and glass) and online commercial areas, the strategy and coordination area for the hotel business, sustainability, QMS and continuous improvement, the innovation and energy transition area as well as the marketing and design area, (4) Executive Director with responsibility for customer service and master data,

- energy transition (administrative processes) and revenue assurance (implying that the functions identified in (3) and (4) are exclusively for Grupo Vista Alegre), (5) Executive Director with responsibility for human resources and finance, and (6) Chairman of the Board of Directors with responsibility for investor relations;
- (ii) Regarding the situation of the Company, i.e., shareholder structure, organisational structure and, above all, economic situation, namely:
- (1) Some of the non-executive directors of the Company perform management functions in other entities of the business group in which the Company is inserted and therefore, they are not remunerated by VAA;
- (2) The exercise of functions by the Company's executive director at the level of Grupo Vista Alegre's companies determines that it is remunerated at that level, depending on its requirements at group level and as described below in paragraph 78. *infra* in a transparent manner;
- (iii) There is no component regarding the remuneration of non-executive directors that depends on the Company's performance or its value, in line with the Recommendation VI.2.11..
- d) The attribution of a possible variable component to the Executive Directors, with a possible maximum limit that represents no more than 40% of annual fixed remuneration nor 25% of the annual remuneration and the following financial and non-financial criteria for performance evaluation: (i) the Company's strategic and financial performance purposes, meeting quantitative indicators of the degree of implementation of the strategic plan and appreciating the turnover evolution, operating results and EBITDA; (ii) initiatives and goals for creating value for shareholders and for maintaining and developing the Company's financial and business sustainability as well as competitiveness, in the long term and in line with the strategic plan and appreciating the evolution of financial strength and investments and measures of ESG (Environmental, Social and Governance) adopted.; (iii) compliance with qualitative purposes of maintenance and development of an image, favourable recognition and notoriety of the Company; and (iv) compliance with individual and qualitative purposes of efficiency regarding the performance of the Director's functions in terms of the strategic and commercial vision, as well as the results obtained. This component, if assigned, shall in any case contribute to the company's long-term performance and the alignment of the interests of the directors with the interest of the Company, in line with the Recommendation VI.2.8.. As regards the performance evaluation considered by the Remuneration Committee in this context, see point 71. *infra*.

71. If applicable, mention the existence of a variable component and information on the possible impact of performance evaluation on this component:

As per the information in number 69 above, the remuneration to the members of the Board of Directors in the 2023 financial year included a fixed component, structured in a monthly amount

payable fourteen times a year, having been assigned to the executive members a variable remuneration referring to the performance of 2022 in accordance with the variable remuneration model included in the remuneration policy approved by the Annual General Meeting of the 5th of June 2023, without prejudice to the foregoing.

During 2023, the Remunerations Committee continued to monitor the context of uncertainty and volatility experienced as a result of the conflict between Russia and Ukraine, as well as all resulting impacts in terms of increasing inflation and understood that it was justified to apply the variable remuneration model referring to 2022 performance provided for in the remunerations policy approved for the term under analysis. For this purpose, it considered meeting the various corporate and individual criteria which were expressly approved by the General Meeting on the 5th of June 2023, although with a slight deviation from the maximum variable remuneration limit applicable to the areas related to operations, sales, marketing, design, finance and human resources and to the CEO (the deviation being on average less than 3%).

To this end, the Committee decided to award and pay variable remuneration to all members of the Executive Committee during 2023, with reference to the 2022 term of office, as it considered this to be an essential component in terms of recognising, encouraging and motivating the executive team in view of the extraordinary results achieved in the term of office in question – even within the persistence of the context of uncertainty as a result of the war between Russia and Ukraine and all the resulting inflationary context, marked by a sharp increase in energy, fuel and raw material costs, resulting in major challenges to business resilience and sustainability. Variable remuneration was awarded on the basis of a weighted average of achieving more than 90% of the targets set in terms of the financial performance assessment criteria, set out in the model approved at the aforementioned Annual General Meeting on the 5th of June 2023, such as turnover (up 22.5% on the previous year), operating profit and EBITDA (both up 21.3% on the same period last year), as well as net debt (down 11.7M€ during the previous year). Given the exceptional results obtained in 2022, within a highly inflationary context - whose negative impact on the operation has been somewhat reduced as a result of several investments over the last few years, aiming at improving the efficiency of its processes, and more efficient management of consumption and means of production - setting the amount of variable remuneration awarded to the executive team resulted from weighting 95% of the various corporate criteria (e.g. quantitative corporate criteria mentioned above (weight of 75%); brand recognition (weight of 5%); execution of at least 85% of the investment plan (weight of 10%) and sustainability indicator (weight of 10%)) and 5% of the various individual criteria (e.g. contribution to the Company's reputation, organisational culture and stakeholder relations (weighting of 2.5%) and contribution to the executive team's performance (functioning of the Board of Directors, strategic and/or commercial vision, depending on the area of responsibility (weighting of 2.5%)), included in the variable remuneration model for 2022 approved at the Annual General Meeting on the 5th of June 2023.

However, in terms of procedure for applying the approved variable remuneration model, there was a slight deviation from the maximum limits set for the operation, sales, marketing, design, financial and human resources areas, as well as for the CEO. The deviation was, on average, less than 3% in relation to the maximum limits set out in terms of the remuneration policy, and the respective payment was carried out without deferral, after the approval of the 2023 accounts, in accordance with what was approved at the Annual General Meeting.

Thus, the Remuneration Committee considered that the deviation from the maximum variable remuneration limits set for the operation, sales, marketing, design, finance and human resources areas, as well as for the CEO, and the extraordinary derogation from the principal of partial deferral of the payment of variable remuneration and the adjustment mechanisms that could arise from this, were appropriate insofar as it was understood that in view of (i) the extraordinary results achieved in 2022 - in relation to each of the quantitative corporate criteria (turnover, operating profit, EBITDA and Net Debt) -, and in view of the persistence of a particularly challenging scenario for each of the operations, (ii) the immateriality of the deviation recorded in relation to the maximum RV limits set for each of the areas identified above (on average less than 3%), (iii) the annual terms of Vista Alegre's bodies (with the fixed and variable components being reviewed annually) and (iv) the evaluation criteria defined, not only is the exceptional deviation from the limits in question justified, but also the non-implementation of the deferral mechanism as a way of discouraging excessive risk-taking and promoting the alignment of management with a perspective of long-term sustainability and resilience.

In turn, the remuneration model of the executive directors for the 2023 term, as per the Declaration on the Remuneration Policy of the Management and Supervisory Bodies approved by the General Meeting on the 5th of June 2023 and in line with Recommendations VI.2.8., VI.2.9. and VI.2.11., allowed for the possible allocation of a variable regarding performance in 2023, always having as reference mechanisms to promote suitable alignment, in the medium and long term, including the following financial and non-financial performance evaluation criteria (detailed in the paragraph 69 above):

(i) the Company's strategic and financial performance goals; (ii) initiatives and goals to create value for shareholders and financial and business sustainability and competitiveness; (iii) favourable image and sustainability; (iv) individual and qualitative performance efficiency goals.

The verification and measurement of the Company's sustained performance levels, taking into account the performance assessment criteria provided for in the said model, must be (a) quantified and implemented by the Remunerations Committee, taking into account the strategy and risk profile/policy of the Company approved by the Board of Directors, particularly within the scope of the Company's plan and budget, (b) assessed in accordance with a qualitative and quantitative assessment process, as applicable, by the Remunerations Committee after approval of the accounts for the relevant financial year at the General Meeting, (c) having a possible maximum limit representing no more than 40% of the annual fixed remuneration nor 25% of the annual remuneration and (d) only if the Remunerations Committee eventually applies a

maximum limit representing between 20% and 40% of the annual fixed remuneration. This component will be partially deferred over time in a significant part of not less than 50% and for a period of three years, (a) associating it with the confirmation of the sustainability of the Company's performance (positive performance of the Company) and (b) expecting adjustment mechanisms that may, in exceptional situations, determine the refund of variable remuneration (related to false statements and/or significant errors in the financial statements or significant losses for which an objective conduct by the director in breach of his duties contributed decisively) and (c) further establishing the inadmissibility of signing contracts or other instruments that have the effect of mitigating the risk inherent to the variability of this possible remuneration component.

It will therefore be up to the VAA Remuneration Committee to assess and decide on the possible allocation or not in 2024 of variable remuneration referring to the performance of 2023 and its terms, considering the principles set out in the Members' Remuneration Policy of the Management and Supervisory Bodies approved by the General Meeting on the 5th of June 2023.

72. Deferral of payment of the variable remuneration component, with reference to the referral period:

The variable remuneration for the 2022 financial year awarded to all Executive Directors, mentioned in paragraphs 69, 71, 77 and 78, was not subject to deferral of the respective payment insofar as the weighting and degree of achievement of the various quantitative and corporate criteria of individual performance that were taken into account in their attribution and setting by the Remunerations Committee, as well as the quantitative limits of the amounts actually attributed by area and of the total fixed remuneration for 2022 of the executive team, contributed to serve the long-term interests and the Company's sustainability, thus not encouraging excessive risk-taking, which, from a substantial perspective, does not justify its payment being subject to deferral (thus considering that the Company is in a situation materially equivalent to compliance with Recommendation VI.2.9.).

Indeed, we believe that the aforementioned Recommendation VI.2.9. must be applied when the variable component takes on a significant nature that may impact risk taking and harm the long-term sustainability of the Company (in assessing the significant nature, *inter alia*, the quantitative references provided for in the variable remuneration model itself were taken into account referring to performance in 2022, which is part of the Remuneration Policy for Members of the Management and Supervisory Bodies approved at the Annual General Meeting on the 5th of June 2023 and the fact that the variable remuneration did not exceed 15% of the total fixed remuneration for 2022 of the executive team).

Still under the terms described in the Remuneration Policy for the Management and Supervisory Bodies adopted by the Remunerations Committee and approved at the Annual General Meeting on the 5th of June 2023 and in line with Recommendation VI.2.9., in the event that a possible variable component is set for the executive members of the Board of Directors in regards to

their performance in 2023, it is foreseen that, in the event a maximum limit is applied representing between 20% and 40% of the annual fixed remuneration, this component will be partially deferred over time in a significant part of not less than 50% and over a period of three years, (i) associating it with the confirmation of sustainability in the Company's performance (positive performance of the Company) and (ii) adjustment mechanisms foreseen that may, under exceptional situations, determine the restitution of variable remuneration (related to false declarations and/or materially relevant errors in financial statements, or significant losses to which the objective conduct of the Director in breach of his legal duties has been decisive) and (c) further establishing the inadmissibility of signing contracts or other instruments that have the effect of mitigating risk inherent in the variability of this possible remuneration component.

It will be up to the VAA Remuneration Committee to assess and decide on the possible allocation or not in 2024 of variable remuneration referring to the performance of 2023 and its terms, considering the principles set out in the Remuneration Policy of the Management and Supervisory Bodies approved by the General Meeting on the 5th of June 2023.

73. Criteria on which the assignment of variable compensation in shares is based, as well as on the maintenance, by the executive directors, of these shares, on possible contracts signature related to these shares, namely hedging or transfer of risk, respective limit, and its relation to the value of the total annual remuneration:

The remuneration of the members of the corporate bodies does not include any mechanism for the assignment or purchase of shares or any other rights on the Company's or any of its subsidiaries' shares, in line with the Declaration on the Members' Remuneration Policy of the Administrative and Supervisory Bodies approved by the General Meeting of 5th of June 2023.

74. Criteria on which the allocation of a variable remuneration in options is based, and indication of deferment period and exercise price:

Not applicable.

75. The main parameters and rationale for any annual bonus scheme and any other non-cash benefits:

No annual premium system is established beyond the possible variable remuneration described above and there are no significant non-cash benefits of any kind.

76. Main characteristics of supplementary pensions or early retirement schemes for directors and the date on which they were approved in General Meeting, in individual terms:

None of the current administrators in the exercise of their functions in 2023 is covered by supplementary pension or early retirement schemes for administrators.

IV. DISCLOSURE OF THE REMUNERATIONS

77. Indication of the annual remuneration earned, together and individually, by the members of the Board of Directors, including fixed and variable remuneration, and regarding this issue, reference to different components which prompted it:

The gross remunerations paid to the Members of the Board of Directors, processed in the year of 2023 by the Company were the following:

Administrators 721,300.00 euros

Former Members (Pensions)..... 258,705.96 euros ^(a)

(a) Information on the amount of pensions paid to former directors in 2023 is mentioned in the “Notes to the Consolidated Financial Statements”, in note number 22 “Provisions”.

The annual amounts earned in VAA, together or individually, by the members of the Board of Directors in the exercise of 2023, were the following:

Administrator	Executives	Fixed Remuneration (a)		Variable remuneration (b)		Individual totals €
		€	%	€	%	
Nuno Miguel Rodrigues Terras Marques	Yes	80,000.00	84.21%	15,000.00	15.79%	95,000.00
Alexandra da Conceição Lopes	Yes	40,800.00	91.07%	4,000.00	8.93%	44,800.00
Nuno Miguel Ferreira Assunção Barra	Yes	117,000.00	86.99%	17,500.00	13.01%	134,500.00
Alda Alexandra Abrantes Costa	Yes	77,000.00	95.06%	4,000.00	4.94%	81,000.00
Teodorico Figueiredo Pais	Yes	117,000.00	86.99%	17,500.00	13.01%	134,500.00
Paulo Jorge Lourenço Pires	Yes	0.00 (a)	-	0.00 (a)	-	0.00 (a)
Carlos Alberto Sá Garcia da Costa	Yes	74,000.00	80.87%	17,500.00	19.13%	91,500.00
Subtotal		505,800.00	87.01%	75,500.00	12.99%	581,300.00
Nuno Maria Pinto de Magalhães Fernandes Thomaz	No	35,000.00	100.00%	N/A	0.00%	35,000.00
Celine Abecassis Moedas	No	35,000.00	100.00%	N/A	0.00%	35,000.00
Godinho de Matos	No	35,000.00	100.00%	N/A	0.00%	35,000.00
Luís Miguel Poiares Pessoa Maduro	No	35,000.00	100.00%	N/A	0.00%	35,000.00
Cristina Isabel Sousa Lopes	No	0.00 (a)	-	N/A	0.00%	0.00 (a)
Fernando Daniel Leocádio Campos Nunes	No	0.00 (a)	-	N/A	0.00%	0.00 (a)
Maria Isabel Couto Fernandes	No	0.00 (a)	-	N/A	0.00%	0.00 (a)
Subtotal		140,000.00	100.00%	0.00%	0.00%	140,000.00
Total		645,800.00	93.69%	75,500.00	6.31%	721,300.00

(a) See points 70 above and 78 below.

(b) During the 2023 financial year, variable remuneration was paid to executive members for 2022 performance, in accordance with the variable remuneration model for 2022 performance provided for in the remuneration policy approved by the Annual General Meeting on the 5th of June 2023, although with a slight deviation from the maximum variable remuneration limit applicable to areas related to operations, sales, marketing, design, finance and human resources and the CEO (as detailed in items 69 to 72 and 78).

The VAA's Remuneration Committee will be the one to assess and decide whether or not to award variable remuneration during 2024 for 2023 performance and its terms, taking into account the principles provided for in the Remuneration Policy for Members of the Management and Supervisory Bodies approved by the General Meeting on the 5th of June 2023.

The annual variations in gross remuneration paid by VAA and by the companies of Grupo Vista Alegre individually to the members of the Board of Directors and of the Supervisory Board in office on the 31st of December 2023, as well as the average gross remuneration paid to full-time employees by the companies of the Grupo Vista Alegre, in the last five years (as VAA, being a holding company, does not have employees), as well as the Company's performance indicators verified in the same period:

Members of the VAA Board of Directors	Current position	1 st appointment date	Type of remuneration	Variation of earned income (amount € and %)*				
				2019	2020	2021	2022	2023
Nuno Miguel Rodrigues Terras Marques	Chairman (executive)	24.03.2017	RF	N/A ^(a)	70,000.00	70,000.00	70,000.00	80,000.00
			Premium *	N/A ^(a)	0	0	0	0
			VR				8,500.00	15,000.00
			Variation	N/A ^(a)	N/A ^(b)	0.00%	12.14%	21.02%
Paulo Jorge Lourenço Pires	Vice-Chairman (executive)	29.10.2013	RF	105,000.00	112,000.00	112,000.00	112,000.00	117,000.00
			Premium *	0	0	12,500.00		
			VR				12,500.00	17,500.00
			Variation	0.00%	6.67%	11.16%	0.00%	8.03%
Alexandra da Conceição Lopes	Member of the Board (executive)	22.05.2013	RF	37,800.00	37,800.00	37,800.00	37,800.00	44,800.00
			Premium *	0	0	3,500.00		
			VR				1900	4,000.00
			Variation	0.00%	0.00%	9.26%	-3.87%	22.92%
Alda Alexandra Abrantes Costa	Member of the Board (executive)	22.05.2013	RF	77,000.00	77,000.00	77,000.00	77,000.00	77,000.00
			Premium *	0	0	3,500.00		
			VR				3,500.00	4,000.00
			Variation	0.00%	0.00%	4.55%	0.00%	0.62%
Nuno Miguel Ferreira de Assunção Barra	Member of the Board (executive)	06.05.2016	RF	105,000.00	112,000.00	112,000.00	112,000.00	117,000.00
			Premium *	0	0	12,500.00	0	0
			VR				12,500.00	17,500.00
			Variation	27.12%	6.67%	11.16%	0.00%	8.03%
Carlos Alberto Sá Garcia da Costa (e)	Member of the Board (executive)		RF				42,750.00	91,500.00
			Premium *				0	0
			VR				0	17,500.00
			Variation				0.00%	154.97%
Nuno Maria Pinto de Magalhães Fernandes Thomaz	Member of the Board (non executive)	18.05.2018	RF	35,000.00	35,000.00	35,000.00	35,000.00	35,000.00
			Premium *	N/A	N/A	N/A	N/A	N/A
			VR	N/A	N/A	N/A	N/A	N/A
			Variation	0.00%	0.00%	0.00%	0.00%	0.00%
Cristina Isabel Sousa Lopes	Member of the Board (non executive)	18.05.2018	RF	N/A ^(a)	N/A ^(a)	N/A ^(a)	N/A ^(a)	N/A ^(a)
			Premium *	N/A ^(a)	N/A ^(a)	N/A ^(a)	N/A ^(a)	N/A ^(a)
			VR	N/A	N/A	N/A	N/A	N/A
			Variation	N/A ^(a)	N/A ^(a)	N/A ^(a)	N/A ^(a)	N/A ^(a)
Teodorico Figueiredo Pais	Member of the Board (executive)	12.10.2018	RF	105,000.00	112,000.00	112,000.00	112,000.00	117,000.00
			Premium *	0	0	12,500.00	0	0
			VR				12,500.00	17,500.00
			Variation	27.12%	6.67%	11.16%	0.00%	8.03%
Céline Dora Judith Abecassis Moedas	Member of the Board (non executive)	26.06.2020	RF	-	35,000.00	35,000.00	35,000.00	35,000.00
			Premium *	-	N/A	N/A	N/A	N/A
			VR		N/A	N/A	N/A	N/A
			Variation	-	N/A ^(b)	0.00%	0.00%	0.00%
Mário Godinho de Matos	Member of the Board (non executive)	26.06.2020	RF	-	35,000.00	35,000.00	35,000.00	35,000.00
			Premium *	-	N/A	N/A	N/A	N/A
			VR		N/A	N/A	N/A	N/A
			Variation	-	N/A ^(b)	0.00%	0.00%	0.00%
Luís Miguel Poiars Pessoa Maduro	Member of the Board (non executive)	16.06.2021	RF	-	-	35,000.00	35,000.00	35,000.00
			Premium *	-	-	N/A	N/A	N/A
			VR			N/A	N/A	N/A
			Variation	-	-	N/A ^(b)	N/A ^(b)	N/A ^(b)
Fernando Daniel Leocádio Campos Nunes	Member of the Board (non executive)	05.06.2023	RF	N/A ^(a)	N/A ^(a)	N/A ^(a)	N/A ^(a)	N/A ^(a)
			Premium *	N/A ^(a)	N/A ^(a)	N/A ^(a)	N/A ^(a)	N/A ^(a)
			VR	N/A	N/A	N/A	N/A	N/A
			Variation	N/A ^(a)	N/A ^(a)	N/A ^(a)	N/A ^(a)	N/A ^(a)
Maria Isabel Couto Fernandes	Member of the Board (non executive)	05.06.2023	RF	N/A ^(a)	N/A ^(a)	N/A ^(a)	N/A ^(a)	N/A ^(a)
			Premium *	N/A ^(a)	N/A ^(a)	N/A ^(a)	N/A ^(a)	N/A ^(a)
			VR	N/A	N/A	N/A	N/A	N/A
			Variation	N/A ^(a)	N/A ^(a)	N/A ^(a)	N/A ^(a)	N/A ^(a)

* The remuneration earned includes the fixed component paid by VAA and by the companies of Grupo Vista Alegre ("RF") and the aforementioned extraordinary and ad hoc corporate premium paid in 2021 ("Premium"), and the variable compensation ("RV") paid in 2022 based on the 2021 performance and paid in 2023 by reference to 2022, as applicable

(a) - Did not receive any type of earned income at VAA or at companies which are part of Grupo Vista Alegre.

(b) - First year in which he/she receives earned income, so there is no annual percentage change in gross remuneration.

Members of the VAA Fiscal Board	Position:	1 st appointment date	Type of remuneration	Variation of earned income (amount € and %)*				
				2019	2020	2021	2022	2023
Manuel Duarte Domingues	Chairman	24-04-2027	RF	9,800.00	9,800.00	4,550.00	—	-
			Variation	0% ^(a)	0%	N/A ^(b)	—	—
Nelson Luis Silva Braga Moinhos	Chairman	16-06-2021	RF	-	-	5,311.57	9,800.00	9,800.00
			Variation	-	-	0% ^(a)	0%	0.00
Alberto Henrique de Figueiredo Lopes	Member of the Board	22-12-2016	RF	8,400.00	8,400.00	8,400.00	3,100.00 ^(d)	-
			Variation	-	0%	0%	-	-
Carlos Fernando Calhau Trigacheiro	Member of the Board	06-06-2022	RF	-	-	-	4,769.27	8,400.00
			Variation	-	-	-	0% ^(a)	76.13%
Marisa do Rosário Lopes da Silva Monteiro	Member of the Board	30-04-2016	RF	8,400.00	8,400.00	8,400.00	8,400.00	8,400.00
			Variation	0% ^(a)	0%	0%	0%	0.00

* The earned income includes only a fixed component ("RF")

(a) - First year in which he/she receives earned income, so there is no annual percentage change in gross remuneration

(b) - Chairman whose term of office ended on the 16th of June 2021 (date of VAA's Annual General Meeting)

(c) - Negative percentage change influenced by the change in the position of Chairman to Member of the Supervisory Board

(d) - Member whose term of office ended on the 6th of June 2022 (date of VAA's Annual General Meeting)

VAA and Companies which are part of Grupo Vista Alegre	Average number of employees*					Variation of earned income (amount € and %)**				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
VAA SGPS employees	-	-	-	-	-	-	-	-	-	-
Employees of Grupo Vista Alegre's companies	2284	2335	2337	2370	2339	31,738,975	33,914,559	35,320,048	36,734,539	38,620,342
						12.40%	6.85%	4.14%	4.00%	5.13%

*The average number of employees in each year and the global remuneration (including fixed and variable components) earned each year by all employees is taken into account.

**Variations in remuneration are influenced not only by the respective amount but also by the change in the total number of employees.

VAA and Companies which are part of Grupo Vista Alegre	Total number of employees*					Variation of earned income (amount € and %)*				
	2019	2020	2021	2022	2023	2019	2020	2021	2022	2023
VAA SGPS employees	-	-	-	-	-	-	-	-	-	-
Employees of Grupo Vista Alegre's companies	2357	2313	2398	2370	2345	31,456,105	33,700,154	35,037,962	36,094,156	38,058,273
						12.03%	7.13%	3.97%	3.01%	5.44%

* What is taken into account is total number of employees on the 31st of December of each year and the remuneration received by them (including fixed and variable components) throughout the year.

Consolidated performance indicators	Evolution (%)				
	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	2023 vs 2022
Turnover	21%	-8%	6%	23%	-10%
EBITDA	43%	-37%	42%	21%	3%
Operating income	26%	-83%	281%	21%	23%
Net income	3%	-129%	164%	250%	22%
Net debt	61%	-3%	-8%	-14%	4%

During 2023, upon the implementation of the terms of the Remuneration Policy for the Management and Supervisory Bodies approved at the Annual General Meeting of VAA held on the 5th June 2023, there were no differences or derogations from its application, in relation to what was approved in addition to the deviation and derogation referred to in paragraph 69 above, necessary and justified in view of the interests of the Company identified therein.

78. Amounts paid, for any reason whatsoever, by other companies in control or group, or which are subject to a common domain:

In 2023, the members of the VAA Board of Directors received the following remuneration sums paid by other companies of Grupo Vista Alegre, where they also perform management functions, bearing in mind their positions at the level of the Company and Grupo Vista Alegre (see point 70 above):

Administrator	Society	Remuneration (€) *
Paulo Jorge Lourenço Pires	Ria Stone SA	136,500.00

* This includes fixed remuneration (in the amount of €119,000.00) and a variable remuneration (in the amount of €17,500.00) referred to in 69 to 72 above and paid in 2022, such fixed and variable components corresponding to 89.96% and 10.04%, respectively, of the total remuneration earned by this Director in that year.

79. Remuneration paid in the form of profit sharing and/or bonus payments and the reasons why such bonus payments and/or profit sharing were granted:

There is no this type of remuneration.

80. Compensation paid or owned to former executive board members as a result of the ceasing of their duties during the financial year:

There is no compensation paid or owed to former members regarding the ceasing of duties during 2023 and the Society is in compliance with the Recommendation VI.2.3.

81. Indication of the annual remuneration earned, together and individually, by the members of the company's supervisory board:

The annual amounts of remuneration earned, individually and as a whole, by the members of the Supervisory Board, in 2023, were as follows (as fixed remuneration and without having received any variable component):

Name	Fixed Remuneration (€)
Nelson Luís da Silva Braga Moinhos	9,800.00
Marisa Rosário Lopes Silva Monteiro	8,400.00
Carlos Fernando Calhau Trigacheiro	8,400.00
Total	26,600.00

Regarding the annual percentage changes in gross remuneration paid by VAA individually to the said members of the Supervisory Body during the last five years, we refer to paragraph 77 above.

Regarding the Statutory Auditors' remuneration, we refer to the information in point 47. above.

82. Indication of the remuneration of the reference year earned by the Chairman of the General Meeting:

The Chairman of the Board of the General Meeting, whose term of office ended on the 5th of June 2023 (date of the VAA Annual General Meeting), received 3,000.00€ for 2023, and no remuneration of any kind was received to date by the Chairman of the Board of the General Meeting elected at the aforementioned Annual General Meeting for the 2023 term of office.

V. AGREEMENTS WITH REMUNERATION IMPLICATIONS

83. Contractual limitations provided for compensation payable for unfair dismissal Managers and its relationship with the variable remuneration component:

There are no contracts between the Company or its subsidiaries and the corporate bodies' members.

The Members' Remuneration Policy for the Management and Supervisory Bodies approved by the General Meeting held on the 5th of June 2023 establishes that: (i) the Company does not enter into contracts or agreements with members of the management and supervisory bodies in office during their terms in 2022 and 2023, elected for the respective annual term of office in accordance with the law and the Company's Articles of Association; and (ii) in the context of the termination of their duties by the members of the Company's management and supervisory

bodies, the compensation rules provided for by law apply, and no compensation clauses are agreed upon or established in the remuneration policy or otherwise.

It is therefore clarified that the Company will not allocate or pay compensation to the members of said corporate bodies due to the respective termination of functions, without prejudice to Company compliance with the legal provisions applicable in this area.

The amounts that may be due in this respect will result from the applicable legal provisions, adopting the Company recommendations VI.2.3..

84. Reference to the existence and description, stating the sums involved, of the agreements between the company and members of the Board of Directors, in accordance with no 3 of the article 248-B of the *Código dos Valores Mobiliários* [Securities Codes], providing the compensation in case of dismissal without due cause or termination of the employment relationship, following a change of control of the company:

VAA shall not be party to any agreement with the holders of the management body or directors within the meaning of Article 248b(3) of the Securities Code and Regulation (EU) No 596/2014 of the European Parliament and the Council of 16 April, or workers providing for compensation in the event of dismissal, dismissal without just cause or termination of the employment relationship following a change of control of the Company.

VI. SHARE PLANS AND STOCK OPTION PLANS

85. Identification of the plan and recipients

At this time and during 2023 there is or has not existed in the Company any stock options plan, thus not applicable to VAA the Recommendations VI.2.10..

86. Characteristic of the plan (attribution conditions, stock inalienability clauses, stock price criteria and the exercise price of options, period during which options can be exercised, characteristics of the shares or options to be assigned, existence of incentives for the acquisition of shares and or the exercise of options):

Not applicable.

87. Option rights allocated for the acquisition of stock options that are beneficiaries of the company's employees and employees:

Not applicable.

88. Control mechanisms for a possible employee-shareholder system in as much as the voting rights are not directly exercised by them (article 29-H, no 1, paragraph e)):

Is not predicted for any system of employee participation in capital of the company or its subsidiaries.

Part I

Information regarding the Shareholders Structure,
Organization, and Corporate Governance

E. Transactions with related parties

E. TRANSACTIONS WITH RELATED PARTIES

I. CONTROL MECHANISMS AND PROCEDURES

89. Mechanisms implemented by the company for control purposes of the transactions with related parties (for this purpose refers to the resulting concept of IAS 24 or this purpose refers to the resulting concept of IAS 24):

In order to safeguard the interests of Grupo Vista Alegre in situations of potential conflict of interest, the VAA adopted internal rules for the control of transactions between VAA (or companies in domain or group relationship) and related parties to comply with the relevant financial standards, in particular IAS 24.

These internal procedures, contained in the Regulations of the Board of Directors and the Supervisory Body (process approved by the Board of Directors with the prior binding opinion of the Supervisory Body in December 2019 and amended on April 2021 in order to reflect the practices of the Company following the changes resulting from Law No. 50/2020, of the 25th of August, and available on the Company's website - www.vistaalegre.com), impose the following principles in line with the provisions of articles 249-A and following of the Securities Code and Recommendation II.5.1.:

- (i) The Executive Board shall, to the extent of its delegation of competences, communicate to the Board of Directors and shall communicate to the Supervisory Board its proposals for the following transactions:
 - a) any transaction between the Company (or companies in a domain or group relationship) and its directors, either directly or per person brought, with the exception of acts included in the company's trade in which no special advantage is granted to the administrator;
 - b) any transaction in an amount equal to or greater than € 2,000,000 or, in any case, equal to or greater than 2.5% of the consolidated asset (per individual transaction or with the same entity on an aggregate basis during any period of 12 months or financial year), between, on one hand, the Company (or companies in a controlling or group relationship) and, on the other hand, any party related to the VAA pursuant to IAS 24 (hereinafter "related party"), except for exempted transactions (i.e. transactions with a subsidiary of VAA; provided that it is in a domain relationship with the Company and no related party has an interest in that subsidiary, and the transactions proposed to all shareholders of VAA on the same terms as all shareholders and the protection of the interests of the Company are assured);
 - c) any transaction between, on one hand, the Company (or companies in a domain or group relationship) and, on the other hand, a related part to be carried out outside the scope of current activity or market conditions as defined in the Board of Directors and Supervisory Board Regulations.

(ii) All transactions referred to in (i) are subject to approval by the Board of Directors and still require prior opinion from the Supervisory Board in the following situations, regarding its powers to monitor the integrity of financial information and to assess the conditions under which business is conducted in the light of the Company's day-to-day activities, the market conditions and interests of the Company and its unrelated Shareholders (including minority shareholders), mainly based on information regarding the main terms, value and foreseen date of the transaction; the procurement procedures and the justification and demonstration of compliance with the requirements applicable to these transactions, in accordance with the Board of Directors and Supervisory Board Regulations.

(a) in the cases referred to in (i) a) and (c); and

(b) in the situations referred to in (i)b) whenever transactions of an amount equal to or greater than €4.000.000 or, in any event, equal to or greater than 2.5% of the consolidated asset are concerned (per individual transaction or with the same entity on an aggregated basis in any 12-month period or financial year), this opinion shall be delivered within 5 days of the request, except in cases of recognised emergency.

(iii) All transactions referred to in number 1 are subject to the following requirements: (a) its realisation in pursuit of social interest and within current activity and market conditions, unless it is demonstrated that its realisation outside current activity or market conditions safeguards social interest and reasonable criteria (fair and reasonable character) from the point of view of the Company and shareholders who are not related parties (including minority shareholders); (b) in the event of an unfavourable opinion from the Supervisory Board, the conclusion of the transaction is subject to the approval of the Board of Directors, especially substantiated as to the fulfilment of the requirements referred to in (a) and the advantages of the transaction, which positively balance the disadvantages indicated in the opinion of the Supervisory Board; and (c) related parties or parties with an interest in a particular transaction do not participate or vote in the approval process or in the prior or subsequent verification of the transaction.

It is also the Board of Directors responsibility (or the Executive Committee, to the extent of the respective delegation of powers) to inform the Supervisory Board, on a half-yearly basis, of all transactions between the Company (or companies in a controlling or group relationship) and related entities, regardless of their amount or nature (considering the powers of the aforementioned supervisory body) and promote the adoption of processes for identifying related parties, disclosing transactions with related entities and implementing these processes at the level of companies under a domain or group relationship with the VAA..

Also in accordance with the Regulations of the Board of Directors and its committees and the Fiscal Council and in line with Recommendations II.4.1. and II.4.2., the members of these bodies/committees shall promptly inform this body/committee, in the person of its Chairman (if the conflict does not concern itself), of the facts which may constitute or give cause to a conflict

between their own or third party interests and the social interest. Under those rules, the member who declares to be in conflict of interest shall not interfere in the decision-making process, without prejudice to the duty to provide information and clarifications that the body or respective members may request to said member.

90. Indication of transactions that were subject to a control in the mentioned year:

In 2023, there were transactions with related entities subject to prior control by the Board of Directors and the Fiscal Board considering the criteria referred to in (i) a) and b) of point 89. above and, in the exercise of its powers to monitor the accuracy of the semi-annual and annual reporting documents, the Fiscal Board received the information considered relevant in relation to transactions with related parties as described in note 89. En terms of transactions with related parties, as described in the note 34 “Transactions with Related Parties” of the “Consolidated Annex to the Balance Sheet and Income Statement”.

91. Description of the procedures and criteria applicable to the intervention of the supervisory body for the purposes of the prior evaluation of the business to be carried out between the company and holders of qualifying shares or entities that are in any relationship with them, pursuant to article 20 of the Securities Code:

See Note 89

II. ELEMENTS REGARDING BUSINESS ACTIVITIES

92. Where the accounting documents information on the transactions with related parties are available, in accordance with IAS 24, or, alternatively, the reproduction of such information:

The information on transactions with related parties is duly disclosed in the consolidated Annex to the Balance Sheet and Income Statement in note number 34 “Transactions with Related Party”.

Part 2

Evaluation of the corporate governance

PART II – EVALUATION OF THE CORPORATE GOVERNANCE

1. Identify the Corporate Governance Code adopted

This report is outlined in accordance with the instructions set out in Annex I to CMVM Regulation No. 4/2013, which is available for consultation on the CMVM's website, at the following address www.cmvm.pt, and is understood by the Board of Directors whereas, as described throughout this report, VAA complies with a significant set of Recommendations and adopts solutions that are materially equivalent to the other Recommendations and underlying principles contained in the Corporate Governance Code of the Portuguese Institute of Corporate Governance (2018), revised in 2023, which was adopted by VAA and which is available for consultation at the following email address <https://cgov.pt/>.

In addition to the good management practices, widely available and known in the prudent business environment, the VAA management follows the applicable legislation, the provisions contained in the Articles of Association approved by the Shareholders, as well as the decisions expressed by them at the General Meeting. Internal regulations and standards of conduct approved by the management and supervisory bodies in the exercise of their powers are also extremely important.

2. Analysis of the compliance of the Corporate Governance Code

Compliance Statement

VAA adopts a significant set of Recommendations related to corporate governance provided for in the Corporate Governance Code of the Portuguese Institute of Corporate Governance (IPCG) (2018), revised in 2023, under the terms set out in the table below.

Regarding the recommendations not adopted and/or not applicable, the respective reasoning and other relevant observations are also included in the same summary table, especially in order to explain the solutions which are materially equivalent to the referred Recommendations and underlying principles adopted by the Company taking into account the specifics of the Company and of Grupo Vista Alegre.

IPCG Recommendations	Adoption of IPCG Recommendations	Ref. to the First Part of the report / Comment
I . COMPANY RELATIONS WITH SHAREHOLDERS, INTERESTED PARTIES AND THE COMMUNITY IN GENERAL		
I.1 RELATIONSHIP BETWEEN THE COMPANY AND THE INVESTORS AND INFORMATION		
I.1. The company explains in what terms its strategy seeks to ensure to meet its long-term objectives and what the main contributions to the wider community will be.	Adopted	Chapters VII (Non-Financial Performance Analysis) and VIII (Perspectives) of the Management Report
I.2. The company identifies the main policies and measures adopted aiming at fulfilling its environmental and social objectives.	Adopted	Chapter VII (Non-Financial Performance Analysis) of the Management Report
I.I. COMPOSITION AND OPERATION OF THE COMPANY'S BODIES		
II.1. INFORMATION		
II.1.1 The company adopts mechanisms that adequately and rigorously ensure the production, treatment and timely disclosure of suitable information to its corporate bodies, the company secretary, shareholders, investors, financial analysts, other interested parties, and the market in general.	Adopted	56 and 60 to 65
II.2. DIVERSITY IN THE COMPOSITION AND OPERATION OF THE COMPANY'S BODIES		
II.2.1. Companies establish, in advance and in abstract, criteria and requirements regarding the profile of new members of the corporate bodies suitable for the function to be performed. In addition to individual characteristics (such as competence, independence, integrity, availability and experience), these profiles should consider diversity requirements (with particular attention to equality between men and women), which can contribute to improving the performance of the body and to balancing its composition.	Adopted	16, 19 and 33
II.2.2. The corporate and fiscal bodies and their internal committees have internal regulations - in particular on the exercise of their respective duties, chairmanship, frequency of meetings, functioning and framework of duties of its members -, disclosed in full on the company's website, and minutes of the respective meetings must be prepared.	Adopted	22, 23, 27, 29, 34 and 35
II.2.3. The composition and the number of annual meetings each year of the corporate bodies and their internal committees shall be made public through the company's website.	Adopted	62

II.2.4. The companies adopt a whistleblowing policy that explains the main rules and procedures to be followed for each report and an internal whistleblowing channel, which includes access by non-employees, under the terms of applicable law.	Adopted	49
II.2.5. Companies have specialised committees for corporate governance, remuneration, appointing members of company bodies and performance evaluations, either separately or jointly. In the event that the remuneration committee provided for in Article 399 of the Commercial Companies Code has been set up, this recommendation can be complied with by conferring on this committee powers in these matters, if this is not prohibited by law.	Adopted	15, 24, 25, 27 and 66

II.3. RELATIONS BETWEEN COMPANY'S BODIES		
II.3.1. The articles of association or other equivalent channels adopted by the Company set out mechanisms so as to guarantee that, within the limits of the applicable legislation, the managing and supervisory bodies' members are permanently granted access to all necessary information for purposes of assessment of the performance, situation and development of prospects of the Company, including namely the minutes, the documentation supporting the decisions taken and the notices and filing of the executive administration body meetings, without prejudice to access to any other documents or persons from whom clarifications may be requested.	Adopted	18, 22, 29 and 34
II.3.2. Each body and committee of the Company ensures the inter-organisational flow of information in a timely manner that is necessary for exercising the legal and statutory powers by each of the remaining bodies and committees.	Adopted	18, 22, 29 and 34
II.4. CONFLICTS OF INTEREST		
II.4.1. By internal regulation or equivalent mean, the members of the management and supervisory bodies and of the internal commissions are bound to inform the respective body or commission whenever there are facts that may give rise to a conflict between their interests and the social interest.	Adopted	22, 34 and 89
II.4.2. The company adopts procedures preventing the member in a situation of conflict of interest from interfering in the decision-taking process, without prejudice to the duty to provide information and clarifications that the body, the committee or the respective members may request to said member, must also be adopted.	Adopted	22, 34 and 89
II.5. TRANSACTIONS WITH RELATED PARTIES		
II.5.1. The management body shall disclose in the governance report or by another publicly available means, the internal procedure for verifying transactions with related parties.	Adopted	38, 89 and 91
III. SHAREHOLDERS AND GENERAL MEETING		
III.1. The Company must not establish an excessively high number of shares necessary for granting the right to one vote, and inform in the governance report its option whenever it implies a deviation from the principle that each share corresponds to one vote.	Adopted	12
III.2. The company that has issued shares with special rights to plural voting shall identify in its corporate governance report the matters that are excluded from the scope of plural voting under the company's articles of association.	Not Applicable	1

III.3. The Company shall not adopt mechanisms that hinder the passing of resolutions by shareholders, including fixing a quorum for resolutions greater than that provided for by law.	Adopted	14
III.4. The Company implements the appropriate means for remote shareholder participation at the General Meeting, proportional to its dimensions.	Not Adopted, but with explain equivalent to adoption	<p>12</p> <p>VAA considers that it has made available adequate means of remote participation and voting at the General Meeting held in 2023 and thus it complies with the principles underlying Recommendation III.4. (even if the electronic vote has not been made available), namely by promoting participation and voting via face-to-face means - directly or through a representative - or remotely - via the postal vote with extended deadlines.</p> <p>Additionally, the Company considers that it has sufficiently encouraged shareholder participation taking into account its shareholder structure and participation history (in the last 3 meetings an average of 9 Shareholders participated in each of them) and voting (having for the first time in 2020 two Shareholders used the postal vote at the respective annual general meeting). On the other hand, during 2023 the Company did not register any type of request by Shareholders for this type of functionality.</p> <p>The use of this functionality, with the safety and authenticity requirements would therefore be disproportionate, particularly in view of the associated costs.</p>
III.5. The Company also implements the adequate means for exercising the remote voting right, including by correspondence and by electronic means.	Not Adopted, but with explain equivalent to adoption	<p>12</p> <p>VAA considers that it has made available adequate means of remote participation and voting at the General Meeting held in 2023 and thus it complies with the</p>

		<p>principles underlying Recommendation III.5. (even if the electronic vote has not been made available), namely by promoting participation and voting on in-person means - directly or through a representative - or remotely - via the postal vote with extended deadlines.</p> <p>Additionally, the Company considers that it has sufficiently encouraged shareholder participation taking into account its shareholder structure and participation history (in the last 3 meetings an average of 9 Shareholders participated in each of them) and voting (having for the first time in 2020 two Shareholders used the postal vote at the respective annual general meeting). On the other hand, during 2023 the Company did not register any type of request by Shareholders for this type of functionality.</p> <p>The use of this functionality, with the safety and authenticity requirements would therefore be disproportionate, particularly in view of the associated costs.</p>
III.6. The Company's articles of association that provide for the restriction of the number of votes that may be held or exercised by a sole shareholder, either individually or in concert with other shareholders, shall also foresee for a resolution by the general meeting, at least every five years, on whether that statutory provision is to be amended or prevails – without higher quorum requirement than that legally in force – and that in said resolution all votes issued be counted, without applying said restriction.	Not Applicable	<p>5 and 13</p> <p>In the articles of association are not foreseen any provisions regarding any limitations on the number of votes that may be held by a single shareholder individually or with other shareholders.</p>
III.7. Measures that determine payments or assumption of fees by the Company in the event of change of control or change in the composition of the managing body and which appear likely to impair the economic interest in the transfer of shares and the free assessment by shareholders of the performance of the board members shall not be adopted.	Adopted	<p>4</p>
IV. MANAGEMENT		

IV.1. CORPORATE AND EXECUTIVE DIRECTORS		
IV.1.1. The managing body ensures that the Company acts in accordance with its objective and not delegates its responsibilities namely as regards the following: i) definition of the strategy and general policies of the Company; ii) organisation and coordination of the corporate structure; iii) matters that should be considered strategic due to the amount, risk and particular characteristics involved.	Adopted	21, 27 and 29
IV.1.2. The managing body approves, through regulations or equivalent form, the scheme for the executive board members' action and the performance of their executive duties in entities outside the group.	Adopted	26
IV.2. MANAGEMENT AND NON-EXECUTIVE DIRECTORS		
IV.2.1. Without prejudice to the legal responsibilities of the chairman of the Board of Directors, if said chairman is not independent, the independent board members - or, if there are not enough of them, the non-executive directors – appoint a coordinator from among themselves to, <i>inter alia</i> , (i) acting, whenever necessary, as an interlocutor, with the chairman of the Board of Directors and with the remaining board members, (ii) ensure that the set of conditions and means are necessary to the performance of their duties; and (iii) coordinating them in the assessment of the managing body's assessment provided for in recommendation VI.1.1.	Adopted	18
IV.2.2. The number of non-executive members of the managing body must be suitable to the size of the Company and to the complexity of the risks inherent to its activity, but sufficient to ensure efficiently the tasks assigned to it, and the formulation of this adequacy assessment should be included in the governance report.	Adopted	17, 18 and 19,
IV.2.3. The number of non-executive board members is higher than that of executive board members.	Not Adopted, but with explain equivalent to adoption	18 The Board of Directors includes a number of executive, non-executive and independent members adequate to ensure a relevant contribution to the decision making and performance of the Board of Directors' duties, and to an effective capacity to monitor, supervise and evaluate the activity of the executive members (mainly, the members elected at the General Meeting, the implementation of the Company's business strategy and its

		<p>size as well as group and organisational structure).</p> <p>VAA understands that it adopts the following solutions that are materially equivalent to the principles in order to promote that non-executive directors perform a supervisory role and challenge the executive management, taking into account the specifics of the Company: (i) adequate division of executive responsibilities in accordance with the delegation of powers and group and organisational structure, (ii) internal mechanisms and procedures that allow non-executive directors to participate in the elaboration, by the Board of Directors, of the strategy, as well as access to information appropriate to the performance of their duties, (iii) a sufficient number of independent directors and adequacy of the knowledge and skills of the non-executive directors, and (iv) the role of the lead independent director and the Supervisory Board.</p>
<p>IV.2.4. The number of non-executive directors who fulfil the independence requirements must be multiple and may not be less than one third of the total number of non-executive directors.</p> <p>For purposes of this recommendation, an independent person is regarded as a person who is in no way associated with any specific group of interests in the Company nor is in any circumstance liable to affect their unbiased analysis of decision-taking, namely due to:</p> <ul style="list-style-type: none"> (i) Have held office for more than twelve years, continuously or alternately, in any company body, this period being considered regardless of whether or not it coincides with the end of the term of office; (ii) Having been a worker of the Company or of company in a control or group relationship with the former in the last three years; (iii) Having, in the last three years, provided services or established a significant business relation with the Company or with Company in a control or group relationship with the former, directly or as a partner, director, manager or officer of a legal person; (iv) Having been the recipient of a remuneration paid by the Company or by company in a control or group relationship with the former apart from the 	Adopted	18

<p>remuneration resulting from the performance of director duties;</p> <p>(v) Being unmarried partner or spouse, lineal and collateral relative up to the third degree of consanguinity or affinity of Company board members, of directors of a legal person with a qualified holding in the Company or of individuals directly or indirectly holding a qualified holding;</p> <p>(vi) Having a qualified holding or representing a shareholder holding qualified holding.</p>		
<p>IV.2.5. The provisions in subparagraph (i) of previous recommendation do not prevent a new director from being deemed as independent provided that at least three years have elapsed (cooling-off period), between the termination of their term of office in any body of the Company and their new nomination.</p>	Not Applicable	<p>18</p> <p>The non-independence of the non-executive directors of the Company does not arise from the provisions of paragraph (i) of recommendation IV.2.4.</p>
V. AUDIT		
<p>V.1. In accordance with the powers conferred on it by law, the Supervisory Body takes note of the strategic lines and pronounces on the risk policy prior to its final approval by the management body.</p>	Adopted	38 and 50
<p>V.2. The number of members of the supervisory body and the committee for financial matters must be suitable to the size of the Company and to the complexity of the risks inherent to its activity, but sufficient to ensure efficiently the tasks assigned to it, and the formulation of this adequacy assessment should be included in the governance report.</p>	Adopted	31, 32 and 33
VI. PERFORMANCE ASSESSMENT, REMUNERATIONS AND NOMINATIONS		
V1 PERFORMANCE ANNUAL ASSESSMENT		
<p>VI.1.1. The managing body - or the committee with powers in this area, made up of a majority of non-executive members – assesses its performance annually, as well as the performance of the executive committee, executive directors and company committees, considering the fulfilment of the Company's strategic plan and the budget, risk management, its internal operation and the contribution of each member to that effect, as well as relations between bodies and committees of the Company.</p>	Adopted	18, 24 and 25
V.2 REMUNERATIONS		
<p>VI.2.1. The company set up a remuneration committee whose composition ensures its independence from the management, which may be the remuneration committee appointed under the terms of article 399 of the Portuguese Companies Code.</p>	Adopted	66 and 67

VI.2.2. The remuneration of the members of the company's management and supervisory bodies and committees is set by the remuneration committee or by the general meeting, on a proposal from that committee.	Adopted	66
VI.2.3. The company discloses in the corporate governance report, or in the remuneration report, the termination of office of the members of the company's bodies or committees, indicating the amounts of all company charges related to said termination, in the financial year in question.	Adopted	69 and 83
VI.2.4. In order to provide information or clarifications to the shareholders, the chairman or another member of the remuneration committee, must attend the annual general meeting or any other meetings if the respective agenda includes a matter related to the remuneration of the members of bodies and committees of the Company or if such attendance is required by the shareholders.	Adopted	69
VI.2.5. Within the budgetary constraints of the Company, the remuneration committee can be able to freely decide on the contracting by the Company of the consultancy services deemed necessary or convenient for the exercise of the committee's duties.	Adopted	67
VI.2.6. The Remuneration Committee shall ensure that these services are provided independently.	Adopted	67
VI.2.7. The providers of these services shall not be contracted by the company itself or by others under a control or group relationship to provide the company with any other services related to the remit of the remuneration committee, without the express authorisation of the committee.	Not Applicable	67
VI.2.8. Considering the alignment of interests between the Company and the executive board members, a part of those members' remuneration has a variable nature so as to reflect the sustained performance of the Company and in order not to encourage the assumption of excessive risks.	Adopted	69, 70 and 71 In 2023, following the Annual General Meeting, the Remuneration Committee continued to monitor the context of uncertainty experienced as a result of the war between Russia and Ukraine with caution, as well as all the resulting impacts, particularly in terms of

		<p>rising inflation. Thus, it was decided to apply the variable remuneration model for 2022 performance provided for in the remuneration policy approved at the General Meeting on the 5th of June 2023 for the term of office under review. For this purpose, it followed the weighting and degree of achievement of the various corporate and individual criteria that were expressly approved at the Annual General Meeting on the 5th of June 2023, although with a slight deviation from the maximum variable remuneration limit applicable to the operational area. The commercial, marketing, design, financial and human resources areas, as well as to the CEO (the deviation being, on average, less than 3%). To this end, the Committee decided to award and pay variable remuneration to all members of the Executive Committee during 2023, with reference to the 2022 term of office, as it considered this to be an essential component in terms of recognising, encouraging and motivating the executive team in view of the extraordinary results achieved in the term of office in question – even within the persistence of the extraordinary context as a result of the war between Russia and Ukraine and all the resulting inflationary context, marked by a sharp increase in energy, fuel and raw material costs, resulting in major challenges to business resilience and sustainability. Variable remuneration was awarded on the basis of a weighted average of achieving more than 90% of the targets set in terms of the financial performance assessment criteria, set out in the model approved at the aforementioned Annual General</p>
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		<p>Meeting on the 5th of June 2023, such as turnover (up 22.5% on the previous year), operating profit and EBITDA (both up 21.3% on the same period last year), as well as net debt (down 11.7M€ during the previous year). Given the exceptional results obtained in 2022, within a highly inflationary context - whose negative impact on the operation has been somewhat reduced as a result of several investments over the last few years, aiming at improving the efficiency of its processes, and more efficient management of consumption and means of production - setting the amount of variable remuneration awarded to the executive team resulted from weighting 95% of the various corporate criteria (e.g. quantitative corporate criteria mentioned above (weight of 75%); brand recognition (weight of 5%); execution of at least 85% of the investment plan (weight of 10%) and sustainability indicator (weight of 10%)) and 5% of the various individual criteria (e.g. contribution to the Company's reputation, organisational culture and stakeholder relations (weighting of 2.5%) and contribution to the executive team's performance (functioning of the Board of Directors, strategic and/or commercial vision, depending on the area of responsibility (weighting of 2.5%)), included in the variable remuneration model for 2022 approved at the Annual General Meeting on the 5th of June 2023.</p> <p>However, in terms of procedure for applying the variable remuneration model, there was a slight deviation from the maximum limits set for the operation, sales, marketing, design, financial and human resources areas, as well as for the CEO. This</p>
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		deviation was, on average, less than 3% in relation to the maximum limits set out in terms of the remuneration policy, approved at the Annual General Meeting on the 5 th of June 2023.
VI.2.9. A significant part of the variable component is partially deferred in time for a period of no less than three years, so as to link it, under the terms defined in in the company's remuneration policy, with sustainable performance.	Not Adopted, but with explain equivalent to adoption	<p>72</p> <p>The variable remuneration for the 2022 financial year awarded to all executive directors was not subject to deferral of the respective payment insofar as the weighting and degree of achievement of the various quantitative and corporate criteria of individual performance which were taken into account in their attribution by the Remunerations Committee, as well as the quantitative limits of the amounts attributed by area and of the total fixed remuneration for 2022 of the executive team, contributed to serving long-term interests and the Company's sustainability, thus not encouraging excessive risk-taking, which, from a substantial perspective, does not justify its payment being subject to deferral (thus considering that the Company is in a situation materially equivalent to compliance with Recommendation VI.2.9.).</p> <p>Indeed, we believe that the aforementioned Recommendation VI.2.9. must be applied when the variable component takes on a significant nature that may impact risk taking and harm the long-term sustainability of the Company (in assessing the significant nature, <i>inter alia</i>, the quantitative references provided for in the variable remuneration model itself were taken into account referring to performance in 2022, which is part of the Remuneration Policy for Members of the Management and</p>

		Supervisory Bodies approved at the Annual General Meeting on the 5 th of June 2023 and the fact that the variable remuneration did not exceed 15% of the total fixed remuneration for 2022 of the executive team).
VI.2.10. When the variable remuneration includes the allocation of options or other instruments directly or indirectly dependant on the value of shares, the beginning of the exercise period is deferred for a period of not less than three years.	Not Applicable	74 and 85
VI.2.11. The remuneration of non-executive board members does not include any component the value of which depends on the performance of the company or its value.	Adopted	70
VI.3 NOMINATIONS		
VI.3.1. The Company promoted, in the manner which it deems most appropriate, but in a way that can be demonstrable, arrange for the proposals for the election of the corporate bodies' members to be accompanied by a statement of grounds with regards to the adequacy of each of the candidates for the function to be performed.	Adopted	16 and 29
VI.3.2. The committee for appointing company bodies includes a majority of independent directors.	Adopted	27
VI.3.3. Unless the size of the Company does not call for it, the function of follow-up and support to the nominations of the senior managers is attributed to a nominations committee.	Not Applicable	27 and 29
VI.3.4. The nominations committee provides its terms of reference and promotes, within the limits of its powers, the adoption of transparent selection processes that include effective mechanisms for the identification of potential candidates, and arrange that the candidates who prove to be of worth, who are better meet the requirements of the relevant function and who represent, within the organisation, an appropriate diversity, including equality between men and women.	Not Applicable	27 and 29
VII. INTERNAL CONTROL		

VII.1. The Managing body debates and approves the strategic plan and the risk policy of the Company, which includes the definition of the levels of risk deemed acceptable.	Adopted	50 and 54
VII.2. The company has a specialised committee or a committee made up of risk specialists reporting regularly to the management body.	Adopted	50 and 51
VII.3. The supervisory body is internally organised, by implementing periodic mechanisms and control procedures with the scope of ensuring that the risks actually incurred by the Company are in line with the objectives established by the managing body.	Adopted	54
VII.4. The internal control system, comprising the functions of risk management, compliance and internal audit, is structured in terms suitable for the size of the company and the complexity of the risks inherent in its activity, with the supervisory body evaluating it and, within the scope of its competence to monitor the effectiveness of this system, proposing any necessary adjustments.	Adopted	55
VII.5. The company establishes procedures for inspection, periodic assessment and adjustment of the internal control system, including an annual assessment of the degree of internal compliance and the performance of that system, as well as the prospect of changing to the risk framework referred to above.	Adopted	54
VII.6. Based on its risk policy, the Company implements a risk management system, identifying (i) the main risks it faces in the course of its activity, (ii) the probability of occurrence of said risks and their respective impact, (iii) the instruments and measures to be adopted with a view to the respective mitigation and (iv) monitoring procedures.	Adopted	53 and 54
VII.7. The company establishes processes to collect and process data related to environmental and social sustainability, to alert the management body to any risks the company is running and to propose strategies to minimise them.	Adopted	Chapter VII (Non-Financial Performance Analysis) of the Management Report

VII.8. The company reports on how climate change is addressed and how it takes climate risk analysis into account in decision-making processes.	Adopted	Chapter VII (Non-Financial Performance Analysis) of the Management Report
VII.9. In the governance report the company mentions the terms in which artificial intelligence mechanisms have been used as a decision-making tool by the governing bodies.	Not Applicable	Artificial intelligence mechanisms were not used in decision-making by the company's governing bodies.
VII.10. The supervisory body gives its opinion on the work plans and resources allocated to the services of the internal control system, including risk management, compliance and internal audit functions, proposing any necessary adjustments.	Adopted	38 and 55
VII.11. The supervisory body is the recipient of the reports made by the internal control services, including risk management, compliance and internal audit functions, at least when matters related to the rendering of accounts, identification or resolution of conflicts of interest are at stake and the identification of potential irregularities.	Adopted	38 and 50
VIII. INFORMATION AND LEGAL REVIEW OF ACCOUNTS		
VII.1 INFORMATION		
VIII.1.1. The regulation of the supervisory body determines that this body inspects the adequacy of the process of preparation and disclosure by the managing body of information, including the adequacy of the relevant accounting policies, estimates, judgements, disclosures and their consistent application between financial years, in a duly documented and disclosed fashion.	Adopted	38 and 55
VIII.2 STATUTORY AUDIT AND SUPERVISION		
VIII2.1. Through regulations, the supervisory body defines, under the terms of the applicable law, the inspection procedures aimed at ensuring the independence of the statutory auditor.	Adopted	34, 37 and 38
VIII.2.2. The supervisory body is the main representative of the statutory auditor in the Company and the first recipient of the relevant reports, and is responsible, <i>inter alia</i> , for proposing the relevant remuneration and ensuring that the proper conditions for the provision of services are provided within the Company.	Adopted	38 and 45

VIII.2.3. The supervisory board must assess the statutory auditor on an annual basis, the respective independence and adequacy to the performance of their duties and propose to the competent body their dismissal or termination of the contract as to the provision of their services when there is a valid basis for said dismissal.	Adopted	38 and 45
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3. Other information

There are no other elements or additional information relevant to the understanding of the model and the government practices adopted.

Ílhavo, 8th of April 2024

Nuno Miguel Rodrigues Terras Marques
Chairman of the Board of Directors

Paulo Jorge Lourenço Pires
Vice-Chairman of Board of Directors

Alexandra da Conceição Lopes
Member of the Board of Directors

Alda Alexandra Abrantes Costa
Member of the Board of Directors

Nuno Miguel Ferreira de Assunção Barra
Member of the Board of Directors

Nuno Maria Pinto de Magalhães Fernandes Thomaz
Member of the Board of Directors

Cristina Isabel Sousa Lopes
Member of the Board of Directors

Teodorico Figueiredo Pais
Member of the Board of Directors

Carlos Alberto Sá Garcia da Costa
Member of the Board of Directors

Fernando Daniel Leocádio Campos Nunes

Maria Isabel Couto Fernandes

Céline Abecassis Moedas:
Member of the Board of Directors

Mário Godinho de Matos
Member of the Board of Directors

Luís Miguel Poiares Pessoa Maduro
Member of the Board of Directors

Annexes

ANNEX A

Professional qualifications and curriculum elements of the members of the Board of Directors

The professional qualification and other curricular elements of the members of the Board of Directors who were in office on the 31st December 2023, were, on that date, as follows:

➤ Nuno Miguel Rodrigues Terras Marques:

He has, since 2000, a degree in Electrical and Computer Engineering (from Faculdade de Engenharia da Universidade do Porto [Faculty of Engineering of the University of Porto]), having attended the last year of his course under Erasmus Programme, at the Instituto Católico de Artes e Industrias, Universidad de Comillas in Madrid. In 2009, he completed a Master's Degree in Business Management at the Escola de Gestão do Porto.

He began its professional experience at Grupo Pavicentro in 1999, and among other he was responsible for the telecommunication business area (2004 a 2008) and he was member of the Executive Commission of the Grupo between 2008 and 2011, with the position of General Manager of Pavi in Brazil.

He joined Grupo Visabeira at the beginning of 2012, becoming the General Manager of Constructel França and Constructel Bélgica, between 2013 and 2014, companies which develop their business activity within the Infrastructure of Mobile and Fixed Telecommunications Network. On October 2014 he was elected Executive Director of the Grupo Visabeira SGPS S.A. and Visabeira Global SGPS, being responsible for the Telecommunications and Technologies sectors worldwide.

He is currently Chairman of the Executive Board of Directors of Grupo Visabeira S.A. and Chairman of the Board of Directors of Visabeira Global SGPS, S.A., Constructel Visabeira S.A., Visabeira Indústria SGPS, S.A., Constructel França, Constructel Belgium, Constructel Italia and J.F. Edwards Construction Company (USA). He is also non-Executive Director in several companies of the Grupo Visabeira. At the General Meeting held on the 24th of March 2017, he was elected Chairman of the Board of Directors of VAA for the year 2017, and he was re-elected to the same position for the year 2018, at the General Meeting held on the 18th of May 2018 and for 2019, at the General Meeting held on the 30th of April 2019 for the year 2020, at the General Meeting held on the 26th of June 2020 for the year 2021, at the General Meeting held on the 16th of June 2021, for the year 2022, at the General Meeting of the 6th of June 2022, and for the year 2023, at the General Meeting of the 5th of June 2023.

➤ **Paulo Jorge Lourenço Pires:**

He holds a degree in Industrial Engineering and Management (from *Universidade do Minho* [University of Minho] (1995). In 1998/9, he attended the Advanced Management Program for Executives (PAGE) at the *Universidade Católica* [Catholic University]. He began his professional experience (1995) at General Electric, where he was responsible for the implementation of the “Lean Manufacturing” methodologies. He was responsible for the transfer to Portugal of a production unit located in another European country, being responsible for the production. He was also responsible for customer service and continuous improvement. In 1997 he joined Grupo Vista Alegre as General Director of the faïence business (together with the position of General Management of Capôa and Sociedade de Porcelanas). In 2001 he became responsible for the Industrial Management of the Faïence business, as Industrial Manager of the Capôa plant. Since 2005, he has been the Industrial Manager of the Ceramics sector, which includes 3 industrial plants, as well as responsible for the industrial operations of the Porcelain, Ovenware and Earthenware sectors. On January 2013 he was appointed General Manager of Ria Stone, being responsible for the development and implementation of the project. On October 2013 he was nominated member of VAA Board of Directors, for the remainder term (2013). At the General Meeting, on the 26th of May 2014, he was re-elected member of VAA Board of Directors for 2014. On the General Meeting, on the 20th of May 2015 he was re-elected member of VAA Board of Directors for 2015. At the General Meeting, on the 6th of May 2016 he was again re-elected member of VAA Board of Directors for 2016. At the General Meeting held on the 24th of March 2017 he was re-elected Vice-Chairman of VAA Board of Directors for the 2017 term, and he was re-elected for this position for the 2018 term, at the General Meeting held on the 18th of May 2018. For the term of 2019, at the General Meeting held on the 30th of April 2019, he was re-elected for the 2020 term, and at the General Meeting held on the 26th of June 2020 for the year 2021, at the General Meeting held on the 16th of June 2021, for the 2022 term, at the General Meeting held on the 6th of June 2022 and, for the 2023 term, at the General Meeting held on the 5th of June 2023.

➤ **Alexandra da Conceição Lopes:**

She holds a degree in Economics from the *Faculdade de Economia da Universidade de Coimbra* [Faculty of Economics of the University of Coimbra], and holds a postgraduate degree in Management from the *Escola de Estudos Empresariais das Beiras* [School of Business Studies of Beiras].

She began her professional experience in Grupo Visabeira in 1999, having worked until 2002 within the areas of Internal Control and Management Control.

From 2002 to 2005 she was advisor to the Chairman of Grupo Visabeira’s Board of Directors. Between 2005 and 2011, she assumed the Grupo's Operational Efficiency and Cost Reduction

Division. From May 2011, she assumes the Presidency of the Board of Directors of Visabeira Pro - Gestão de Serviços Partilhados, S.A. and in 2013 she became member of the Board of Directors of Grupo Visabeira SGPS, S.A., currently integrating the Executive Board of Directors of Grupo Visabeira S.A.. At the General Meeting on the 22nd of May 2013, she was elected a member of VAA Board of Directors for the reminder 2013. At the General Meeting on the 26th of May 2014, she was elected Member of VAA Board of Directors for the year 2014. At the General Meeting on the 20th of May 2015 was re-elected Secretary of VAA Board of Directors for the year 2015. At the General Meeting of the 6th of May 2016, she was re-elected Secretary of VAA Board of Directors for the year 2016. At the General Meeting held on the 24th of March 2017 she was again re-elected Member of VAA Board of Directors for the 2017 term, and she was re-elected for the same position for the 2018 term, at the General Meeting held on the 18th of May 2018; she was elected for the 2019 term, at the General Meeting held on the 30th of April 2019; she was re-elected for the 2020 term, at the General Meeting held on the 26th of June 2020; she was re-elected for the 2021 term, at the General Meeting held on the 16th of June 2021; she was re-elected for the 2022, at the General Meeting held on the 6th of June 2022, and at the General Meeting held on the 5th of June 2023 for the 2023 term.

➤ **Alda Alexandra Abrantes Costa:**

Holds a degree in Business Organisation and Management from the University of the Azores (1991) and an MBA from Porto Business School (1994). In 1991, Ms. Costa began her career at the Regional Department for Housing, Public Works, Transport and Communications of the Regional Government of the Azores, as a Senior Technician. At the same time, she was a professor at the University of the Azores. Ms. Costa joined the Grupo VAA in 1994 as a Deputy Director of the Financial Department and took charge of the Management Control Department in 1997. Later on, Ms. Costa expanded her functions, and has been head of the Group's Financial Department since 2001. At the General Shareholders Meeting on 22nd May 2013, she was elected to the position of Member of the VAA Board of Directors for the year 2013. At the General Shareholders Meeting on 26th May 2014, she was elected to the position of Member of the VAA Board of Directors for the year 2014. By resolution of the VAA Board of Directors on 25th August 2016, she was appointed to the position of Member of the Board of Directors for the remainder of the current mandate (2016). At the General Meeting held on the 24th of March 2017 she was re-elected Member of VAA Board of Directors for the 2017 term, and she was re-elected for this position for the 2018 term, at the General Meeting held on the 18th of May 2018. At the General Meeting held on the 30th of April 2019 she was re-elected for the 2019 term; at the General Meeting held on the 26th of June 2020 she was re-elected for the 2020 term; at the General Meeting on the 16th of June 2023, she was re-elected for the 2021 term; at the General Meeting on the 6th of June 2022, she was re-elected for the 2022 term and at the General Meeting on the 5th of June 2023, she was re-elected for the 2023 term.

➤ **Nuno Miguel Ferreira Assunção Barra:**

Holds a degree in Economics from the Faculty of Economics at the University of Coimbra in 1995 and completed an MBA in 1996 from INDEG/ISCTE with a specialisation in Marketing and International Business. From 1996 to 1998, he studied for his Master's Degree in Business Sciences specialising in Management, Strategy and Business Development with a main focus on Marketing and International Business at INDEG/ISCTE. In 2015, he completed the Executive Course "Aligning Strategy & Sales" at Harvard Business School.

In 1997, Mr. Barra began his professional activity as assistant professor for the 3rd year of the "Marketing II" course at the Leiria Higher Education College of Technology and Management (ESTGL). From 1997 to 2000, he held three consecutive roles at TAP-Air Portugal, SA, as Network Development Manager, Marketing Manager and Revenue Manager in the Network Department of the General Commercial Directorate. From 2000 to 2001, he taught the subject "International Tourism" on the "Tourism Products Management" postgraduate course at INDEG/ISCTE. From 2000 to 2002, Mr. Barra also served as a Senior Consultant at PricewaterhouseCoopers Consulting (PwC Consulting) in the areas of Strategic Change and Customer Relationship Management (CRM). From 2002 to 2005, he was a Senior Consultant at KPMG Consulting in the areas of Strategic Marketing (Strategic and Operational Marketing, Brand Management and Customer Strategy) and Corporate Strategy. In 2005, Mr. Barra assumed the position of Director of Marketing & Communication (CMO) at the Grupo Visabeira. In 2008, he was appointed Managing Director of the Visabeira Imobiliária sub-holding, a position he held until 2009. In 2010, Mr. Barra assumed the position of Director of Marketing & External Design at Vista Alegre and Bordalo Pinheiro, which he continues to hold. At the General Shareholders Meeting on 6th of May 2016, he was elected to the position of Member of the VAA Board of Directors for the year 2016. At the General Meeting held on the 24th of March 2017 he was again re-elected Member of VAA Board of Directors for the 2017 term, and he was re-elected for this position for the 2018 term, at the General Meeting held on the 18th of May 2018. At the General Meeting held on the 30th of April 2019 he was re-elected for the 2019 term; at the General Meeting held on the 26th of June 2020 he was re-elected for the 2020 term; at the General Meeting held on the 16th of June 2021 he was re-elected for the 2021; at the General Meeting held on the 6th of June 2023 for the 2022 term, and at the General Meeting on the 5th of June 2023, he was re-elected for the 2023 term.

➤ **Nuno Maria Pinto de Magalhães Fernandes Thomaz**

Holds a degree in Business Administration and Management from the Higher Institute of Management and postgraduate course from Harvard Business School, being registered in the Securities and Futures Authority.

He began his professional career as a Broker of BVL in Pedro Caldeira – Sociedade Corretora, S.A.. He also worked as sales trader at BCI (Grupo Santander), Sales and Negotiation Director of Carnegie Portugal and was responsible for the capital markets of South Europe in Carnegie London. Worked in the Grupo Finibanco, Banco de Negócios Argentaria and was Vice-Chairman in the Banif Ascor, Founder and Director of Banif Investment Bank.

Between 2004 and 2005 was Secretary of State for Maritime Affairs. Between 2005 and 2006 was CEO of Orey Financial and in 2007 assumed the leadership of ASK (financial boutique) of which he was co-founder and CEO. In 2011, he was appointed by the Government to the Working Group on Economic Diplomacy.

Between 2011 and 2016 served as member of the Board and Vice-Chairman of the Executive Committee of Caixa Geral de Depósitos. He was President of Fundação Luso-Brasileira and Chairman of NAU Securities (London).

Currently he is Director of SOGEPOC SGPS, S.A., Senior Partner of Core Capital – Sociedade Capital de Risco, S.A., Chairman of Centromarca, Vice-Chairman of the CIP General Board; Director of the Portuguese Chamber of Commerce and Industry as well as President of the Portuguese-Brazilian Foundation (Fundação Luso-Brasileira). Invited professor at NOVA SBE in Executive Education

At the General Meeting held on the 18th of May 2018 he was elected Member of VAA Board of Directors for the 2018 term, and he was re-elected for this position for the 2019 term, at the General Meeting held on the 30th of April 2019; he was re-elected for the 2020 term, at the General Meeting held on the 26th of June 2020; he was re-elected for the 2021 term and at the General Meeting held on the 16th of June 2021; he was re-elected for the 2022, and at the General Meeting held on the 6th of June 2022, and at the General Meeting on the 5th of June 2023, he was re-elected for the 2023 term.

➤ **Cristina Isabel Sousa Lopes**

She has a degree in Business Management from Instituto Politécnico de Viseu.

She began her professional experience in Grupo Visabeira in 2007, having worked until 2009 in the financial area.

From 2010 to 2013, she was a Financial Director in Mozambique. In 2014, she carried out tasks related to the monitoring of new projects in the administrative and financial areas. From December 2014 until March 2016, she was deputy director of the Financial Planning, Funding and Risk Department. Since March 2016 to this date, she has been the Director of Palácio do

Gelo Shopping and Director of the Collection and Litigation Department of Grupo Visabeira. She has been a member of the Board of Directors of MOVIDA S.A. since the 5th of June 2017, and of Visabeira Industria SGPS, S.A. since the 7th of September 2020, having been elected at the General Meeting on the 18th of May 2018 as Member of the Board of Directors of VAA, for the 2018 term. At the General Meeting on the 30th of April 2019, she was re-elected as Member of the Board of Directors of VAA, for the term of office of 2019; at the General Meeting held on the 26th of June 2020, for the term of office of 2020; at the General Meeting held on the 16th of June 2021 for the term of 2021; she was re-elected for the 2022, at the General Meeting held on the 6th of June 2022, and at the General Meeting on the 5th of June 2023, she was re-elected for the 2023 term.

➤ **Teodorico Figueiredo Pais**

Is a graduate in Porcelain and Glass Engineering from Aveiro University (1991) and holds an Executive MBA in Management from the Business School of Porto (2005). After 4 years of applied research work, he began working for Fábrica de Porcelana da Vista Alegre in late 1994. Mr. Pais is currently engineer at Vista Alegre's Porcelain Factory and Industrial Director of the Porcelain and Glass Units. From 2008 and 2010 he was Brand Manager for "Vista Alegre Hotelware", a position held in conjunction with Brand Manager for the horeca channel, which he holds since 2005. Mr. Pais was Country Manager of the subsidiary Vista Alegre Espanha between 2010 and 2014.

At the General Shareholders Meeting on 12th of October 2018, he was elected to the position of Member of the VAA Board of Directors for the current mandate, having assumed responsibility for the Industrial area of porcelain and Crystal. At the General Meeting on the 30th of April 2019, he was re-elected as Member of the Board of Directors of VAA, for the term of office of 2019; at the General Meeting held on the 26th of June 2020, for the term of office of 2020; at the General Meeting held on the 16th of June 2021 for the term of 2021; he was re-elected for the 2022, at the General Meeting held on the 6th of June 2022, and at the General Meeting on the 5th of June 2023, he was re-elected for the 2023 term.

➤ **Carlos Alberto Sá Garcia da Costa**

After completing his bachelor's degree in Business Management in 1995, he began his professional career as head of the Department of Transport and Warehouses at Grupo Visabeira, in September 1996, in the Telecommunications sector. In 1998 he became responsible for Grupo Visabeira's Export Department, where he was involved in the Group's growth and internationalisation process, especially in Africa. In 2006, he was invited to become General Manager of Mercury Comercial, a trading company of Grupo Visabeira, located in Angola, where he moved and kept this position until 2010. Here he implemented the representation of several

brands of products from the most diverse of sectors. In March 2010, he returned to Portugal and was invited to join the new Grupo Visabeira Management Team, specially created for managing Vista Alegre, which was meanwhile purchased by the Group in 2009. He started working in the Customer Service and Purchasing Departments, until 2013, when he took on the challenge of joining Vista Alegre's Commercial Team, with responsibility for developing the business in Africa. In 2015, he was invited to become General Director of Vista Alegre Brasil, based in São Paulo, where he moved, and where he remained until 2018, the year in which he undertook commercial responsibility for Latin America and North America (as well as being General Director of the branch in Brazil).

At the General Meeting held on the 6th of June 2022, he was elected Member of VAA Board of Directors for the year 2022, having assumed responsibility for the Company's Commercial area, having been re-elected for the same position for the year 2023, at the General Meeting of the 5th of June 2023.

➤ **Fernando Daniel Leocádio Campos Nunes**

He is from Viseu, with a master's degree in Electrical and Computer Engineering from *Instituto Superior Técnico*, having subsequently completed the General Management Course at the Porto Business School, and the Advanced Management Program at the Kellogg School of Management, in Chicago.

He began his professional career in several companies of Grupo Visabeira, moving in 2018 to the position of advisor to the Grupo's Board of Directors. In 2020, he took up the position of Director of Grupo Visabeira with responsibility for Tourism and Non-Ceramic Industry. In 2022, he was appointed executive director of Constructel Visabeira, a Grupo Visabeira company in which Goldman Sachs has a share, with responsibility for operational back office/workforce management and revenue assurance. In 2023 he was appointed chairman of the board of directors of Visabeira Turismo, a real estate and services company, and also a non-executive director of VAA - Vista Alegre Atlantis SGPS, S.A.

He is a member of the board of directors of the Portugal-Mozambique Chamber of Commerce and President of the coordinating council of the Viseu delegation of SEDES.

In September 2023, he was appointed Honorary Consul of the Republic of Mozambique in Viseu.

At the General Shareholders Meeting on 5th of June 2023, he was elected to the position of Member of the VAA Board of Directors for the year 2023.

➤ **Maria Isabel Couto Fernandes**

She has a law degree from the Faculty of Law of the University of Coimbra and she is a lawyer duly registered with the Portuguese Bar Association. Her professional career has been characterised by several positions in the public and private sectors, as well as the countries/jurisdictions in which she has worked over time.

She began her professional career in the Studies and Planning Office of the Ministry of Justice (Portugal), where she provided technical and legal advice on the preparation and representation of the country at international meetings, particularly at the OECD and the European Commission. She was later invited to Macau to join the Macau Legal Translation Office, where she provided legal support to the local government structure as part of the process of transition of the territory of Macau to the People's Republic of China.

She later moved to Mozambique where, in addition to being Head of the Legal Sciences Course at one of the first private higher education institutions in the country - the *Instituto Superior Politécnico e Universitário de Maputo* - and Professor of Commercial Law, she actively participated in the tax reform of indirect (VAT) and direct (IRPS and IRPC) taxes carried out in the country, as well as providing legal and tax advice to some of the most emblematic private investment projects in the country, as Associate Director of the Legal and Tax Department of PricewaterhouseCoopers - Mozambique.

Still in Mozambique, she was a correspondent for the "International Bureau of Fiscal Documentation" (IBFD), providing support in legal and tax matters relevant to the Mozambican legal system, with continuous reporting on legislative changes, particularly in terms of tax, and issuing opinions and other relevant information within the scope of the IBFD's duties.

Since August 2006, she has been the Director of Legal Services at Grupo Visabeira, which incorporated Grupo Vista Alegre and Bordalo Pinheiro in 2009.

Since March 2021, she has chaired the Diversity and Inclusion Committee of the Federation of Portuguese-Speaking Lawyers (FALP).

At the General Meeting held on the 5th of June 2023 she was elected Member of the Board of Directors of VAA for the 2023 term.

➤ **Céline Abecassis Moedas:**

She has a PhD in Business Strategy from École Polytechnique, Paris (1999), a Master's degree in Management from Université Paris Dauphine (1995) and a Degree in Economics and Management from École Normale Supérieure de Cachan and La Sorbonne (1994). She is also Certified IDPC in Corporate Governance, INSEAD, 2017.

She started her career as a researcher at Orange Labs, Paris (1996-1999), having become Product Manager at Lectra in New York (1999-2000) and strategy consultant at AT Kearney in London (2000-2002).

She returned to the academic world as an Assistant Professor at Queen Mary - University of London (2002-2005) and joined CATÓLICA-LISBON as an Assistant Professor in the areas of Innovation Strategy and Management in 2005. She was an International Faculty Fellow at Sloan School of Management, MIT (2011-2012) and Affiliated Professor in Innovation Strategy & Management and Academic Director of Fashion & Technology Lectra Chair at ESCP Business School, in Paris (2014-2019). She has been an Associate Professor since 2013, with Aggregation since 2019 at CATÓLICA-LISBON.

She was Non-Executive Director at CTT Correios de Portugal, SA, Member of the Corporate Governance, Evaluations and Nominations Committee (2016-2020); Non-Executive Director at Europac (Papeles y Cartones de Europa, SA) (2012-2019), where she was Lead Independent Director (2015-2019), Chairwoman of the Nomination and Remuneration Committee (2015-2019) and Member of the Audit Committee (2015-2019); and Non-Executive Director of GreenVolt (2021-2022).

She is currently Associate Professor and Director of Executive Training at CATÓLICA LISBON, Universidade Católica Portuguesa. She is also a non-executive director at CUF (since 2016) and at Vista Alegre Atlantis (since 2020), and at Lectra (since 2021), and Chairwoman of the Strategic Board of Vieira de Almeida Inovação since 2017 and Member of the Advisory Board of COTEC since 2018.

At the General Meeting held on the 26th of June 2020 she was elected Member of VAA Board of Directors for the 2020 term, and she was re-elected for this position for the 2021 term, at the General Meeting held on the 16th of June 2021. At the General Meeting held on the 6th of June 2022 she was re-elected for the 2022 term, and at the General Meeting held on the 5th of June 2023 she was re-elected for the 2023 term.

➤ **Mário Godinho de Matos**

Ambassador of the staff of the Ministry of Foreign Affairs.

Undergraduate degree in Economics from ISEG (*Universidade de Lisboa*) in 1974. In 1976 he entered the Diplomatic Career having worked, between 1980 and 2004, in the diplomatic representations of Portugal in Washington, Maputo, Beijing, Madrid and in the Nato Delegation, in Brussels. From 1989 to 1991 he was a member of the Joint Luso-Chinese Liaison Group on the transition process of Macau to the sovereignty of the People's Republic of China. Between 1992 and 1995 he was Director at the Ministry of Foreign Affairs, in Lisbon.

From 2004 to 2017 he was successively Ambassador of Portugal in Havana, in Maputo and in Moscow.

In 2017, he definitively returns to the Ministry of Foreign Affairs in Lisbon and chairs the *Comissão Internacional de Limites e Bacias Hidrográficas Luso-Espanholas* until June 2020.

He taught at ISEG the subject of “Economic and Social History” for five academic years, whenever he was not appointed abroad within his Diplomatic career position.

After returning to Lisbon, he was Assistant Guest Professor at UC “Diplomatic Practice”, at the *Faculdade de Ciências Sociais e Humanas* at the *Universidade NOVA*, from 2018 to 2020.

Within the context of collaboration between the *Universidade NOVA* and the *Instituto Universitário Militar* (IUM) he taught, in 2019 and 2020, “Diplomacy” in the postgraduate program “Globalisation, Diplomacy and Security”.

He works regularly with the IUM regarding Promotion Courses for General officers.

Associate researcher at *Observare- Universidade Autónoma de Lisboa*.

Awarded by President Jorge Sampaio with the degree of “Grã-Cruz” of the Ordem de Mérito; “Oficial” of the Order of Infante D. Henrique; and “Comendador de Número” of the Ordem de Isabel a Católica, from Spain.

At the General Meeting held on the 26th of June 2020 he was elected Member of VAA Board of Directors for the 2020 term, and he was re-elected for this position for the 2021 term; at the General Meeting held on the 16th of June 2021, for the 2022 term; at the General Meeting held on the 6th of June 2022 he was re-elected for the 2022 term and at the General Meeting held on the 5th of June 2023 he was re-elected for the 2023 term.

➤ **Luís Miguel Poiares Pessoa Maduro**

He has an undergraduate degree in Law from the *Faculdade de Direito da Universidade de Lisboa* and a PhD in Law from the *Instituto Universitário Europeu*, having obtained the prize for the best doctoral thesis.

Director of the Global Law School, *Universidade Católica Portuguesa* and Professor at *Catédra Vieira de Almeida*. He is also Consultant to the Presidency of the *Gulbenkian Foundation*, President of the General Council of *UTAD-Universidade de Trás-os-Montes e Alto Douro*, President of the Executive Council of the European Digital Media Observatory, and a regular legal advisor for European Institutions (such as the European Commission, or the European Central Bank), national governments, law firms and multinational companies.

Until the summer of 2020, he was Director and Professor of the School of Transnational Governance of the European University Institute where he continues to be a Guest Professor. He was Deputy Minister and Regional Development from 2013 to 2015. He was General Lawyer at the Court of Justice of the European Communities until October 2009. He has an undergraduate degree from the *Faculdade de Direito de Lisboa* and a PhD from the European University Institute of Florence in 1996, where he was awarded for the best doctoral thesis and best researcher in the Law Department. He was Guest Professor at Yale Law School, the Centre for Constitutional Studies (Madrid), Chicago University and London School of Economics. He also teaches at the *Universidade Católica* and the College of Europe. He was Chairman of the FIFA Governance Committee from May 2016 to April 2017. Awarded with the *Comenda da Ordem de Santiago da Espada*, he is the author of numerous publications. In 2010 he was awarded the *Gulbenkian Science Prize*. His most recent book is “Democracy in Times of Pandemic” (with Paul Kahn), recently translated into Portuguese. He is a regular commentator on *RTP* TV channel, *TSF* radio and *Expresso* newspaper and has written numerous articles in international media.

At the General Meeting held on the 16th of June 2021 he was elected Member of VAA Board of Directors for the 2021 term. At the General Meeting held on the 6th of June 2022 he was re-elected for the 2022 term, and at the General Meeting held on the 5th of June 2023 he was re-elected for the 2023 term.

ANNEX B

Relevant positions and activities carried out simultaneously in other companies, within and outside the group, of the members of the Board of Directors

➤ **Nuno Miguel Rodrigues Terras Marques**

Chairman of the Executive Board of Directors

Grupo Visabeira, S.A.

Chairman of the Board of Directors

- Constructel Visabeira, S.A.
- Visabeira Global SGPS, S.A.
- Visabeira Indústria SGPS, S.A.
- Visabeira Construções, S.A.
- Real Life – Tecnologias de Informação, S.A.
- ARMISEPI, S.A.
- Cunha Soares & Filhos, S.A.
- Visabeira Investigação e Desenvolvimento, S.A.
- VAA – Vista Alegre Atlantis SGPS, S.A.(a).
- Vista Alegre Atlantis, S.A.(a)
(a) Company belonging to Grupo VAA

Administrator:

- Ambitermo-Engenharia e Equipamentos Térmicos, S.A.
- E.I.P. Serviços, S.A.
- Jayme da Costa – Energia e Sistemas, S.A.
- Jayme da Costa – Sociedade Gestora de Participações Sociais, S.A.
- ARQUILED – Projectos de Iluminação, S.A.
- HCI – Construções, S.A.

➤ **Alexandra da Conceição Lopes**

Chairman of the Board of Directors:

- Visabeira Serviços SGPS, S.A.
- Natureenergia Produção de Energia, S.A.

Member of the Executive Board of Directors:

- Grupo Visabeira, S.A.

Administrator

- Visabeira Turismo, Imobiliária e Serviços, SGPS, S.A.
- Visabeira Investigação e Desenvolvimento, S.A.
- Visabeira Global, SGPS, S.A.

- Visabeira Indústria SGPS, S.A.
- Visabeira Imobiliária II, S.A.
- Visabeira Infraestruturas, S.A.
- Visapower II, S.A.
- Mundicor - Viagens e Turismo S.A.
- IUTEL – Infocomunicações, S.A.
- Granbeira II – Rochas Ornamentais, S.A.
- MOB – Indústria de Mobiliário, S.A.
- Pinewells, S.A.
- Viatel - Tecnologia de Comunicações, S.A.
- PDT – Projectos de Telecomunicações, S.A.
- Empreendimentos Turísticos Monte Belo - Sociedade de Turismo e Recreio S.A.
- EDIVISA – Empresa de Construções, S.A.
- Visabeira Imobiliária, S.A.
- Movida-Empreendimentos Turísticos, S.A.
- Field Force Atlântico, S.A.
- Ambitermo-Engenharia e Equipamentos Térmicos, S.A.
- Domingos da Silva Teixeira/Visabeira, A.C.E.
- Real Life – Tecnologias de Informação, S.A.
- VAA – Empreendimentos Turísticos, S.A.
- ARMISEPI, S.A.
- Creative Shots - Agência de Comunicação e Marketing, S.A.
- GESVISA – Património Imobiliário, S.A.
- IFERVISA – Sociedade de Promoção e Desenvolvimento Imobiliário, S.A.
- IN2IN, S.A.
- VISACASA – Serviços de Assistência e Manutenção Global, S.A.
- Visabeirahouse – Sociedade de Mediação Imobiliária, S.A.
- Asfalís Mediação de Seguros, S.A.
- Doutibelo Participações, S.A.
- Montebelo Alcobaça Historic Hotel, S.A.
- Cerutil – Cerâmicas Utilitárias, S.A. (a)
- Faianças Artísticas Bordalo Pinheiro, S.A. (a)
- Faianças Artísticas Bordalo Pinheiro – Turismo ACE (a)
- VAA - Vista Alegre Atlantis, SGPS, S.A. (a)
- Vista Alegre Atlantis, S.A. (a)
- VA I.I. – Sociedade Imobiliária, S.A. (a)
- Faianças da Capoa – Indústria de Cerâmica, S.A. (a)
- Cerexport – Cerâmica de Exportação, S.A. (a)
- Ria Stone – Fábrica de Louça de Mesa em Grés, S.A. (a)
- Ria Stone II, S.A. (a)
- VA Vista Alegre España, S.A. (a)

(a) Sociedade que pertence ao grupo da VAA

Manager:

- IN2In Infraestruturas, Unipessoal Limitada
- IN2In Indústria, Unipessoal Limitada
- IN2In Turismo, Unipessoal Limitada
- Besconsigo – Materiais, Construção de Besteiros, Lda.

- Rodinerte – Transportes, Lda.
- Troppo Squisito Lisboa, Lda.

➤ **Paulo Jorge Lourenço Pires**

Chairman of the Board of Directors:

- Cerutil – Cerâmicas Utilitárias, S.A. (a)
- Faianças Artísticas Bordalo Pinheiro, S.A. (a)
- VA I.I. – Sociedade Imobiliária, S.A. (a)
- Faianças da Capoa – Indústria de Cerâmica, S.A. (a)
- Cerexport – Cerâmica de Exportação, S.A. (a)
- Ria Stone- Fábrica de louça de mesa em Grés, S.A. (a)
- Ria Stone II, S.A. (a)
- VA Vista Alegre España, S.A. (a)
(a) Company belonging to Grupo VAA

Vice-Chairman of the Board of Directors:

- VAA – Vista Alegre Atlantis SGPS, S.A.(a)
- Vista Alegre Atlantis, S.A. (a)
(a) Company belonging to Grupo VAA

➤ **Nuno Miguel Ferreira de Assunção Barra**

Vice-Chairman of Board of Directors:

- VAA – Vista Alegre Atlantis SGPS, S.A. (a)
- Vista Alegre Atlantis, S.A. (a)
(a) Company belonging to Grupo VAA

Administrator:

- Faianças Artísticas Bordalo Pinheiro, S.A. (a)
- VA Vista Alegre España, S.A. (a)
 - VAA Brasil – Comércio, Importação e Exportação, S.A. (a)
(a) Sociedade que pertence ao grupo VAA

➤ **Alda Alexandra Abrantes Costa**

Administrator:

- VAA – Vista Alegre Atlantis SGPS, S.A. (a)
- Vista Alegre Atlantis, S.A. (a)
- VA I.I. Sociedade Imobiliária, S.A. (a)
- Ria Stone – Fábrica de Louça de Mesa em Grés, S.A. (a)
- Ria Stone II, S.A. (a)
- Faianças da Capoa – Indústria de Cerâmica, S.A. (a)
- Cerexport – Cerâmica de Exportação, S.A. (a)
(a) Company belonging to Grupo VAA

➤ **Nuno Maria Pinto de Magalhães Fernandes Thomaz**

Chairman:

- Centromarca
- Core Capital – Sociedade de Capital de Risco, S.A.

Vice-President:

- General Board of CIP

Administrator:

- SOGEPOC SGPS, S.A.
- Fundação Luso-Brasileira
- VAA – Vista Alegre Atlantis SGPS, S.A.(a)
(a) Company belonging to Grupo VAA

Director:

- Câmara do Comércio e Indústria Portuguesa

➤ **Cristina Isabel Sousa Lopes**

Chairman of the Board of Directors

- Movida-Empreendimentos Turísticos, S.A.

Administrator:

- Visabeira Turismo, Imobiliária e Serviços, SGPS, S.A.
- Visabeira Imobiliária II, S.A.
- Visabeira Indústria SGPS, S.A.
- Mundicor - Viagens e Turismo S.A.
- Visabeirahouse – Sociedade de Mediação Imobiliária, S.A.
- Visabeira Imobiliária, S.A.
- GESVISA – Património Imobiliário, S.A.
- IFERVISA – Sociedade de Promoção e Desenvolvimento Imobiliário, S.A.
- IN2IN, S.A.
- In2In Indústria, Unipessoal S.A.
- In2In Turismo Unipessoal S.A.
- VAA – Vista Alegre Atlantis SGPS, S.A. (a)
- Vista Alegre Atlantis, S.A. (a)
- Cerutil – Cerâmicas Utilitárias, S.A. (a)
- Ria Stone – Fábrica de Louça de Mesa em Grés, S.A. (a)
- Ria Stone II, S.A. (a)
- Faianças Artísticas Bordalo Pinheiro S.A. (a)
(a) Company belonging to Grupo VAA

➤ **Teodorico Figueiredo Pais**

Vice-Chairman of the Board of Directors:

- VAA – Vista Alegre Atlantis SGPS, S.A.(a)
- Vista Alegre Atlantis, S.A. (a)
(a) Company belonging to Grupo VAA

Administrator:

- VAA – Vista Alegre Atlantis SGPS, S.A. (a)
(b) Company belonging to Grupo VAA

➤ **Carlos Alberto Sá Garcia da Costa**

Chairman of the Board of Directors

VAA Brasil – Comércio, Importação e Exportação, S.A.(a)

Administrator:

- VAA – Vista Alegre Atlantis SGPS, S.A. (a)
- Vista Alegre Atlantis, S.A. (a)
- Cerutil – Cerâmicas Utilitárias, S.A. (a)
- Faianças Artísticas Bordalo Pinheiro, S.A. (a)
(c) Company belonging to Grupo VAA

➤ **Fernando Daniel Leocádio Campos Nunes**

Chairman of the Board of Directors

- Visabeira Turismo, Imobiliária e Serviços, S.A.
- NTUR – Empreendimentos Turísticos, S.A.
- ESTIO – Sociedade Imobiliária, S.A.
- IMOBIA RTE – Sociedade de Mediação Imobiliária, S.A.
- ROGRAMA – Rochas Ornamentais, S.A.
- DERMOLABE – Limpeza e Cosmética, S.A.

Administrator

- Constructel Visabeira, S.A.
- Visabeira Construções, S.A.
- Visabeira Global, SGPS, S.A.
- Visabeira Indústria, S.G.P.S., S.A.
- ARQUILED – Projectos de Iluminação S.A.
- AMBITERMO – Engenharia e Equipamentos Térmicos S.A.
- HCI – Construções S.A.
- VAA – Vista Alegre Atlantis, SGPS, S.A. (a)
(a) Company belonging to Grupo VAA

➤ **Maria Isabel Couto Fernandes**

Administrator

VAA – Vista Alegre Atlantis, S.A. (a)

(a) Company belonging to Grupo VAA

➤ **Céline Dora Judith Abecassis-Moedas**

Administrator:

- CUF SGPS, S.A.

- VAA – Vista Alegre Atlantis SGPS, S.A.(a)

- Lectra

(a) Company belonging to Grupo VAA

Director:

Director of Executive Training at CATÓLICA LISBON, *Universidade Católica Portuguesa*.

➤ **Mário Godinho de Matos**

No relevant positions and activities carried out simultaneously in other companies, inside and outside of Grupo VAA.

➤ **Luís Miguel Poiares Pessoa Maduro**

No relevant positions and activities carried out simultaneously in other companies, inside and outside of Grupo VAA.

ANNEX C

Professional qualifications and curriculum elements of the members of the Audit Board

The professional qualification and other curricular elements of the members of the Audit Board who were in office on the 31st December 2023, were, on that date, as follows:

➤ Nelson Luís da Silva Braga Moinhos

Is a graduate in Economics from the Faculty of Economics of the University of Porto in 1971. He carried out a mandatory military service from April 1973 to September 1975, as a militia officer in the Army – Military Administration Service – Accounting and Payments.

Between 1976 and 1978 he was part of the staff of *Grundig Electrónica Portugal Lda.* where he was “Internal Auditor” reporting directly to the head office in Germany.

Between 1978 and 1992, he worked as a self-employed professional Economist, having worked as Financial Director, Administrative Director and Tax and Accounting Advisor in several companies, based in the municipalities of Porto, Vila Nova de Gaia, Braga and Guimarães. He is also responsible for the development of Investment Projects for different activity sectors, having been responsible for their preparation, execution and analysis of results.

A Chartered Certified Accountant since the beginning of March 1991, currently he works at the chartered certified accountants company Nelson Moinhos, Paulo Lima & Associado, SROC, where he is a founding partner of the company formerly known as “Nelson Moinhos & Paulo Lima, SROC”.

At the General Meeting held on the 16th of June 2021 he was elected President of the Supervisory Board of VAA for the 2021 term, having been re-elected to the same position, for the 2022 term, at the General Meeting held on the 6th of June 2022, and, for the 2023 term, at the General Meeting held on the 5th of June 2023.

➤ Carlos Fernando Calhau Trigacheiro

Holds a degree in Business Organisation and Management from the *Instituto Superior de Economia e Gestão de Lisboa* [Higher Institute of Economics and Management] in 1980.

Chartered Accountant enrolled in the respective Order under number 898, in May 1995.

Specialist professor in the area of Business Sciences, following passing public exams that took place in January 2013.

Finance General Inspector from 1981 to 2023, when he retired, having carried out activities in the field of financial control and auditing of community funds as well as of the state business sector.

From 1992 to 2022 he taught accounting, taxation and auditing at the *Instituto Politécnico de Tomar*, and since 2017 he has been teaching these subjects at *Universidade Nova – Information Management School*.

Chartered Accountant and Member of the supervisory bodies in several entities of the public sector and in private companies.

Trainer and consultant in matters of accounting, taxation and auditing.

At the General Meeting held on the 6th of June 2022, he was elected Member of VAA - Vista Alegre Atlantis SGPS, S.A. Fiscal Board for the year 2022, having been re-elected for the same position for the year 2023, at the General Meeting of the 5th of June 2023.

➤ **Marisa do Rosário Lopes da Silva Monteiro**

She has an undergraduate's degree, a master's degree, as well as a PhD in Law from the Faculty of Law of the University of Coimbra.

Admitted to the Portuguese Bar Association in April 2004, she worked as a financial advisor at a leading banking institution between 2013 and 2014.

Of Counsel and coordinator of the Financial Law and Collateral Law area at *JPAB - José Pedro Aguiar-Branco Advogados*, since September 2015.

Legal consultant in the areas of financial, commercial and corporate, corporate governance, corporate funding, investment and capitalisation of companies.

Speaker at seminars, conferences and other scientific forums.

Author of opinion articles on technical and legal subjects published in the economic press (banking, finance, duties of financial intermediaries, NPL, etc.).

Author of scientific articles and academic essays.

Private experience in guarantees, contracts, banking and finance, commercial and corporate.

University professor of Commercial Law; Labour Law; Financial Instruments; Investment Funds and Collective Investment Companies.

At the General Meeting held on the 30th of April 2019 she was re-elected Member of VAA Board of Directors for the 2019 term, and she was re-elected for this position for the 2020 term, at the General Meeting held on the 26th of June 2020; for the 2021 term, at the General Meeting held on the 16th of June 2021; for the 2022 term, at the General Meeting held on the 6th of June 2022, and for the 2023 term, at the General Meeting held on the 5th of June 2023.

➤ **Joaquim Alexandre de Oliveira e Silva**

Undergraduate in Economics from the Faculty of Economics of the University of Porto, on 02.11.1970;

Professor at the Faculty of Economics of Porto in the area of Financial Mathematics between 01.01.1971 and 02.10.1972;

Military Service in Luanda, as well as teaching at the Faculty of Economics of Luanda, at the *Banco de Fomento de Angola* in the area of project analysis and in the Internal Trade Board, until March 1975;

Economist in Tax Administration, former DGCI, from April 1975 to September 2011, working at the Ministry of Education, as deputy to the Secretary of State for School Administration, from 29.04.1975 to October 1975.

He returned to the Faculty of Economics of Porto, teaching the subject of “Taxation and Company”, in the academic year of 1977, where he remained until 2003. Afterwards he taught this subject at the Porto Business School in Post-Graduate and Master's degree courses until 2013.

Taught in the areas of Taxation in several companies and in the entities APOTEC, OCC and APECA, currently maintaining, the responsibility of coordinating the Technical Consultancy in this area of APECA;

Currently, retired from the Tax Administration area since September 2001, he is still a Tax Consultant.

He was a member of several Supervisory Boards, as chairman and member, namely at IBERSOL, SA.

At the General Meeting held on the 16th of June 2021, he was elected as Substitute of the Supervisory Board of VAA for the 2021 term, having been re-elected to the same position; for the 2022 term, at the General Meeting held on the 6th of June 2022; and for the 2023 term, at the General Meeting held on the 5th of June 2023.

ANNEX D

Relevant positions and activities carried out simultaneously in other companies, within and outside the group, of the members of the Audit Board

➤ **Nelson Luís da Silva Braga Moinhos**

Administrator:

“Nelson Moinhos, Paulo Lima & Associado, SROC”

Chairman of the Fiscal Board:

VAA – Vista Alegre Atlantis SGPS, SA (a)

(a) Company belonging to Grupo VAA

➤ **Carlos Fernando Calhau Trigacheiro**

Member of the Fiscal Board:

VAA – Vista Alegre Atlantis SGPS, SA (a)

(a) Company belonging to Grupo VAA

➤ **Marisa do Rosário Lopes da Silva Monteiro**

Partner of “Plenitude do Saber, Lda.”

Managing Partner of “Azáfama Peculiar, Lda.”

Member of the Fiscal Board

VAA – Vista Alegre Atlantis SGPS, S.A. (a)

(a) Company belonging to Grupo VAA

➤ **Joaquim Alexandre de Oliveira e Silva**

Substitute of the Fiscal Board

VAA – Vista Alegre Atlantis SGPS, S.A. (a)

(a) Company belonging to Grupo VAA



VISTA ALEGRE

1824

VISTA ALEGRE ATLANTIS, SGPS, SA

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Bloomberg: VAFK:PL e VAF:PL

vistaalegre.com

VAA – VISTA ALEGRE ATLANTIS, SGPS, S.A.

Report and Opinion of the Supervisory Board

Financial year 2023

Dear Shareholders,

1– Report

1.1.– Introduction

In compliance with the applicable legal and statutory provisions and our mandate, the Supervisory Board issues this report showing the supervisory action developed, as well as the opinion on the management report and other individual and consolidated accounting documents covering the year ended on the 31st of December 2023, which are the Board of Directors' responsibility.

1.2.– Supervision

During the year, the Supervisory Board monitored, in accordance with its authority, the management of the company and its subsidiaries, analysed, within the advisable extent, business development, the accuracy of the accounting records, the quality of the preparation process for and disclosure of financial information, accounting policies and measurement criteria, having also verified compliance with legal and statutory regulations.

While carrying out its duties, it held fifteen meetings, in which the matters related to its attributions and competences were analysed. According to the nature of the matters to be dealt with, the meetings were attended by representatives of the Administration, heads of the Administrative and Financial departments, Internal Audit and the Chartered Accountant. In addition, the Supervisory Board participated in the Board of Directors' meetings it was invited to and in particular in the meeting that the management report and accounts for the year were issued for approval. Moreover, throughout the year the Supervisory Board had access to all documents deemed appropriate for carrying out its supervisory work.

Within the scope of its powers, the Supervisory Board also noted the effectiveness of risk management and internal control systems, having assessed the planning and results of the external and internal auditors' work. Furthermore, it followed the reception and treatment system for pinpointing irregularities, it evaluated the process of preparing individual and consolidated accounts, also providing the Board of Directors with information regarding the conclusions and quality of the statutory audit process and its intervention in this process.

During the year, the Supervisory Board carefully followed the accounting treatment of operations that materially influenced business development, expressed in the consolidated and individual financial position of **VAA – VISTA ALEGRE ATLANTIS, SGPS, S.A.**

The Supervisory Board is in agreement with responses to the risks of material misstatement, corresponding to the audit procedures and tests carried out, which led to unqualified opinions on the part of the Chartered Accountant.

Within the scope of its duties, the Supervisory Board examined the individual and consolidated balance sheets, the individual and consolidated income statements by nature, cash flows, comprehensive income, changes in equity and the corresponding annexes, related to the financial year 2023.

Through information provided by the Chartered Accountant, he became aware of annual audit planning and progress of the work throughout the year. The Auditors presented the final conclusions of the Legal Review of the Individual and Consolidated Accounts, referring the relevant matters of the audit, in the respective legal certifications, as follows:

1. Individual Financial Statements:
 - (i) Impairment of financial investments in subsidiaries
2. Consolidated Financial Statements:
 - (i) Recovery of non-current assets, associated with the Crystal/Handmade Glass segment
 - (ii) Impairment of inventories

The responses to the risks of material misstatement, corresponding to the audit procedures and tests carried out, led to unqualified opinions, both in terms of the individual financial statements and the consolidated financial statements.

At the end of the work, we received from the Chartered Accountant: the Legal Certifications of the Accounts, the Audit Reports, as well as the Additional Report to the Supervisory Body (RAOF), provided for in article 11 of Regulation (EU) n.º 537/2014 of the European Parliament and of the Council on the 16th of April 2014.

The Supervisory Board observed Recommendation II.5.1 of the IPCG Corporate Governance Code, with a view to characterizing the relevant level of transactions entered into with shareholders holding qualifying shareholdings or with entities having relationships as stipulated in paragraph 1 of article 20 of the Securities Code, having neither identified the materialization of relevant transactions in light of those criteria, nor identified the presence of conflicts of interest.

The Supervisory Board also observed the several Recommendations of the IPCG Corporate Governance Code, namely paragraphs II.2.1 to II.2.5 (Diversity in the composition and operation of the company's bodies); II.3.1 and II.3.2 (Relations between the company's bodies); II.4.1 and II.4.2 (Conflict de interests); IV.1.1,

IV.1.2, and IV.2.1 to IV.2.5 (Corporate and executive and non-executive Directors); V.1 and V.2 (Supervision); VI.1.1 (Assessment of the annual performance); VII.1 to VII.11 (Internal control); VIII.1.1 and VIII.2.1 to VIII.2.3 (Accounting information and Statutory audit).

As a body made up of a majority of independent members, in light of the legal criteria and professionally qualified to carry out its respective functions, the Supervisory Board has developed its powers and links with the other corporate bodies and services of the company in accordance with the principles and conduct recommended in the legal and recommendatory provisions, not having received any report from the Statutory Auditor in regards to irregularities or difficulties in exercising its respective functions.

The Supervisory Board examined the Corporate Governance Report, attached to the Management Report, related to consolidated financial statements, under the terms and for the purposes of paragraph 5 of article 420 of the Portuguese Companies Code, having analysed that it contains the elements referred to in article 29-H of the Securities Code.

Also, under the terms of its powers, the Supervisory Board examined the Management Report, including the Corporate Governance Report and other documents for the rendering of individual and consolidated accounts, prepared by the Board of Directors, considering that the information disclosed meets the legal standards in force and is appropriate for understanding the financial position and income of the company as well as consolidating and carrying out an appraisal of the Legal Certifications of Accounts and Audit Reports issued by the Statutory Auditor, which had your agreement.

2 – Opinion

In view of the above, the Supervisory Board agrees that the conditions are met for the General Meeting to approve:

2.1. The Management Report;

2.2. The individual and consolidated statements of financial position as at the 31st of December 2023, the statements of profit or loss by nature, the comprehensive income, the changes in equity and the cash flows for the year ended on that date and the corresponding annexes;

2.3. The proposal for the application of results presented by the Board of Directors.

3 – Declaration of responsibility

In accordance with the provisions of article 8, no. 1, point a) of CMVM Regulation no. 5/2008 and under the applicable law, be it known that, to the best of our knowledge, the information contained in the individual and consolidated financial statements was prepared in accordance with the applicable accounting standards, giving a true and appropriate image of the assets and liabilities, the financial situation and income of **VAA – VISTA ALEGRE ATLANTIS, SGPS, S.A.** as well as the companies included in the consolidation perimeter, and that the Management Report faithfully exposes the development of their business, performance and financial position, as well as the companies included in the consolidation perimeter and contains a description of the main risks and uncertainties they face. It is further stated that the Corporate Governance Report complies with the provisions of article 29-H of the Portuguese

Securities Code.

Ílhavo, 12th of April 2024

The Supervisory Board,

Nelson Luís da Silva Braga Moinhos (Chairman)

Marisa do Rosário Lopes da Silva Monteiro (Member)

Carlos Fernando Calhau Trigacheiro (Member)

STATUTORY AUDITOR'S REPORT

(Free translation of a report originally issued in Portuguese language:
in case of doubt the Portuguese version will always prevail)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of VAA – Vista Alegre Atlantis, S.G.P.S., S.A (“the Entity”), which comprise the statement of financial position as at December 31, 2023 (showing a total of Euro 269,799,414 and total equity of Euro 164,327,059, including a net loss of Euro 9,469,238), the statement of profit and loss by natures, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the accompanying notes to the financial statements, including material information about the accounting policy.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of VAA – Vista Alegre Atlantis, S.G.P.S., S.A as at December 31, 2023 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the “Auditor’s responsibilities for the audit of the financial statements” section below. We are independent the Entity in accordance with the law and we have fulfilled other ethical requirements in accordance with the Ordem dos Revisores Oficiais de Contas code of ethics.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



“Deloitte,” “us,” “we” and “our” refer to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”) member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities and, therefore, do not bind each other for all intents and purposes. Accordingly, each entity is only liable for its own acts and omissions and cannot be held liable for the acts and omissions of the other. Furthermore, DTTL does not provide services to clients. To learn more, please consult www.deloitte.com/about.

Type: Private Limited Company | Tax and CRC Registration no.: 501776311 | Share capital: € 500,000 | Head offices: Av. Eng. Duarte Pacheco, 7, 1070-100 Lisboa | Porto Office: Bom Sucesso Trade Center, Praça do Bom Sucesso, 61 - 13º, 4150-146 Porto

Description of the most significant risks of material misstatement identified	Summary of the auditor's responses to the assessed risks of material misstatement
Impairment of investments in subsidiaries (Notes 2.2.2.1 and 7 of the notes to the financial statements)	
<p>As of December 31, 2023, the Entity held financial investments in subsidiaries in the total amount of 210,895 thousand Euro, representing 78% of its total assets.</p> <p>The Entity values financial investments in subsidiaries at acquisition cost less impairment losses. The Entity recognizes impairment losses when the recoverable amount of the financial investment is shown to be lower than its accounting value.</p> <p>In this way, and as in previous years, management carried out impairment tests in relation to these financial investments in subsidiaries, which incorporate complex judgments, materialized in business plans based on various assumptions, namely associated with discount rates, expected margins, short-term and long-term growth rates, investment plans and demand behaviours.</p> <p>As a result of the aforementioned impairment tests, additional impairment losses were recognized.</p> <p>Given the relevance of the value recorded in the statement of financial position as of December 31, 2023 as financial investments in subsidiaries, and the large number of assumptions used in carrying out the impairment tests, we consider this a key audit matter.</p>	<p>Our audit procedures in this area included assessing the design and implementation of the relevant control procedures related to assessing the recoverability of financial investments held in subsidiaries. Additionally, with regards to determining the recovery value used by the Entity in the impairment assessment process, our procedures involved:</p> <ul style="list-style-type: none"> • Obtaining the valuation models used to determine the recoverable amount of investments in subsidiaries and testing the arithmetic accuracy of these models; • The evaluation of the methodology used by the Entity in the process of determining the value in use, namely in view of the requirements of IAS 36 - Impairment of assets; • The challenge, with the involvement of internal experts, of the assumptions underlying the valuation model, including the discount rates used, the short and long term growth rates, the projected cash flows (including those related to investments), and the projected business margins; • Analysis of the reasonableness of future estimated cash flows through comparison with historical financial information and future perspectives; • The holding of discussions with the Entity's management and its representatives; • Obtaining and analysing the results of the sensitivity analysis prepared by management to the robustness of the assumptions and forecasts used; • We also assessed the adequacy of the disclosures made in the financial statements.

Other matters

The attached financial statements refer to the Entity's activity at an individual level and have been prepared for approval and publication in accordance with the legislation in force. As indicated in note 2.2.2.1 of the notes to the financial statements, investments in subsidiaries are recorded at acquisition cost less impairment losses. The attached financial statements do not include the full consolidation effect, which will be done in consolidated financial statements to be approved and published separately. Note 7 of the notes to the financial statements provides additional information on subsidiaries.

Responsibilities of management and supervisory body for the financial statements

Management is responsible for:

- the preparation of financial statements that give a true and fair view of the Entity's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union;
- the preparation of the management report, corporate governance report, non-financial information and remuneration report in accordance with applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Entity's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about the Entity's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and global content of the financial statements, including the disclosures, and whether those financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- determine, from the matters communicated with those charged with governance, including the supervisory body, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter;
- provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, which measures have been taken to eliminate the threats or what safeguards have been applied.

Our responsibility also includes the verification that the information contained in the management report is consistent with the financial statements and the verification of the requirements as provided in numbers 4 and 5 of article 451º of the Portuguese Companies' Code ("*Código das Sociedades Comerciais*"), in matters of corporate governance, as well as the verification that the non-financial information and the remuneration report were presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

European Single Electronic Format (ESEF)

The financial statements of VAA – Vista Alegre Atlantis, SGPS, S.A. for the year ended December 31, 2023 must comply with the applicable requirements set out in the Commission Delegated Regulation (EU) 2019/815 of December 17, 2018 ("ESEF Regulation").

Management is responsible for the preparation and disclosure of the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the financial statements, included in the annual report, are presented in accordance with the requirements set out in the ESEF Regulation.

Our procedures have considered the Technical Application Guide ("*Guia de Aplicação Técnica*") of Ordem dos Revisores Oficiais de Contas (OROC) (the Portuguese Institute of Statutory Auditors) on reporting in ESEF and included, among others, gaining an understanding of the financial reporting process, including the presentation of the annual report in valid XHTML format.

In our opinion, the financial statements, included in the annual report, are presented, in all material respects, in accordance with the requirements set out in the ESEF Regulation.

About the management report

Pursuant to article 451º, nº 3, al. e) of the Portuguese Companies' Code ("*Código das Sociedades Comerciais*"), it is our opinion that the management report was prepared in accordance with the applicable legal and regulatory requirements, and the information contained therein is consistent with the audited financial statements and, having regard to our knowledge and assessment over the Entity, we have not identified any material misstatements.

About the corporate governance report

Pursuant to article 451º, nº 4, of the Portuguese Company's Code ("*Código das Sociedades Comerciais*"), we conclude that the corporate governance report includes the elements required to the Entity under the terms of article 29º-H of the Portuguese Securities Code ("*Código dos Valores Mobiliários*"), and we have not identified any material misstatements on the information disclosed therein, which, accordingly, complies with the requirements of items c), d), f), h), i) and m), of no. 1 of said article.

About the remuneration report

Pursuant to article 245º-C, nº 6, of the Portuguese Securities Code ("*Código dos Valores Mobiliários*"), we inform that the Entity has included in a separate chapter, in its corporate governance report, the information provided for in nº 2 of said article.

About the additional matters provided in article 10 of Regulation (UE) 537/2014

Pursuant to article 10º of Regulation (UE) nº 537/2014 of the European Parliament and of the Council, of April 16, 2014, and in addition to the key audit matters mentioned above, we also report on the following:

- We were appointed as auditors of VAA – Vista Alegre Atlantis, SGPS, S.A. for the first time in the shareholders' general meeting held on March 24, 2017 for a mandate comprising 2017 and 2018. We were subsequently appointed at the shareholders' general meeting held on April 30, 2019 for a second mandate, comprising years 2019 and 2020, appointed at the shareholders' general meeting held on June 16, 2022 for a third mandate which comprised years 2021 and 2022 and appointed in the shareholders' general meeting held on June 5, 2023 to a fourth mandate, which covers years 2023 and 2024.
- Management has confirmed us that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISA, we maintained professional skepticism and we designed audit procedures to respond to the risk of material misstatements in the financial statements due to fraud. As a result of our work, we have not identified any material misstatement on the financial statements due to fraud.
- We confirm that the audit opinion issued is consistent with the additional report that we prepared and delivered to the Entity's supervisory body as of April 12, 2024.
- We declare that we have not provided any prohibited services as described in article 5º, number 1, of Regulation (EU) nº 537/2014, and that we have remained independent from the Entity in conducting the audit.

Porto, April 12, 2024

STATUTORY AUDITOR'S REPORT

(Free translation of a report originally issued in Portuguese language:
In case of doubt the Portuguese version will always prevail)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of VAA – Vista Alegre Atlantis, S.G.P.S., S.A. (“the Entity”) and of its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as at December 31, 2023 (showing a total of 243,142 thousand Euros and total equity of 82,724 thousand Euros, including a net result of 6,535 thousand Euros), the consolidated statement of profit and loss by natures, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the accompanying notes to the consolidated financial statements, including material information about the accounting policy.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the “Auditor’s responsibilities for the audit of the consolidated financial statements” section below. We are independent from the entities that constitute the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Ordem dos Revisores Oficiais de Contas code of ethics.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



“Deloitte,” “us,” “we” and “our” refer to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”) member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities and, therefore, do not bind each other for all intents and purposes. Accordingly, each entity is only liable for its own acts and omissions and cannot be held liable for the acts and omissions of the other. Furthermore, DTTL does not provide services to clients. To learn more, please consult www.deloitte.com/about.

Type: Private Limited Company | Tax and CRC Registration no.: 501776311 | Share capital: € 500,000 | Head offices: Av. Eng. Duarte Pacheco, 7, 1070-100 Lisboa | Porto Office: Bom Sucesso Trade Center, Praça do Bom Sucesso, 61 - 13º, 4150-146 Porto

Description of the most significant risks of material misstatement identified	Summary of the auditor's responses to the assessed risks of material misstatement
Recovery of non-current assets related with the segment Crystal/Manual Glass (Notes 2.3.1, 2.3.2, 2.3.3, 2.3.4, 2.3.6, 6, 8, 9 and 10 of the notes to the consolidated financial statements)	
<p>As of December 31, 2023, the Group's consolidated statement of financial position includes non-current assets in the amount of 17,657 thousand euros associated with the Cash Generating Unit ("CGU") of Crystal/Manual Glass, a business segment that has historically presented a performance below expectations, despite the fact that in 2023 a recovery path was maintained and a positive performance obtained, essentially as a result of the restructuring process and the modernization investments in the installed production capacity made in this business segment. This fact continues to constitute an indication of impairment in relation to the non-current assets assigned to that business segment.</p> <p>The Group recognizes impairment losses when the recovery value of a given asset or group of assets is shown to be lower than its net accounting value. In this way, and similarly to previous years, the management carried out an impairment test in relation to this CGU, which incorporates complex judgments, materialized in business plans that are based on several assumptions, namely associated with discount rates, expected margins, short and long term growth rates, investment plans and demand behaviors.</p> <p>The Entity did not recognize any impairment loss as of December 31, 2023, and the test carried out shows that those assets are marginally above their net accounting value.</p> <p>In view of the relevance of the amount of the non-current assets associated with the CGU of Crystal/Manual Glass, of the large number of assumptions used in carrying out the impairment test, and of the sensitivity of the impairment test to changes in such assumptions, we consider this a key audit matter.</p>	<p>Our audit procedures in this area included the assessment of the design and implementation of the relevant control procedures related with the identification of impairment signs in terms of the Group's non-current assets, assessment of the recoverability of cash-generating units with associated goodwill, as well as analysis of the impairment loss assessment exercise in situations where the Group identifies impairment signs in non-current assets.</p> <p>With regards to the impairment test carried out by the Group in relation to non-current assets associated with the CGU of Crystal/Manual Glass, our analysis included:</p> <ul style="list-style-type: none"> • evaluation of the criteria defined by the Group to determine the Cash Generating Units; • obtaining the valuation models used to determine the recoverable amount of each CGU and testing the arithmetic accuracy of these models; • evaluation of the methodology used by the Group in the process of determining the value in use, namely in view of the requirements of the applicable accounting standards; • conducting surveys and interactions with management and its representatives, regarding the assumptions considered in the evaluation models; • evaluation, with the involvement of internal experts, of the assumptions underlying the models, namely the discount rates, short and long term growth rates used, and projected business margins, in addition to the estimated cash flows themselves; • analysis of the reasonableness of estimated cash flows through comparison with historical financial information and future perspectives; • review of the results of the sensitivity analysis prepared by management to the robustness of the most critical assumptions used;

	<ul style="list-style-type: none"> assessment of the adequacy of the disclosures made in the consolidated financial statements
Description of the most significant risks of material misstatement identified	Summary of the auditor's responses to the assessed risks of material misstatement
Impairment of inventories (Notes 2.3.7 and 16 of the notes to the consolidated financial statements)	
<p>As of December 31, 2023, the Group's inventories amounted to 51,463 thousand euros, net of impairment losses of 12,399 thousand euros.</p> <p>In accordance with IAS 2 Inventories, inventories are valued at the lower of the acquisition or production cost and the net realizable value. The Group periodically analysis the impairment of its inventories in order to reduce them to their realizable value, based on both their estimated sales price and their rotation. With regard to this last factor, the Group mainly structures its products between "Line products" and "Out-of-line products", having defined objective impairment criteria according to the effective historical rotation of each article, with such criteria being approved and monitored by management.</p> <p>The definition of a criteria for identifying items that can be classified as obsolete or of low rotation and, consequently, the assessment if their net realizable value may be lower than the respective net accounting value, as well as the impairment criteria established by management, are a significant judgment area, subject to uncertainties inherent to the business sector in which the Group operates, namely related to market trends, the pace of introduction of new collections and the availability of older collections.</p> <p>Thus, we consider that the impairment of inventories is a key audit matter.</p>	<p>Our audit procedures in this area included the assessment of the design and implementation of the relevant control procedures associated with the process of monitoring the needs for recording impairment for inventories carried out by the Group, checking their adequacy with the accounting standards. Among other procedures performed, we highlight the following:</p> <ul style="list-style-type: none"> We analysed the criteria and assumptions defined by the Group for the identification of items with reduced rotation or obsolete, as well as the impairment criteria defined to reduce the value of the inventories to their estimated realization value; We validated the correctness and completeness of the information that served as the basis for calculating the impairment for inventories, including its reconciliation with the accounting records on the reporting date; We challenged the reasonableness of the impairment criteria for inventories established by management in view of the recent historical information; We carried out tests to the arithmetic correction of the application of the impairment criteria for inventories established by the Group; We assessed the adequacy of the disclosures made in the consolidated financial statements.

Responsibilities of management and supervisory body for the consolidated financial statements

Management is responsible for:

- the preparation of consolidated financial statements that give a true and fair view of the Group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union;
- the preparation of the management report, corporate governance report, non-financial information and remuneration report in accordance with applicable laws and regulations;

- designing and maintaining an appropriate internal control system to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Group's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about the Group's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Group's financial reporting process.

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

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and global content of the consolidated financial statements, including the disclosures, and whether those financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;

- determine, from the matters communicated with those charged with governance, including the supervisory body, those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter;
- provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, which measures have been taken to eliminate the threats or what safeguards have been applied.

Our responsibility also includes the verification that the information contained in the management report is consistent with the consolidated financial statements, and the verification of the requirements as provided in numbers 4 and 5 of article 451º of the Portuguese Companies' Code ("*Código das Sociedades Comerciais*"), in matters of corporate governance, as well as the verification that the non-financial information and the remuneration report were presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

European Single Electronic Format (ESEF)

The consolidated financial statements of VAA – Vista Alegre Atlantis, SGPS, S.A. for the year ended December 31, 2023 must comply with the applicable requirements set out in the Commission Delegated Regulation (EU) 2019/815 of December 17, 2018 (ESEF Regulation).

Management is responsible for the preparation and disclosure of the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements, included in the annual report, are presented in accordance with the requirements set out in the ESEF Regulation.

Our procedures have considered the Technical Application Guide ("*Guia de Aplicação Técnica*") of Ordem dos Revisores Oficiais de Contas (OROC) (the Portuguese Institute of Statutory Auditors) on reporting in ESEF and included, among others:

- gaining an understanding of the financial reporting process, including the presentation of the annual report in valid XHTML format; and
- the identification and assessment of the risks of material misstatement associated with the tagging of information in the consolidated financial statements, in XBRL format, using iXBRL technology. This assessment was based on the understanding of the process implemented by the Entity to tag the information.

In our opinion, the consolidated financial statements, included in the annual report, are presented, in all material respects, in accordance with the requirements set out in the ESEF Regulation.

About the management report

Pursuant to article 451º, nº 3, al. e) of the Portuguese Companies' Code ("*Código das Sociedades Comerciais*"), it is our opinion that the management report was prepared in accordance with the applicable legal and regulatory requirements, and the information contained therein is consistent with the audited consolidated financial statements and, having regard to our knowledge and assessment over the Group, we have not identified any material misstatements. As referred to in article 451, nº 7 of the Portuguese Companies' Code ("*Código das Sociedades Comerciais*"), this opinion is not applicable to the non-financial information included in the management report.

About the corporate governance report

Pursuant to article 451º, nº 4, of the Portuguese Company's Code ("*Código das Sociedades Comerciais*"), we conclude that the corporate governance report includes the elements required to the Group under the terms of article 245.º-A of the Portuguese Securities Code ("*Código dos Valores Mobiliários*"), and we have not identified any material misstatements on the information disclosed therein, which, accordingly, complies with the requirements of items c), d), f), h), i) and m), of no. 1 of said article.

About the consolidated non-financial information

Pursuant to article 451.º, nº 6, of the Portuguese Company's Code ("*Código das Sociedades Comerciais*"), we inform that the Group included in its consolidated management report the consolidated non-financial information, under the terms of article 508.º-G of the Portuguese Company's Code ("*Código das Sociedades Comerciais*")

About the remuneration report

Pursuant to article 26º-G, nº 6, of the Portuguese Securities Code ("*Código dos Valores Mobiliários*"), we inform that the Group has included in a separate chapter, in its corporate governance report, the information provided for in nº 2 of said article.

About the additional matters provided in article 10 of Regulation (UE) 537/2014

Pursuant to article 10º of Regulation (UE) nº 537/2014 of the European Parliament and of the Council, of April 16, 2014, and in addition to the key audit matters mentioned above, we also report on the following:

- We were appointed as auditors of VAA – Vista Alegre Atlantis, SGPS, S.A. (parent company of the Group) for the first time in the shareholders' general meeting held on March 24, 2017 for a mandate comprising 2017 and 2018. We were subsequently appointed at the shareholders' general meeting held on April 30, 2019 for a second mandate, comprising years 2019 and 2020, appointed at the shareholders' general meeting held on June 16, 2022 for a third mandate which comprised years 2021 and 2022 and appointed in the shareholders' general meeting held on June 5, 2023 to a fourth mandate, which covers years 2023 and 2024.
- Management has confirmed us that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the consolidated financial statements. In planning and executing our audit in accordance with ISA, we maintained professional scepticism and we designed audit procedures to respond to the risk of material misstatements in the consolidated financial statements due to fraud. As a result of our work, we have not identified any material misstatement on the consolidated financial statements due to fraud.
- We confirm that the audit opinion issued is consistent with the additional report that we prepared and delivered to the Group's supervisory body as at April 12, 2024.

- We declare that we have not provided any prohibited services as described in article 5º, number 1, of Regulation (EU) nº 537/2014, of April 16, 2014, and that we have remained independent from the Group in conducting the audit.

Porto, April 12, 2024

Deloitte & Associados, SROC S.A.
Represented by Miguel Nuno Machado Canavarro Fontes, ROC
Register in OROC nr. 1397
Register in CMVM nr. 20161007