



Transparency Report 2023

Institutional Message

As a company providing audit services, CFA recognizes that quality, rigor and transparency are the main components for creating value and trust in the markets.

We consider that auditing is a determining factor in promoting and consolidating the economic growth desired by companies, constituting proof of the credibility of financial statements. We are committed to ensuring the rigor and transparency of audit services through a high quality professional service focused on fundamental values that necessarily guide the performance of statutory auditors – Integrity, Independence, Responsibility and Transparency.

The 2023 Transparency Report reflects our commitment to the quality of services and transparency of information.

CFA's professional services are based on a solid foundation built over more than thirty years of activity, underpinned by a set of values shared by the entire organisation and supported by internal and external quality control processes.

Our company was constituted by public deed on 18th December 1990, and has since been registered with the Portuguese Institute of Statutory Auditors (OROC) under No. 87. In 1994, we obtained our qualification as External Auditors from the Portuguese Securities Market Commission (CMVM), and therefore we have been registered on the list organised by the CMVM under No. 20161415 since 12th October of that same year.

In 2023, we applied for registration as External Auditors with the Dutch Authority for the Financial Markets (AFM), a regulatory body in The Netherlands, under the terms of Article 3 of Directive 2006/43/EC of 17 May 2006, which was approved by the AFM on 16 March 2023, under No. 13020158.

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1. Introduction

In accordance with the legislation in force, under the terms of article 62 of the Statute of Portuguese Institute of Statutory Auditors, approved by Law No 140/2015, of 7 September 2015 (as amended by Law No 99-A/2021, of 31 December 2021 and Law No 79/2023, of 20 December 2023), statutory audit firms, which carry out statutory audits of public-interest entities (PIEs) pursuant to Article 3 of the Legal Framework for Audit Oversight and Articles 2 and 13 of Regulation (EU) No 537/2014 of 16 April 2014, must prepare and publish an Annual Transparency Report on their website.

CFA, SROC hereby publishes and discloses the Annual Transparency Report for the year ending 31st December 2023, reflecting our commitment to quality services and transparency of information.

2. Legal Structure and Ownership

CFA - Cravo, Fortes, Antão & Associados, SROC, Lda. (hereinafter also referred to as CFA, SROC) is a private limited company registered with the Portuguese Institute of Statutory Auditors (*Ordem de Revisores Oficiais de Contas* – OROC) under No. 87 and with the Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários* - CMVM) under No. 20161415, whose capital is held by the following partners:

- Avelino Azevedo Antão (statutory auditor No. 589), with the CMVM registration No. 20160244
- João Serrana da Naia Fortes (statutory auditor No. 636), with the CMVM registration No 20160282
- João Paulo Mendes Marques (statutory auditor No. 1440), with the CMVM registration No. 20161050
- Armando Jorge de Almeida Tavares (statutory auditor No. 1495), with the CMVM registration No. 20161105
- Sérgio Renato Dias Marques (statutory auditor No. 1736), with the CMVM registration No. 20161346
- Tito Miguel Negrão da Silva (not a statutory auditor)
- Ribeiro, Pires, Sousa & Associados, SROC, Lda. (audit firm No. 90), with the CMVM registration No. 20161417

The subscribed capital of CFA, SROC, as of 31st December 2023, was 100% held by the partners identified above.

CFA, SROC's corporate purpose is to provide auditing and statutory audit services, as well as other activities of public-interest associated with the exercise of the profession and services provided for in the OROC Statutes, namely services in the field of professional training and qualification, expert reporting and arbitration, as well as other functions defined in the applicable legislation.

3. Connecting to a Network

In addition to CFA, SROC, the CFA network includes the company “Cravo, Fortes, Antão – Consulting, Lda.” (CFA – Consulting) which offers financial and tax consultancy, valuations, expert opinions and arbitrations, reorganisation and restructuring studies for companies and other entities, financial analyses, economic and financial feasibility studies, professional training, studies and opinions on accounting matters, review of tax returns, preparation of studies, opinions, and other support and consultancy in tax and parafiscal matters and review of environmental and sustainability reports.

CFA, SROC currently holds an 81,67% stake in the company “Cravo, Fortes, Antão – Consulting, Lda.”.

CFA, SROC is part of the Complementary Grouping of Companies (ACE) with the name “CFA – Cravo, Fortes, Antão & Associados, Sociedade Revisores Oficiais de Contas A.C.E.” registered with OROC under No. 2. In addition to this firm of statutory auditors, this ACE also includes the firm of statutory auditors “Ribeiro, Pires, Sousa & Associados, SROC, Lda.”

CFA, SROC holds a 3% stake in the company “Ribeiro, Pires, Sousa & Associados, SROC, Lda.” (registered with OROC under No. 90 and with CMVM under No. 20161417). However, CFA, SROC does not have any influence over the technical and management decisions related to this shareholding, so the requirements of the network definition are not met.

4. Governance Structure

The management of CFA, SROC is comprised of five managers: four Statutory Auditors (Avelino Antão, João Paulo Marques, Armando Tavares and Sérgio Marques) and one who is not a Statutory Auditor (Tito Silva), and is bound by the signature of any one of them, with the exception of the acquisition, sale and encumbrance of real estate and obtaining bank loans, for which the signatures of all the managers are required. They are responsible for the internal quality management and independence control system, as well as for the various services provided by CFA, SROC.

The company operates using permanent technical staff, as well as external employees and consultants. The functional structure is hierarchically organised into partners, managers, senior, junior and trainee.

In order to guarantee the values of CFA, SROC, all employees have been recruited on the basis of their expectations regarding the skills and abilities required to carry out engagement performance. All employees go through a performance appraisal process, based on objective criteria adopted for this purpose.

As defined in article 128 of the Statutes of the Portuguese Institute of Statutory Auditors, within the scope of public-interest duties, Audit Reports and other reports arising from these duties are signed exclusively by the engagement Partner.

5. System of Quality Management

One of CFA, SROC's priorities is implementing a system of quality management, with a view to obtaining reasonable assurance that the Firm, the partners and the employees comply with professional standards and applicable legal and regulatory requirements, that the reports issued are appropriate, and that the firm fulfils the objectives of the System of Quality Management (SQM).

CFA, SROC has implemented a Quality Control and Management Manual, which replaced the previous Quality Control Manual, in order to comply with International Standard on Quality Management 1 (ISQM 1) and International Standard on Quality Management 2 (ISQM 2). Until then, CFA, SROC had defined quality control policies and procedures that applied across the entire organisation, designed to comply with the International Standard on Quality Control (ISQC 1). These existing policies and procedures were relevant and have now been revised to support and implement the new system of quality management.

The System of Quality Management (SQM) operates in a continual and iterative manner and is responsive to changes in the nature and circumstances of the firm and its work, particularly addressing the following components:

- The firm's risk assessment process;
- Governance and leadership;
- Relevant ethical requirements;
- Acceptance and continuance of client relationships and specific assignments;
- Engagement performance;
- Resources;
- Information and communication;
- Specified responses and
- The monitoring and remediation process.

The CFA's objective in this regard is to design, implement and operate a SQM. This system requires continuous monitoring and remediation, and is subject to an annual evaluation process.

The objective of the SQM is to provide reasonable assurance that the firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal requirements and regulations, and conduct engagement in accordance with such standards and requirements; and that the engagement reports issued by the CFA are appropriate in the circumstances.

The first annual assessment of the system of quality management was reported on 15th December 2023, in accordance with ISQM1. CFA, SROC concluded that its System of Quality Management provides the company with reasonable assurance that the objectives of the SQM are being met.

Reasonable assurance is achieved when the system of quality management reduces the risk of the SQM objectives not being met to an acceptably low level. Reasonable assurance is not an absolute level of assurance, since there are inherent limitations in a System of Quality Management.

A key component of our strategy is to promote consistent, high-quality customer service.

CFA partners and professionals are responsible for risk and quality management. This responsibility includes the need to understand and comply with the management and quality control policies and procedures in place.

The technical engagement is carried out by qualified professionals with higher education qualifications, who receive specific training in their area of expertise before carrying out the engagement. Engagement documentation is reviewed by a senior manager in order to ensure (and improve) quality and objectivity.

Practices to ensure the improvement of engagement quality include:

- Compliance with the policies and procedures set out in the CFA Management and Quality Control Manual;

- Compliance with the procedures set out in the CFA Audit Manual;
- Compliance with the Code of Conduct;
- Continuous investment in the use and development of digital auditing tools;
- Implementation of strict criteria in the selection of professionals;
- Comprehensive initial training;
- Ongoing training;
- Recruitment of professionals according to the complexity of the engagement;
- Continuous assessment of the work carried out;
- Carrying out performance assessment procedures;
- Half-yearly meetings between the person ultimately responsible and the person operationally responsible for the SQM;
- Timely remediation of deficiencies identified in the SQM to prevent their recurrence;
- Evaluation of the effectiveness of the corrective measures applied in the monitoring activities carried out;
- Continuous monitoring of the SQM, which is evaluated and updated at least once a year;
- Communicating changes and the evaluation of the SQM to the entire organisation and its staff.

It should also be noted that internal training sessions are organised, attended by the partners and employees and during which the company's principles and culture are instilled, including the need for continuous improvement in the quality of the work carried out. In addition, the company endeavours to create the conditions for employees to attend external training courses, including the preparation course for Statutory Auditors.

The company assesses the performance of its employees, paying particular attention to their technical qualities, level of commitment to carrying out tasks, attendance, punctuality and relationships with colleagues and clients, as well as how their overall performance fits into the company's strategy.

Regarding client acceptance and continuity process, CFA, SROC uses policies and procedures to ensure that it identifies and evaluates the potential sources of risk associated with client relationship or a specific assignment. It also assesses the existence of the necessary conditions, including capacity, time and resources to carry out engagement quality. For each recurring assignment, a documented review of the client's continuation based on previous work and the planning of the recurring assignment is required before determining whether it is appropriate to continue providing the service.

The process of guaranteeing independence and identifying conflicts of interest is ensured by rigorous procedures defined by the company. CFA, SROC's independence policies require partners and employees to comply with the independence standards of the International Ethics Standards Board for Accountants (IESBA) of the International Federation of Accountants (IFAC) and national independence standards.

In technical consultations with experts, authorised by the members, the situation is formally documented and their opinions or positions are adequately documented providing sufficient detail to allow readers of the dossiers to understand the full nature of the consultation, the relevant qualifications and competences of that consultant, and the recommended measures.

At inspection/monitoring level, responsibility for monitoring the application of quality management policies and procedures is separated from overall responsibility for the system of quality management. The purpose of the monitoring programme is to help the firm obtain reasonable assurance that its policies and procedures regarding the system of quality management are relevant and operating effectively. Members of the engagement team or those who are responsible for a particular dossier should not act as monitors in the same dossier.

All partners and employees must cooperate with monitoring, thus acknowledging that it is an essential part of the system of quality management process.

The Management Body declares that the policies, procedures and monitoring activities ensure the effectiveness of the Company's internal system of quality management, which provides the necessary and sufficient guarantees that the Company, its partners and other employees comply with the rules and regulations and other legal requirements in force, and that the audit reports issued are appropriate in the circumstances.

Under the applicable law and regulations, CFA, SROC is subject to quality control. In 2015, under article 69 of the Statute of the Portuguese Institute of Statutory Auditors, CFA, SROC was subject to quality control by OROC in relation to the reports issued for the 2014 financial year. The respective opinion drawn up by the OROC Quality Control Committee, dated 15th March 2016, and approved by the Board of Directors on 17th March 2016, concludes that there are no observations worthy of note in relation to the examination carried out, either in terms of horizontal or vertical control.

Following the entry into force of the new Legal Framework for Audit Supervision on 1st January 2016, it became the exclusive responsibility of the Portuguese Securities Market Commission (CMVM) to ensure quality control and inspection systems for Statutory Auditors and Statutory Audit Firms that carry out statutory audits of the of public-interest entities ("PIEs").

In this context, CFA, SROC was the subject of a supervisory action conducted by the CMVM's Audit Supervision Department (DSA), which began in October 2020, and in December 2021 the final report was issued with recommendations that were implemented within the planned time frame.

CFA, SROC is currently being supervised by the Dutch Authority for the Financial Markets (AFM) - the Dutch regulator - starting in August 2023, for the statutory audit of a public-interest entity in The Netherlands.

6. Independence Policies and Practices

The partners of the firm declare that in their relations with third parties the situations referred to in article 71 of the Statute of the Portuguese Institute of Statutory Auditors, in the International Standards on Auditing (ISA) and in the other standards and guidelines issued by the Portuguese Institute of Statutory Auditors are safeguarded. In addition, CFA, SROC also declares that in its relations with third parties the circumstances set out in the independence standards of the International Ethics Standards Board for Accountants (IESBA) of the International Federation of Accountants (IFAC) are safeguarded.

All company's employees sign a Confidentiality/Independence Declaration, in which they declare and recognise that they are bound by the duty to maintain secrecy with regard to all the information they may access to as a result of the execution of the service contracts signed by the company with its various clients.

The company's procedures for safeguarding professional independence establish that, in addition to assessing the possible existence of incompatibilities, a potential client is assessed as to whether the duties to be performed can be carried out independently, both in form and substance. When assessing whether to accept a new client, factors such as the degree of the firm's potential economic dependence on the client are also considered. From the outset, it is CFA, SROC's first level procedure to prohibit any of its Statutory Auditors or technical staff from having special relationships and/or economic interests associated with the client.

Requirements have been set for the rotation of the engagement partner, as defined in the internal procedures set out in the quality control and management manual. It should be noted that with regard to Public-Interest Entities, the legal precepts established on this matter are taken into consideration, as well as the level of services other than auditing carried out by network entities and the impediment of partners from exercising certain functions in these Entities.

7. Policies and Practices Adopted for the Continuous Training of Partners and Employees Participating in Audit Work

With the specific aim of providing all technical staff with up-to-date information on matters relevant to the profession, CFA, SROC organises annual in-house training courses. In addition, the firm's employees attend external training courses on specific subjects.

Attending the training courses in the Annual Training Plan by all professionals within the organisation is an essential condition and is part of the necessary requirements for progression within the company. The Annual Training Plan includes various courses designed for meeting the needs of different technical levels in order to develop and consolidate technical knowledge at the various stages of a professional career.

In terms of monitoring training, the development of the defined training plan is periodically analysed, in order to ensure its overall fulfilment.

In compliance with the regulations, every year the training carried out is reported to OROC.

The Management Body declares that the policies and practices developed for the continuous training of partners and employees participating in audit work to be sufficient.

8. Financial Information

In the 2023 financial year, turnover was broken down as follows (in euros):

Service	CFA, SROC	CFA – Consulting	Total
Auditing / Statutory Audit of Public-Interest Entities	107.793,00	0,00	107.793,00
Audit / Statutory Audit of other entities	1.714.145,48	0,00	1.714.145,48
Non-audit services to entities that are audited	250.004,63	471.625,00	721.629,63
Non-audit services to other entities	219.940,84	449.450,00	669.390,84
Total	2.291.883,95	921.075,00	3.212.958,95

9. Bases of Remuneration for Partners

The remuneration base for partners includes fixed remuneration and, in accordance with the company's articles of association, the profits for each financial year, which are applied as decided by the General Meeting in accordance with each partner's contribution to the company's business, with partners being able to make withdrawals, regular or otherwise, from the annual profits, and the principles of proportionality in relation to quotas are not adopted in this application.

Partners do not receive specific compensation for the sale of other services to audit clients.

10. List of Public-Interest Entities

For the purposes of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014, in 2023 CFA, SROC carried out a statutory audit of the 2022 financial year of a public-interest entity in a Member State, namely The Netherlands. Value 8 N.V. was engaged as auditor on 9 May 2023.

Signatures

Aveiro, 24th April 2024

Management,

DocuSigned by:



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(Statutory Auditor No. 589, CMVM No. 20160244)

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João Paulo Mendes Marques

(Statutory Auditor No. 1440, CMVM No. 20161050)

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Armando Jorge de Almeida Tavares

(Statutory Auditor No. 1495, CMVM No. 20161105)

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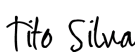


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Sérgio Renato Dias Marques

(Statutory Auditor No. 1736, CMVM No. 20161346)

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