



**A NEW ERA:
FOCUSING
ON OUR
STRENGTHS**

SUSTAINABILITY
REPORT
2018

MARTIFER
GROUP



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01





01

SUSTAINABILITY AS A STRATEGY

Martifer Group continually invests in the promotion of sustainable development, focusing on three sustainability dimensions - Social, Environmental and Economic.

We view sustainability as a fundamental factor for the success of the business, having tried, year after year, to develop it in all its forms.

For us, sustainability is not only based on risk management and regulatory compliance; it is also the driving force of several benefits, such as internal efficiency, cost reduction and business expansion.

With nearly 30 years of existence, Martifer has become a Group with a business portfolio focused on three areas: metallic constructions, naval industry and renewables. It has transversal and clear objectives for corporate sustainability, which seek to ensure the development of the business in the long term in all aspects: economic-financial, social and environmental.

From the effort to improve the financial situation of the Group in search of solutions to reduce the ecological footprint, Martifer Group continuously seeks greater sustainability, always guided by well-defined financial objectives and following the Ethics and Conduct Code.

MARTIFER GROUP

Martifer SGPS SA (Martifer) is a company based in Portugal, working in three areas:



MARTIFER
METALLIC CONSTRUCTIONS

Martifer Metallic Constructions is a reference player due to its innovation capacity and talent for projects of high complexity and dimension. It operates in the segments of metallic constructions, aluminium and glass façades, and infrastructures for oil & gas, in Europe, in the Middle East and in Africa.



WestSEA
VIANA SHIPYARD

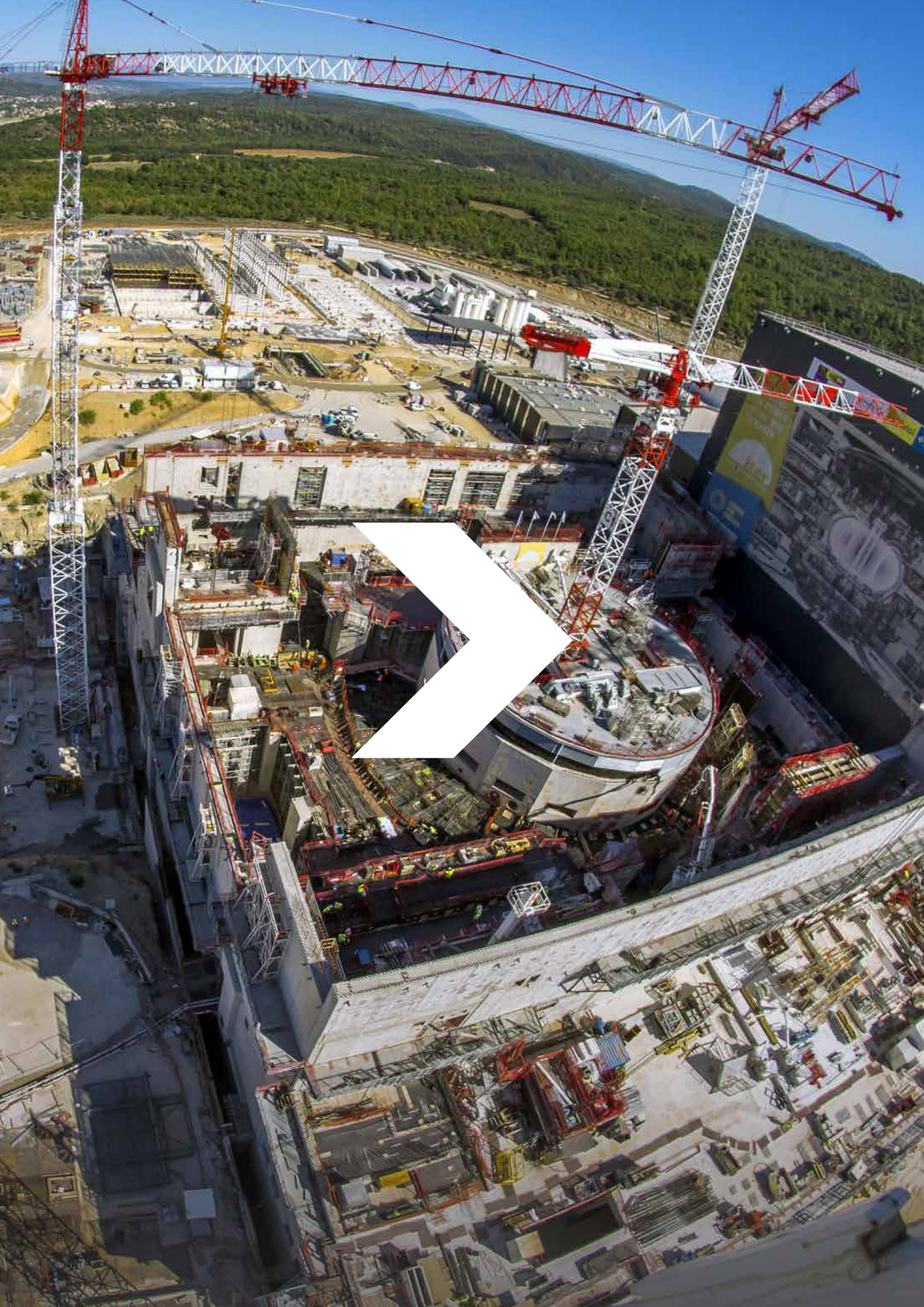
Regarding the **naval industry**, the company has two shipyards, one in Viana do Castelo and another one in Aveiro, with capacity for the construction, conversion and repair of any vessel up to 37,000 tonnes, 190 metres long and 29 metres breadth, as well as small and medium-sized vessels.



MARTIFER
RENEWABLES

Martifer Renewables is a renewable energies developer, developing PV solar parks and wind farms. Its strategy is based on project development and construction, construction management, asset management, and operation and maintenance (O&M).

02



02

SUSTAINABILITY MANAGEMENT

Our business areas and support services, as well as the activity in the different countries, are ruled by five main guiding principles:



OUR VALUES

- > Rigour and commitment
- > Humility and integrity
- > Critical sense and nonconformity
- > Common sense and clarity in communication
- > Mutual help and solidarity
- > Pride in the company and feeling of belonging
- > Work capacity and innovative spirit



CORPORATE GOVERNANCE

The Group's Governance is defined, compiled and disclosed in the Corporate Governance Report. Besides the Board of Directors, Martifer also relies on committees that allow it to comply with best practices and to support the Board of Directors in specific areas, such as the Remuneration Committee, the Ethics and Conduct Committee, the Corporate Governance Committee and the Risk Committee.



ETHICS AND CONDUCT CODE

The Ethics and Conduct Code includes a set of basic standards concerning ethics and conduct, followed by the Group and by its employees.



CORPORATE STRATEGY

For the triennium 2018-2020, the Group defined three strategic pillars: strengthening the organisational culture and consolidation of the government model, increase in operational efficiency, planning and productivity, and consolidation of the trajectory of financial readaptation. Based on these strategic pillars, the Group aims to ensure its economic and financial long-term sustainability.

QUALITY, SAFETY AND ENVIRONMENT POLICY

Martifer Group is, since the beginning of its activity, committed to the safety of its employees, to the reduction of the impact of its activity in the environment and the quality of its products and services, having a defined and public Quality, Safety and Environment Policy regarding these crucial aspects of an industrial company.



Sustainability management is carried out with the cooperation of several departments of the holding company and the business areas, always based on the five guiding principles stated above. However, it is on the day-to-day activities that sustainability, in a more or less formal way, is carried out. From the concluded projects to the daily management of each department, we aim for sustainability to be present in all of the Group's activities.

03



03

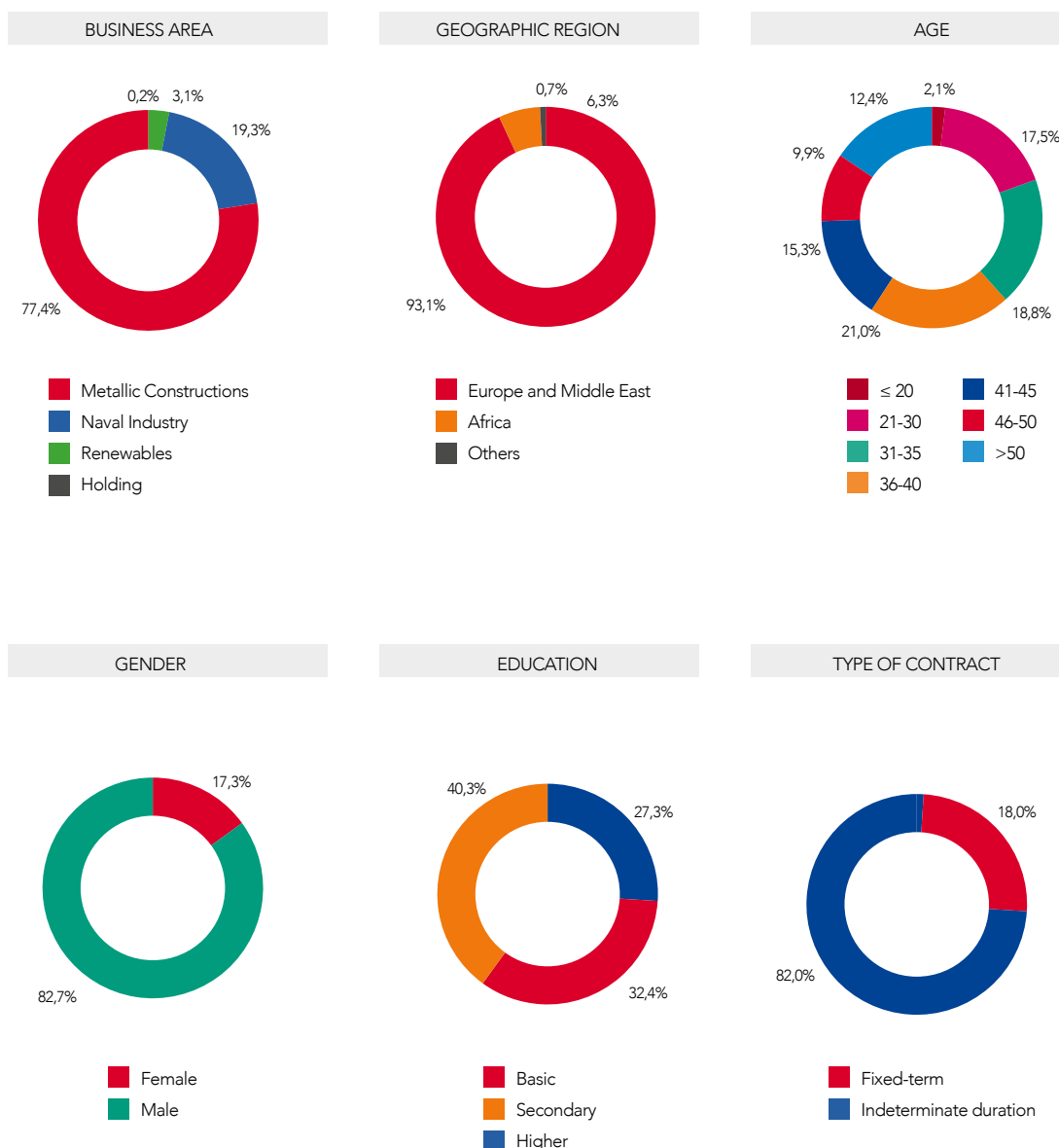
SOCIAL DIMENSION

COLLABORATORS AND WORK ENVIRONMENT

Our people are our greatest asset. This is why Martifer seeks to develop a safe workplace for its approximately 1,350 collaborators spread over several countries, placing at their disposal the right tools to carry out their work with excellent results, without compromising their well-being and their safety.

Characterisation of the Human Resources

DISTRIBUTION BY:



Support and benefits

Martifer Group seeks to provide various social benefits to its employees, for example access to services or protocols with entities, contributing to the maintenance of their well-being and, consequently, for their personal and professional achievement.

The balance between the professional and personal life is a factor that over the past few years has increased corporate social responsibility, to promote the conciliation between both dimensions. In this sense, and with the awareness that it is essential to have happy employees doing what they like, Martifer Group incorporates this vital factor in its management policies and practices. Examples of this are the support and services described throughout this report.



COLLABORATOR ASSISTANCE DESK

Created more than ten years ago, the Collaborator Assistance Desk guarantees face-to-face assistance to the Group's employees in Oliveira de Frades and provides information on the different Human Resources areas. Complementing the services available in the Internal Portal, in the multimedia kiosks and the e-mail support service, the Collaborator Assistance Desk is not only an advantage for employees but also a useful tool for internal communication.

At the Collaborator Assistance Desk, the management of several aspects of the relationship between the employee and the company is ensured, namely:

Attendance Management | absence (communication and delivery of support documents), holiday plan (information and consultation), time bank, supplementary work

Remuneration | delivery of pay slips and individual income declaration, information and clarifications on salary processing

Personal Data | changes of personal data, document update, issuance of declarations for external entities

Expatriation | information and clarifications on expatriation processes, request and delivery of visas, information on international vaccination

Health Insurance | information about the policy conditions, subscription of the health insurance, delivery of health expenses for reimbursement

Recruitment | Internal recruitment (consultation and application), recommend a professional (delivery of curricula)

Academy of Competences | information on training actions, collection of training certificates, collection and delivery of books from/to the library

Social Services | service and support to collaborators

Work Accidents | information about the policy conditions, guidance and accompaniment of work accident situations, delivery of expenses for reimbursement

Access | request for a new password to access the internal portal for employees with no access to e-mail, issuance of employee cards and visitor cards

The Collaborator Assistance Desk also provides some useful services for employees, such as:

Nurse's Office | nursing, clinical analysis

Doctor's Office | extension of the Health Centre: curative medicine appointments, traveller's appointment

Bank Agency | information desk, bank operations (except deposits and withdrawals)

VACCINATION

Martifer offers its collaborators the possibility to take the flu shot every year. In 2018, around 45 employees received the vaccine.

BIRTH KIT

Since January 2017, Martifer Group offers a "birth kit" to complement its employees' babies. During the year 2018, 38 babies received this kit.

CANTEENS

The Group has canteens in its facilities, ensuring the access of its collaborators to varied and low-cost meals. The meals are subsidised by Martifer. Once a month, at the headquarters of the Group, the collaborators can try a "special option", a themed dish.

INSURANCE

Following Martifer Group's incentive policy, all the employees with an employment contract of indeterminate duration are entitled to health insurance that can be extended to their family members.

Expatriated employees, in addition to the extension of their work accident insurance, and according to the forecasted timespan of the expatriation period, can also benefit from health insurance and life insurance.

PREPAID CARD – Meal Card

Martifer Group gives its employees the possibility to subscribe to a prepaid card for the payment of the meal allowance since 2013. It is a "meal ticket card" that substitutes the traditional meal tickets in paper and can be used in most food sector establishments connected to the Visa and ATM network. The advantages result in significant savings for the employee and the company. Its use is practical, with no bureaucracies and completely safe.

MOVE MARTIFER GYM

Move Martifer Gym, located at the Group's headquarters in Oliveira de Frades, promotes an active lifestyle and healthy habits among employees and the surrounding community. In 2018, of the approximately 60 enrolled, 25 were collaborators. In addition to the various regular activities, Move Martifer Gym promotes open classes to teach new activities and carries out activities on particular dates. Nutrition appointments are also available and it has a play area for children while the parents do exercise.



Main activities in 2018:

- > Lunch get-together Move Martifer Gym Canoeing, Kayaking among other sports activities
- > "Move in Spring" - Walk/Race
- > "Mega Tuesday at Move Martifer Gym!" - Free Lessons
- > "Carnival at Move Martifer Gym"
- > "Christmas at Move Martifer Gym" - dinner and Christmas get-together

M ADVANTAGES

To promote local social development, cooperation protocols have been established with entities near the Group's industrial locations to develop and promote local businesses and, at the same time, find advantages for employees and their family members in the acquisition of goods and access to services. Besides the establishment of partnerships, activities have been organised to promote the entities and their approach to employees and their family members. The protocol conditions are regularly revised and updated, as well as the partnership promotion platform, to make it clearer and to ensure easy access to the partnership conditions.

Martifer currently has 60 cooperation protocols, with an average 20% price reduction in the areas of Culture and Leisure, Education, Beauty, Geriatrics/Gerontology, Health and Well-Being, Telecommunications and Transport.

LIBRARY OF THE ACADEMY OF COMPETENCES

To invest in Martifer's Human and Intellectual Capital, in 2011 the Library of the Academy of Competences was created, facilitating the access to knowledge to boost personal and professional development processes, and stimulating the taste for reading. The Library of the Academy of Competences currently has more than 750 publications available with contents in the areas of applied sciences, social sciences, law, economics, technology, literature, among others, that can be borrowed using the HR Solutions service.

Training and development



ACADEMY OF COMPETENCES

The constant changes in the environment of an organisation are a factor that requires adaptation, flexibility and continuous evolution. The Academy updates the skills of employees and, thus, enhances their commitment to the goals of the organisation. These mechanisms facilitate their integration and adaptation to the context in which the company operates.

Professional training presents itself in this context as a critical factor for the development of employee skills and, consequently, for the progress of the organisation. It is an essential instrument for the compliance with the organisational strategy, through the promotion of better professional performance as well as personal development, contributing to adjust the individual projects to those of the organisation.

Martifer's Academy of Competences arises from the need to form and "create" its own professionals, thereby responding to the Group's growth and innovation. In this sense, Martifer has ensured continuous professional training to employees of all its companies to develop technical and personal skills related to its core activities.

MARTIFER CONSTRUÇÕES IS A CERTIFIED TRAINING ENTITY

Following the conclusion of the merger by incorporation in Martifer Construções Metalomecânicas, S.A. of the company Martifer Inovação e Gestão, S.A. on 27 June 2016, the department of organisational development began the process of transfer of the accreditation by the Directorate General for Employment and Labour Relations (DGERT - Direção-Geral do Emprego e das Relações de Trabalho), confirming Martifer Construções Metalomecânicas, S.A. as Martifer Group's training entity.

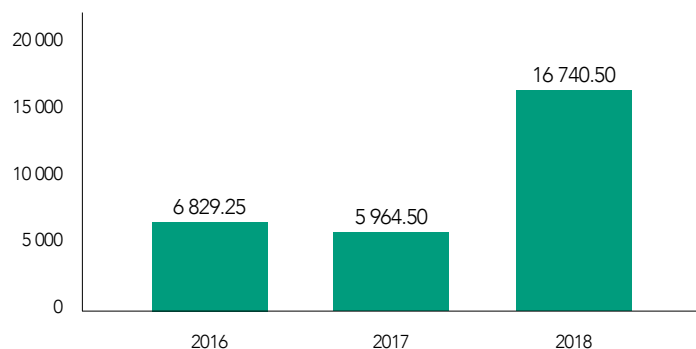
Once all the requirements laid down by the certifying entity were met, the transfer of the certification was attributed to the company "Martifer Construções Metalomecânicas, S.A." producing effect on 4 July 2016.

The certification allows the Training department to continue to have the autonomy to design, develop, promote and implement interventions, programmes, instruments and training supports or training activities. Although some services in certain areas are rendered by external training companies, there are more and more internal competences, knowledge and practice to respond to the several requests that arise from business areas for employee training. The diversity and specificity of the Group require the design of very specific training to respond to the identified competency gaps.

TRAINING

The personal and professional development of our employees is the way to overcome expectations, surprising and overcoming all challenges with confidence and ambition. Our strength is the result of the valorisation of our people, through continuous training, a strategic pillar for the success of our projects. This is demonstrated by the volume of more than 16 thousand hours of training throughout the year 2018, in several areas, from the adequacy to the employee workplace, to the behavioural domain, as well as management, continuous improvement, innovation and technology.

Hours of Training





QUALITY OF THE TRAINING

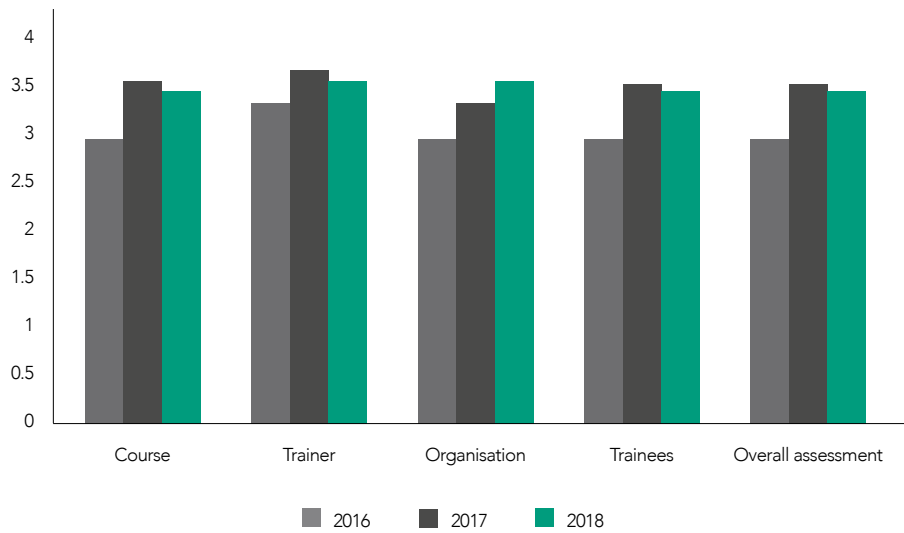
The assessment of the training is based on the relationship between who organises it and who benefits from it, through the gathering of information along the developmental process. It leads to the guarantee of the quality of the final product and mobilisation of information among the participants in the training: company, trainees and trainers.

Therefore, to achieve continuous improvement, Martifer's training actions are assessed, to evaluate the reaction of trainees and trainers, knowledge acquisition and the transfer of knowledge to the workplace.

The assessment of the reaction to training aims to gather information regarding the acceptance of the content of the training, the trainer's performance, the evaluation of certain aspects of the training action and receiving suggestions for improvement.

The global result of the reaction to training in the last 3 years, excluding training provided by external entities, has shown the quality of the training actions developed by the Group.

Assessment of the reaction to the training



FEATURED TRAINING PROJECTS

Quality, Safety and Environment

To promote the satisfaction of our clients, improve the safety conditions of employees, and improve their environmental performance, the Academy of Competences, in articulation with the various companies of Martifer, designed several training projects on Quality, Safety and Environment. Work with machinery and equipment as well as cargo handling are some of the company's activities more susceptible to the occurrence of work accidents.

Martifer believes prevention is crucial and to prevent accidents, it is necessary to know the risks, to define and adopt measures to control them and to respect the use and maintenance rules set for each equipment.

Therefore, regarding safety in the operation of equipment, the following training actions were held:

**Training actions on safety in the operation of equipment**

TRAINING ACTION	NO. SESSIONS	NO. TRAINEES
Safety on the operation of Forklifts and Multipurpose Equipment	1	9
Safety on the operation of Lifting Platforms	3	13
Safety on the operation of Cranes	1	14
Driving Mobile Platforms (N1 and N2)	3	16
Driving and manoeuvring loading and unloading equipment	1	15
Safety on the operation of Cranes and Hoists	1	9

Also in the area of safety and the environment, Martifer's Safety and Occupational Health Technicians often carry out awareness-raising activities to reinforce the importance of these issues and to promote the updating of knowledge regarding the legislation and procedures in force.

Therefore, in this scope, the following training actions were developed:

Awareness Raising | Quality, Safety and Environment

TRAINING ACTION	NO. SESSIONS	NO. TRAINEES
Specific Safety Procedure	13	103
On-site initial training	21	161
Safety at the Industrial Unit	9	32
Safety on-site	3	40
15 minutes of Safety	145	1.508
Environmental management on-site	1	4
Environmental management at the factory	4	16
Safety Operational Procedures	1	12
General Safety and Environment Rules	2	14
Emergency Brigades and Internal Emergency Plan	5	28

The Academy of Competences, in collaboration with the Quality, Safety and Environment Department of Martifer Construções, of Navalria and West Sea, promoted 87 awareness raising actions on Quality, Safety and Environment in 2018, including for 181 new employees who started working at Martifer. This training allows employees to ensure compliance with the safety and environment rules in force in the organisation.

To improve employee work conditions at the industrial units in Oliveira de Frades, and consequently to reduce the number of accidents, the Academy of Competences in collaboration with the Quality, Safety and Environment Department of Martifer Construções has promoted since September 2016 awareness sessions, the "15 Minutes of Safety".

In 2018, 145 training actions occurred, involving all employees who work at the Production department, to foster a safety culture through the awareness to comply with procedures.

Martifer Construções's safety technicians develop continuous work, and once a month, they discuss different subjects, to respond to the needs and issues raised by the employees.



To render first aid care in emergency situations and to have employees adequately prepared for this purpose, the Academy of Competences, in collaboration with West Sea, designed one training action on "First Aid" for 14 employees part of the Emergency Brigades and/or with the need of basic first aid training. West Sea held 4 training actions on the Internal Safety Plan "Self-protection Measures of Fire Safety in Buildings" for 57 employees, having to raise awareness about what to do in case of emergency and to inform about the existence and importance of the use of first intervention means to ensure speed and efficiency of the actions to be undertaken in emergency situations.

Focused on product quality, a requirement and effective demand, a few training projects were also designed in 2018, some of which are:

Training | Product Quality

TRAINING ACTION	NO. SESSIONS	NO. TRAINEES
END Magnetoscope - level 1 and level 2 *	2	4
END Ultrasonic - level 1 and level 2 *	1	1
Quality and organisation of the Production	1	4
Good Practices in the process of certification of the Quality Management systems, among other management frameworks	1	2
Awareness Section ITER Project - Project Specialties and Demands	12	112

* Conventional non-destructive test which allows the detection of surface and sub-surface discontinuities in ferromagnetic materials.

The training action "Awareness Section ITER Project - Project Specialties and Demands" was designed by the Quality, Safety and Environment Department in collaboration with the Academy of Competences for 112 employees of different departments that integrate or that will integrate functions within the scope of the ITER complex project (ITER - International Thermonuclear Experimental Reactor). ITER is a pioneer international cooperation project for the production of energy in France. These training actions have as main objective to allow the knowledge about the global and internal organisation of the ITER project, its specific rules and procedures.

The new General Data Protection Regulation (GDPR)

Following the entry into force on 25 May 2018 of the General Regulation on Data Protection (RGPD), there was the need to design various training actions on this issue.

The new Regulation introduced new regulatory requirements on the protection of individuals and the processing of their personal data, and in this sense we held several training actions to facilitate the understanding of the structure, concepts, principles, rights and obligations that the Regulation presents, as well as to perceive the changes that its implementation will cause in the company.

The following formative projects are noteworthy:

Training | The new General Data Protection Regulation

TRAINING ACTION	NO. SESSIONS	NO. TRAINEES
General Data Protection Regulation	13	RH; Legal; Communication QSE
Privacy management, the integrated response to GDPR	1	Corporate Planning and Control Management
Course on Data Protection Officer (DPO)	1	QSE

Foreign Languages

Taking into account the large number of Martifer projects in different countries whose primary language is French and because training needs were raised in this language, the Academy of Competences in collaboration with various departments of Martifer Construções, developed between January and March several French Language courses at Martifer's premises. The French courses included a total of 75 employees, and each of the trainees took a placement test that allowed the assessment of their prior knowledge and to make homogeneous groups.

Formação | Línguas Estrangeiras

TRAINING ACTION	NO. SESSIONS	NO. TRAINEES
French language course Elementary level (A1)	1	11
French language course Pre-intermediate level (A2)	2	23
French language course Intermediate Level (B1)	2	15
French language course Starter Level (A1+1)	2	26

Industrial Production

In what concerns industrial training, training on technical areas such as welding, metalworking, painting and maintenance, among others that are especially relevant for Martifer Group's activities are included. Directed to the Project and Technical areas, the Academy of Competences in collaboration with other external entities designed several training actions in which many concepts were discussed and some experiments were carried out, allowing the participants to gain knowledge on innovative methods that will have an impact on the dimension of projects, among which:



Training | Industrial Production

TRAINING ACTION	NO. SESSIONS	NO. TRAINEES
Pentagonal - Solutions in Glass	1	32
Pre-installation Tower Manufacturer	1	7
FREE from DAMAge steel joints - FREEDAM	1	2
Zarges Climbing Ladder _ Wind Power - Specific	1	5
Fire-Stop (Project - West End Gate)	1	26
Advanced training in Building Acoustics	1	1
Presentation & Demonstration - Tension Control Bolts	1	31
Welding Rods and Studs	2	4
Handling and storage of welding consumables	1	1



Financial, Accountancy and Tax

For employees of the Financial, Accounting, Management Planning and Control, and Consolidation and Reporting areas, following a logic of knowledge update due to legal requirements, some relevant projects were designed, among which: "New Financing Opportunities", "Declaration of Income Model 22 of IRC 2017", "Tax and customs procedures for import and export", "Training on 0118 - OCC", "The New Customs Tariff of Angola", "Value Added Tax (VAT)", "Industrial Costing: Introduction to the development of models" and "Preparation course: Certified Public Accountant". A total of 11 training actions with the participation of 63 trainees.

Information Technologies

Taking into account the central role that information systems have in Martifer Group's employees' daily routine, namely regarding the use of specific software and technical applications, a constant competence update is needed. In this sense, a training course on "Excel _intermediate and advanced knowledge" was designed, with a duration of 20 hours for 20 employees of Martifer Construções, West Sea and Martifer Renewables that only knew basic concepts of the tool MS Excel, and that needed to acquire knowledge and techniques to facilitate the tasks they carry out in the scope of their positions.

Other formative projects developed during the year 2018 were: "Hyperion Financial Management Business User", "SDL Trados Studio 2017 - Initial level for Translators", "SAP_Purchase", "Software SchüCal", "SAP MM", "SAP_HR Administrative Management", "FPPRO v.18", "Service Desk Plus", "Presentation of the Knowledge Platform " and "SAP FICO - Finance (Fi) and Controlling (CO)". In a total of 14 training actions, 119 trainees were involved.

Initial training

The initial training precedes the integration in the workplace of new employees, in behavioural and technical areas, to decrease the time that employees need to adapt to new functions and to ensure good integration and acceptance in the Group.

The reception training includes a presentation of Martifer Group, transmitting to new employees information on the business areas, the values and the Human Resources policy, as well as all useful information about the Group.

TRAINING ACTION	NO. SESSIONS	NO. TRAINEES
Reception to new collaborators	81	132

Dialogue and Organisational Climate

With a very diverse set of collaborators, Martifer Group tries to communicate clearly and interact daily with everyone, betting on the diversity of means and adapting messages to the various target audiences in the company. Martifer considers this essential for the maintenance of a healthy organisational climate and the performance of its teams.

It also relies on MOVE – Associação para Colaboradores Martifer (Martifer Employees Association) which organises initiatives that promote a spirit of unity within and between teams, contributing to the maintenance of a healthy organisational climate.

STAFF MEETING 2018

With the aim of making the company's staff aware of the Group's Strategic Plan for the next triennium - "Martifer with future", as well as to present the renewed values, mission and vision, in June 2018 the Staff Meeting of Martifer Group brought together more than 250 collaborators of the various business units of the Group.

For the new CEO of Martifer Group, Pedro Duarte, it is essential to have a company culture that values merit, and that the work, dedication and respect for a set of values, behaviours and commitments are distinctive and decisive factors in the evolution of the people within the organisation and fundamental for the success of the company.



INTERNAL COMMUNICATION

The Group has tried throughout the years to maintain its communication channels with employees in a continuous, consistent and effective manner so that it can deliver messages to everyone that works at the company. To do this, it uses the following media:

Martifer TV

Martifer TV is available in eight spots, in canteens, receptions and social areas, and is an effective media during work breaks. It transmits information on projects and various types of events, communicates awareness information and alerts for employees.

INet

INet is Martifer Group's internal portal. It was developed in 2012 with the goal of gathering in one platform all of the Group's companies and, this way, ensure everyone's access to information and information sharing. INet is an asset due to the interactivity between employees, departments and companies, allowing to organise, make available and share documents in a quick, simple and intuitive manner.

Internal Newsletters

Electronic newsletters are regularly sent to the internal audience, with the goal of communicating quicker, redirecting the employee to the tasks and published articles. The newsletter "Martifer on Friday" includes that week's news and is sent to all Group employees.

Multimedia Kiosks

The multimedia kiosks are the interactive information spots which have as the main goal to inform those employees who do not have computer access, making available, not only the access to the Canteen Integrated Management System but also other features:

Administrative Management | in the kiosks it is possible to perform some operations, such as consultation and subscription of electronic salary receipts, the subscription of the meal card, consultation of the annual income statement, among others

Organisational Development | in these spots, it is also possible to check internal recruitment opportunities

Academy of Competences | through the Academy of Competences' online service, it allows the access to an application dedicated to training: consultation and registration in training actions, the printing of certificates, consultation of training plans, among other features

On the Wall

Martifer's social areas and canteens are also information places, not only due to Martifer TV but also by the display of posters on several themes.

Social Areas | Improvement and Information Centres

The Social areas are a physical space created in every industrial unit, located in the areas where employees take their breaks. They are communication spaces for several departments, with highlight to matters related to Human Resources and with Quality, Safety and Environment.

Expatriation Manuals

In the development of an international career, people encounter in the destination country contexts, values, standards and life strategies different from those they know. With the goal of promoting access to a set of relevant information and at the same time contribute to the integration process of the employees expatriated to new countries, the Human Resources Department makes available manuals that include useful information about the destination country.

RECRUITMENT, RECEPTION AND INTEGRATION

Recruitment, reception and integration are crucial factors for the company's social climate, ensuring the employees are integrated in their new job in the best possible way since day 1 and with all the resources they need to carry out their tasks.

Integration of New Employees

The integration process has a direct impact in the motivation and organisational commitment; therefore, the Group seeks to ensure the accompaniment of this process, through an integration plan adapted to the specific aspects of each company, of each position and each employee. It specifies and directs their action in direct articulation with their immediate superiors, diagnosing needs and planning solutions.

The main goal of the reception plans is to ensure support to employees in the first months, having their personal and professional well-being in mind; therefore, besides the integration at the workplace, we seek to support and answer the questions of the new employees (e.g. house seeking, best transport solution from home to work, among others).

RECEPTION TRAINING – COMMUNICATING SINCE DAY 1

Martifer Group seeks to communicate clearly with its employees, since their first contact with the company. In the integration process, all employees participate in reception training, where they get to know Martifer more deeply.

In this training, the internal dynamics, the main procedures and Martifer's day to day are explained. The Reception Training is also essential to raise awareness to the rules of Quality, Safety and Environment, fundamental for the integration in the Group.



Visits to the factories

Since 2016 and every six months a visit to factories in Oliveira de Frades is organised. This visit, with groups of up to 15 people, is guided by the ones responsible for each factory that explain how it works. Employees take a lot of interest in this initiative. This way, they learn about the production process and become aware of the ongoing projects.

Internal Recruitment

Martifer Group encourages internal recruitment, whenever it is appropriate. Like in external recruitment, job vacancies are published in several internal communication media, with the job description and the needed skills, so that all the interested employees can apply to these opportunities, within a defined deadline.

The management of these applications is ensured by the Human Resources department. From the interview – in which, apart from the evaluation of the candidate, we seek to understand his/her motivation for the application –, to the feedback on their adjustment to the position, the Human Resources department tries to manage the candidate's expectations, both in the process he/she is in and regarding future opportunities, following the expressed personal interests.

Recommend a Professional

Today, networking is a crucial tool in recruitment and selection of professionals and in a Group as diversified as Martifer, employees know people from different fields that may contribute positively to the Group. Therefore, the initiative "I Recommend" was created to motivate employees to recommend competent professionals to participate in Martifer's recruitment process.

MOVE – Associação para os colaboradores Martifer (Martifer Employees Association)

MOVE (Martifer Employees Association) aims to promote initiatives directed to and indicated by Martifer's employees.

With defined goals in the promotion of activities for employees and their families, MOVE develops activities in four different areas:

- > culture and leisure
- > social and environmental responsibility
- > health and well-being
- > sports and adventure

Health and Well-being

In the area of Health and well-being, MOVE has as its main ally MOVE Martifer Gym, referred to in the chapter "Supports and Benefits", which supports the Association in promoting health and a healthy lifestyle.

TIPS FOR YOUR HEALTH AND WELL-BEING

The association MOVE and occupational health promote regular awareness on seasonal issues or issues of generalised interest that alert employees to their habits and health care.

In 2018 the awareness of the harmful effects of tobacco which, in addition to the usual articles, led the labour doctor to the factories to talk directly with the people and to present alternatives to quit smoking.

Social Responsibility

MOVE is also responsible for Martifer Group's social responsibility area, having promoted several initiatives in this area (see chapter "Citizenship/Social Responsibility").



As an association for employees, MOVE seeks to involve the Group's employees in the activities it carries out. For this, the Solidarity Forum was created. It is a space created in iNet, in which all the collaborators can suggest support to initiatives and promote responsibility and social solidarity campaigns.

Through this platform, any collaborator of the Group can:

1. Know, support and actively participate in solidarity campaigns/initiatives;
2. Vote on the campaigns/solidarity initiatives that they would like to see supported;
3. Suggest the promotion of solidarity campaigns/initiatives.

According to the goals of each campaign/initiative, the publications in this tool are divided in five categories: culture, local and community development, sports, education and health.

Sports and Adventure

The Association aims to encourage its employees to participate in activities, with other employees and with their families.

Periodically, it offers tickets to football matches of the main Portuguese and European competitions to employees and their family members, from among the employees who choose to participate in the raffle.

Culture and Leisure

In the area of promotion of Culture and Leisure, MOVE seeks to encourage employees to participate in cultural activities.

Thus, every week, a cultural agenda with suggestions for activities for the weekend is published in the internal portal iNet and sent by e-mail. The main events, concerts, shows, workshops, exhibitions, tours and family activities that are near the employees' residences are listed. The Weekend Suggestions include activities directed to the internal audience, often being proposed by the employees themselves. The Weekend Suggestions have as main objective the support in the planning of activities for the weekends and the promotion of initiatives in the communities where employees have an active role.

MOVE also created the initiative "Garage Sale" to support the Group's employees to sell items that do not need, homemade products or arts and crafts, or even fruit and vegetables produced by them in their homes. These sales are held in special occasions, such as Christmas, Valentine's day, among others) at the Group's head office, and stimulate the lunch break.



CONTEST "CHRISTMAS M'S CONTEST"

Since 2016, Martifer Group promotes at Christmas a contest for employees' children to reward the best artists and to decorate the Christmas tree at the Group's head office. In 2018, the Christmas balls were replaced by "M's", which challenged the imagination of the younger ones. After the vote, the best "M's" were chosen, and prizes were awarded to the artists. All participants received a symbolic prize.

This competition has also stimulated the relationship and interest of the little ones for Martifer Group, where their parents work daily.

TICKET RAFFLE

Panda Festival - To celebrate the World Children's Day, the Group organised in 2018 the raffle of tickets to participate in the Panda Festival, allowing employees and their children the opportunity to spend a day of fun, memorable for the younger ones.

Health, Hygiene and Safety at Work

The 3C's

- > Give Competences
- > Create Conditions
- > Demand Conduct

The safety of all its employees is a strategic aspect in Martifer Group. Based on its Management Policy, actions are continually implemented and designed to prevent accidents at work.

Martifer Group's safety policy is based on the three C's. The main goal is the involvement and the accountability of all the employees in the several hierarchical levels of the organisation. Martifer gives the competences through continuous and regular training and provides the necessary safety conditions so it can demand safe conduct from its employees.

SAFETY VISITS

On 28 April health and safety at work is a theme discussed around the world. On this day in particular, and throughout the year, Martifer Group gives great importance to this issue and, as such, promotes activities to encourage health and safety at work. We must all participate in the construction of a safer work environment.

ACCIDENTS

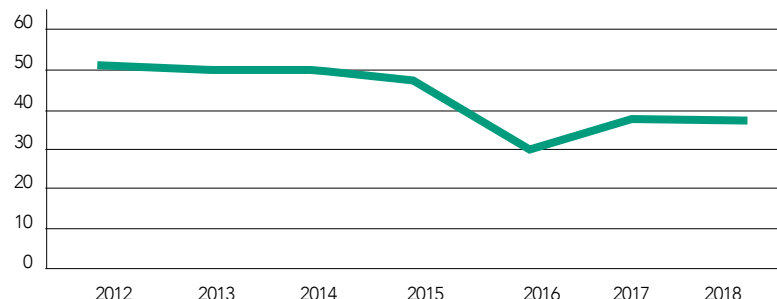
In practice, the fundamental objective of the culture of the 3 C's is the reduction of accidents at work and, consequently, the severity associated with them.

Due to various initiatives within Martifer Group over the years, there has been a consistent reduction in the number of accidents.

At the end of the year 2015, the frequency rate (1) of accidents at work at Martifer was 47, having decreased to 46 in the year 2016 and decreased once again, this time more sharply, to 37 in the year of 2017, which remained unaltered in the year 2018.

This gradual and continuous downward trend over the years is verified since 2012 as can be seen in the following graphic.

Accidents | Frequency Rate (FR)

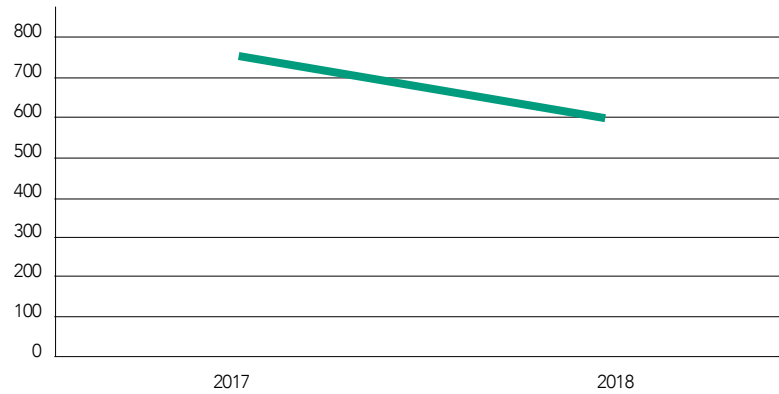


(1) Frequency Rate (FR): no. of work accidents for every million hours of effective work

Even though between 2017 and 2018, the frequency rate remained practically unchanged, in the severity rate (2) there was a very significant reduction of approximately 21%.



Accidents | Severity Rate (SR)



(2) Severity Rate (SR): Accidents | Severity Rate (SR)

The decrease in the frequency of work accidents reflects the effort developed by the Group's companies to create better working conditions for their employees, through technical and organisational actions that decrease the probability of the occurrence of accidents.

CITIZENSHIP

Social Responsibility

Martifer Group believes that a company, more than a supplier of products and services, is also an employability and social responsibility agent in its geographical area. Therefore, it supports causes it considers relevant for society in general while supporting local institutions to develop their solidarity work.



BLOOD AND BONE MARROW DONATIONS

Biannually, Martifer organises blood donations and bone marrow donor enrolment campaigns in partnership with Instituto Português do Sangue e da Transplantação de Coimbra (Portuguese Institute for Blood and Transplants in Coimbra). The Group's employees have always participated significantly in these actions, and in 2018, around 115 participants were registered in the two actions.

DONATIONS

Within the Group's social responsibility and following criteria of proximity and relationship with the institutions, in 2018, Martifer supported some solidarity institutions.

UNICEF GIFTS

Some of the prizes of the Christmas Contest 2018 were UNICEF gifts, which was a way to help this institution.

Ethics and Conduct

Martifer believes that to be responsible, a company must follow strict ethics and conduct standards in all its activities.

Therefore, it has an Ethics and Conduct Code that rules its activities and all its employees' actions.

The Ethics and Conduct Committee's (ECC) mission is to create, implement, accompany and control the compliance with the Group's ethics and conduct standards. Any professional situation that may raise doubts regarding compliance with the guidelines of the Ethics and Conduct Code may be referred to the ECC.

Anonymity is guaranteed in relation to any communication made with the ECC, and the contact is made through the email address comissaoeticaeconduta@martifer.com.

MISSION, VISION AND VALUES

Mission and Vision

To create value with products and services designed and executed by motivated employees and partners, to overcome client expectations, respect safety rules and social responsibility.

To be a recognised brand in the markets and businesses where it operates in, for its competence, its innovation and engineering and its industrial and implementation capacity, ensuring the best solutions to its clients.

Values

- Rigour and commitment
- Humility and integrity
- Critical sense and nonconformity
- Common sense and clarity in communication
- Mutual help and solidarity
- Pride in the company and feeling of belonging
- Work capacity and innovative spirit

Steeming from its values, Martifer Group undertakes three essential commitments in its daily activity:

To act well

We know that every relationship we establish must be guided by strict ethic principles, based on transparency and total trust between parties. Ethics and conduct guide the Group's activities, which aims to surpass its stakeholders' expectations daily.

To support more

We seek to always act in accordance with a sustainable development logic in all its aspects: social, environmental and economic.

To do better

At Martifer, we believe that excellence is achieved in every task we do. Therefore, we aim to completely commit to the work we develop and promote the development of knowledge and skills for our professionals, to surprise and create value in the projects we participate in.



COMMUNICATION AND TRANSPARENCY

Communication and transparency are the key pillars of any company, especially of listed companies. Martifer seeks to give all its stakeholders access to the company's most relevant information, in the simplest and most direct manner possible.

Therefore, it has several communication tools that allow it to communicate not only with clients, suppliers and investors but also with society in general.

Institutional Communication Tools

It is through its communication tools that Martifer makes itself known to all those who show interest in the Group and in its activities.

ONLINE PRESENCE

Today, the digital world is more than a useful tool; it is fundamental in the global market. Martifer could not leave behind the opportunity to be online, not only through its website but also in selected social networks, according to the company's characteristics.

Websites

The Group currently has four websites that in 2018 were visited by more than 100 thousand visitors from more than 150 countries.

www.martifer.com is the Group's corporate website, and it also hosts Martifer Metallic Constructions's website. Here, besides the corporate information, the visitors can check the latest news, catalogues, publications, as well as relevant information in the Investor Relations area. In the area relative to Martifer Metallic Constructions, we highlight the portfolio of the business area. It is available in two languages – Portuguese and English.

www.martifer.fr is the Group's website directed to French-language markets. Here, in addition to institutional information, users can see the latest news, the main indicators, catalogues, publications, as well as the metallic constructions portfolio.

www.west-sea.pt is Martifer Group's most recent website. Available in four languages (Portuguese, English, Spanish and French), it presents the Group's shipyard in Viana do Castelo, from the equipment to the location, as well as the Quality Policy and the portfolio and ongoing projects at the shipyard.

www.navalria.pt is Navalria's website, the Group's shipyard in Aveiro. Besides general information about the shipyard, visitors can learn more about some of the vessels that have been at its docks, both for repair and construction. It is available in Portuguese, in English and in French.

Social Networks

Martifer is present in LinkedIn®, Facebook® and YouTube®.

In LinkedIn®, the Group's most used social network, Martifer seeks to disclose not only information about the company but also to take advantage of the more professional nature of this network, through the release of job offers and other corporate information. At the end of 2018, the Group's LinkedIn page had about 21 thousand followers, and Martifer Metallic Constructions's page had nearly 6 thousand followers.

On Facebook®, the Group publishes, from time to time, the most relevant information about its projects. At the end of 2018, it had more than 4,900 followers.

In YouTube®, the Group shares both corporate and press videos.



It is through the social networks that the Group seeks a closer relationship with its stakeholders. More than giving an opinion, social networks allow Martifer to contact its followers, through their comments, messages and “likes”, which are analysed by the company.

MNEWS

MNews is the Group’s corporate magazine that annually presents a summary of the Group’s activities. MNews is published in a digital format in Portuguese and English on the Group’s website and subsequently shared on social networks and distributed in the corporate newsletter.

CATALOGUES

Catalogues are one of the best communication tools for commercial relations with clients and future clients. These materials are an excellent way to present the company and are vital commercial support, showing the portfolio and the proven ability over almost 30 years of activity. In 2018, Martifer Metallic Constructions and West Sea published several catalogues and brochures that included the most important projects of metallic constructions and the naval industry.



Communication with Investors and Shareholders

Listed on NYSE Euronext Lisbon since 2007, Martifer seeks to maintain efficient communication with the capital market, with investors and with shareholders.

RELEASES

The Investor Relations releases are a way to communicate with the entire market at the same time, granting simultaneous access to the most relevant information about the company’s activity, shareholder structure or corporate governance.

In 2018, Martifer issued ten releases, material information and other releases.

PERIODICAL INFORMATION

In the periodical financial information, issued every semester, Martifer also seeks to contextualise this information with other relevant data, such as the semester’s main events and the company’s strategy and future prospects. Besides the Annual Report, Martifer also issues each semester a results presentation, which is a summary of the main information included in the Report.

INVESTOR RELATIONS

Martifer believes that communication with its stakeholders is essential to the development of its activities.

With the Group’s growth and internationalisation strategy, it is crucial for the company to be visible, and for its information to be quickly accessed by its shareholders and future investors.

The Investor Relations & Communication Office guarantees the on-time disclosure of all information relating to the Group and is available to answer any questions.

Investor Relations Office

Martifer Group’s Investor Relations representative is Pedro Nuno Cardoso Abreu Moreira.

General contact:

investor.relations@martifer.com

T.: +351 232 767 700

F.: +351 232 767 750



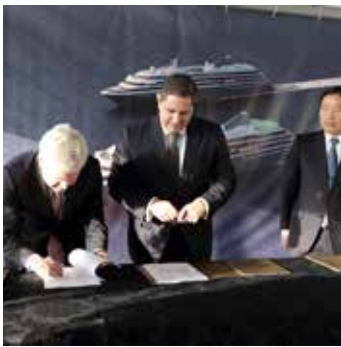
Visits and Corporate Events

Martifer believes that companies must be open to those who want to know more about the company and visit its facilities, both for educational or corporate reasons.

Technical field trips, with the presence of professionals in the area, are an asset for students that visit Martifer since they get to contact the real demands of the job they are learning, a crucial factor to enter the labour market.

During 2018, Martifer was visited by around 300 students and teachers of 15 national and international education institutions, providing students with an insight into the professional world, helping them become better professionals in the future while seeking closer contact with potential future collaborators.

Besides the field trips, in 2018 the Group's companies welcomed several entities and personalities at corporate events, following the signature of relevant contracts or the commemoration of specific dates.



We highlight, in July 2018 the christening of the vessel of the Portuguese Republic, the NRP Sines, the first oceanic patrol vessel built at West Sea's shipyard in Viana do Castelo. The ceremony was attended by the Prime Minister, the Minister of National Defence and the Chief of Staff of the Navy. Also in 2018, in November, the contract for the construction of two more polar vessels was signed at West Sea's shipyard. Having as host Mário Ferreira, president of Mystic Cruises and Douro Azul, the visit included a tour to the shipyard's facilities giving special attention to the polar vessel, the World Explorer, and the ceremony of signature of the contract and speeches.

04



WORLD EXPLORER

04

ENVIRONMENTAL DIMENSION

Martifer Group has a Quality, Safety and Environment Management System, based on a Management Policy which has as main objectives to ensure the quality of all its products, the safety of its employees and the improvement of its environmental performance.

QUALITY, SAFETY AND ENVIRONMENT MANAGEMENT SYSTEM

In its policy, Martifer Group undertakes the commitment of improving client, shareholder, employee and the general society's satisfaction.

In sum, Martifer "wishes" that its policy is understood by all employees as: "Do it well the first time, in safety and respecting the environment."

Therefore, the Group has always had a strategy oriented towards the satisfaction of its clients, and the conscience that we can only attend, with quality, the needs of our clients, with committed and motivated employees.

For the application of this strategy, the Group believes the implementation of management systems in several areas plays an important role. These allow the systematisation of practises and methods that need to work regardless of the people who do them.

The Group's first certification was issued in 1997, with the certification of the quality management system in Martifer Construções Metalomecânicas, according to NP EN ISO 9002.

With the implementation of integrated management systems, Martifer has obtained as main results:

- > Recognition of work practices by an external entity, that allow the due recognition by our clients;
- > Increase in the satisfaction and motivation of employees;
- > Increase in productivity;
- > Decrease in failure costs;
- > Decrease in accidents;
- > Decrease in costs from resources consumption;
- > Prevention and reduction of pollution.

Management Policy

Martifer undertakes the commitment of Improving Client, Shareholder and Employee Satisfaction and establishing sustained relationships with their macro and microenvironment, to assert itself for its technological capacity, for being at the forefront and for being socially responsible. All this allows it to distinguish itself from the other competitors and act so that each client and the society in general, due to their satisfaction, recommend its products and services.



In this respect, it undertakes:

- > The constant concern in identifying and corresponding to the current and future client's requirements and expectations;
- > The promotion of an integrated vision of the clients, employees and suppliers in the structure of the Management System and guarantee the compliance with the contractual requirements;
- > The promotion of the development of people in the organisation by improving the levels of awareness, training and competence of the employees;
- > Promote the participation of all employees and of all those who work on Martifer's behalf, through training and awareness, the promotion of teamwork and the improvement of internal communication;
- > Development of mutually profitable relationships with suppliers;
- > Internal development of client-supplier relationships as a way of continuous improvement;
- > Gradual and continuous reduction of failure costs;
- > Guarantee the compliance with the requirements of the System, according to ISO 9001, ISO 14001 and OHSAS 18001;
- > Guarantee the compliance with EN-1090-1 and associated standards;
- > Continuous improvement of the effectiveness of the processes and the Management System through better use of the available resources and technologies;
- > Compliance with legal and regulatory requirements applicable to products, services and activities;
- > Continuous improvement of the occupational health and safety conditions, identifying hazards and assessing and controlling the risks associated to the activities, preventing accidents and providing greater comfort in the work execution, through information and the availability of protection means, to minimise the exposure to risk factors that cannot be eliminated;
- > Continuous improvement of the environmental performance through the identification and evaluation of environmental aspects associated with the products and services to minimise or eliminate the environmental impacts, preventing pollution;
- > Seek competitive advantages through projects that result in significant productivity increase.

Efficient allocation of resources to the different activities to create value for the shareholder, monitoring the economic and financial performance of each business area and continuously improving the processes to gradually increase the productivity of the production factors.

Quality, Safety and Environment Certifications

Currently, Martifer Group has the following certifications.

1. Martifer – Construções Metalomecânicas, S.A. (Portugal):

- > ISO 9001 | Quality Management Systems (certifying entity - Portuguese Certification Association - APCER);
- > OHSAS 18001/NP 4397 | Occupational Health and Safety Management Systems (APCER);
- > ISO 14001 | Environmental Management Systems (APCER);
- > EN 1090-1 | Manufacturing Production Control (TÜV Rheinland);
- > EN 1090-2 | Welding (TÜV Rheinland);
- > ISO 3834-2 | Certification of Welding Inspection | (TÜV Rheinland).

2. Martifer Romania RO SRL (Romania):

- > ISO 9001 (TÜV Rheinland);
- > OHSAS 18001/NP 4397 (TÜV Rheinland);
- > ISO 14001 (TÜV Rheinland);
- > EN 1090-1 (TÜV Rheinland);
- > ISO 3834-2 | (TÜV Rheinland).

3. WestSea – Estaleiros Navais Unipessoal, Lda.

- > ISO 9001 (Bureau Veritas);
- > OHSAS 18001/NP 4397 (Bureau Veritas).

West Sea is currently also implementing an environmental management system, to obtain certification by the Standard ISO 14001.



ENVIRONMENTAL RESPONSIBILITY

The continuous improvement of the environmental performance of Martifer Group is ensured through the identification and control of the environmental aspects associated with its products, activities and services, with the aim of eliminating or minimising the environmental impacts resulting therefrom, namely those that are identified and assessed as significant environmental aspects.

Energy and energy efficiency

In all Martifer's companies, energy consumption constitutes a significant environmental aspect, particularly in companies with industrial facilities. Therefore, this is one of the subjects with the highest incidence of actions aimed at reducing the consumption, promoting the energy efficiency of its facilities and consequently reducing the emission of CO₂ into the atmosphere.

Currently, the greatest energy consumers of Martifer Group are the factories OF1 and OF2, both located in Oliveira de Frades and both dedicated to the manufacture of metal structures.

In this sense, and with the aim of improving efficiency and, consequently, the environmental performance of the Group, the implementation of plans for the rationalisation of energy consumption (PREC) are being implemented in both facilities.

In factory OF1, the aim is that after 8 years of implementation of the PREC, it decreases 4% in specific energy consumption, which results in a reduction of 21 TEP's/year of energy consumption of the facility. At the end of the implementation of the PREC in 2020, the decrease in total will be of 170 TEP's.

For such, the actions implemented or to be implemented during this period are:

- > Replacement of the dedusting engine of the blasting;
- > Reduction of compressed air leakages;
- > Optimization of the use of the main UPS;
- > Installation of solar panels.

For the factory OF2, a reduction of 4% of the specific energy consumption is also intended, but in this case, this means a reduction of 39 TEP's/year, which at the end of the implementation of the PREC, means a decrease of approximately 300 TEP's.

To achieve these goals, the actions to be implemented are, among others:

- > Replacement of less efficient lighting systems by LED technology;
- > Control and reduction of compressed air leakages;
- > Adjustment of the combustion of burners of the painting booths.



Air Emissions

Another environmental aspect assessed as significant are air emissions, mainly those that result from the process of painting metal structures in several industrial units of the Group.

Therefore, several initiatives have been adopted to minimise the environmental impacts associated with these emissions, namely:

- > Reformulation of the associated exhaustion and treatment systems to reduce air emissions and their danger.
- > Operational awareness actions to minimise the diffuse emissions associated with the process of handling and use of paints;
- > Progressive replacement, and whenever possible depending on client specifications, of solvent-borne paints (with large quantities of volatile organic compounds) by waterborne paints;
- > Diluent recovery, through a distillation process of the "dirty" diluent, allowing its reuse and consequently a lower consumption of "new" diluent;

Waste

The production of waste is also an environmental aspect considered significant, especially when related to the production of hazardous waste, in particular, waste related to the activities of painting and maintenance.

In this aspect, the behaviour of workers has a great impact in improving the environmental performance of the Group, so several actions to raise awareness for the correct management of the produced waste are continuously developed.

To raise awareness, but also to hold every employee accountable for adequate waste treatment, enhancing its recovery, Martifer instilled a culture based on the 3 R's.

THE 3 R'S

Responsibility – Define rules

Respect – Follow the defined rules

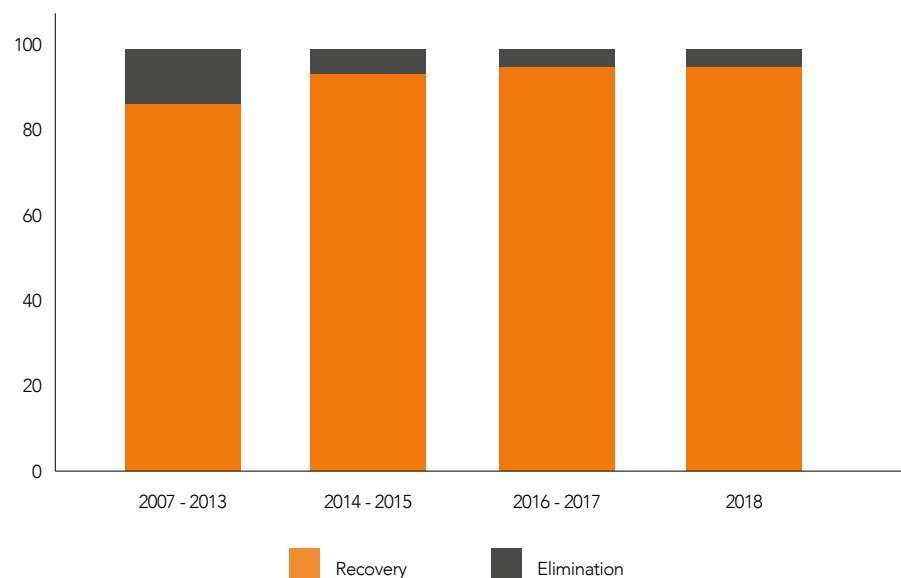
Recycling – Separate the produced waste

Rules were defined for the reuse and separation of the produced waste, making every employee accountable for its compliance to increase the amount of waste that can be recycled, through its correct separation and routing to authorised waste treatment operators.

In the following chart, we present the percentage of waste routed to recovery (R operations) and for elimination (D operations) from 2007 to 2018, showing a trend towards an increase in the percentage of waste recovered compared to waste being routed for elimination.



Waste Routing (%)



As can be seen in the previous chart, there is a clear tendency, over the years, to increase the amount of waste sent for recovery and a reduction in the percentage of waste sent for elimination.

This increase in the recovered waste indicates the effort developed by Martifer not only in the reduction of produced waste but also in the search for "partners" in waste management and treatment that provide environmentally more correct and adequate treatment for the waste produced by the Group.

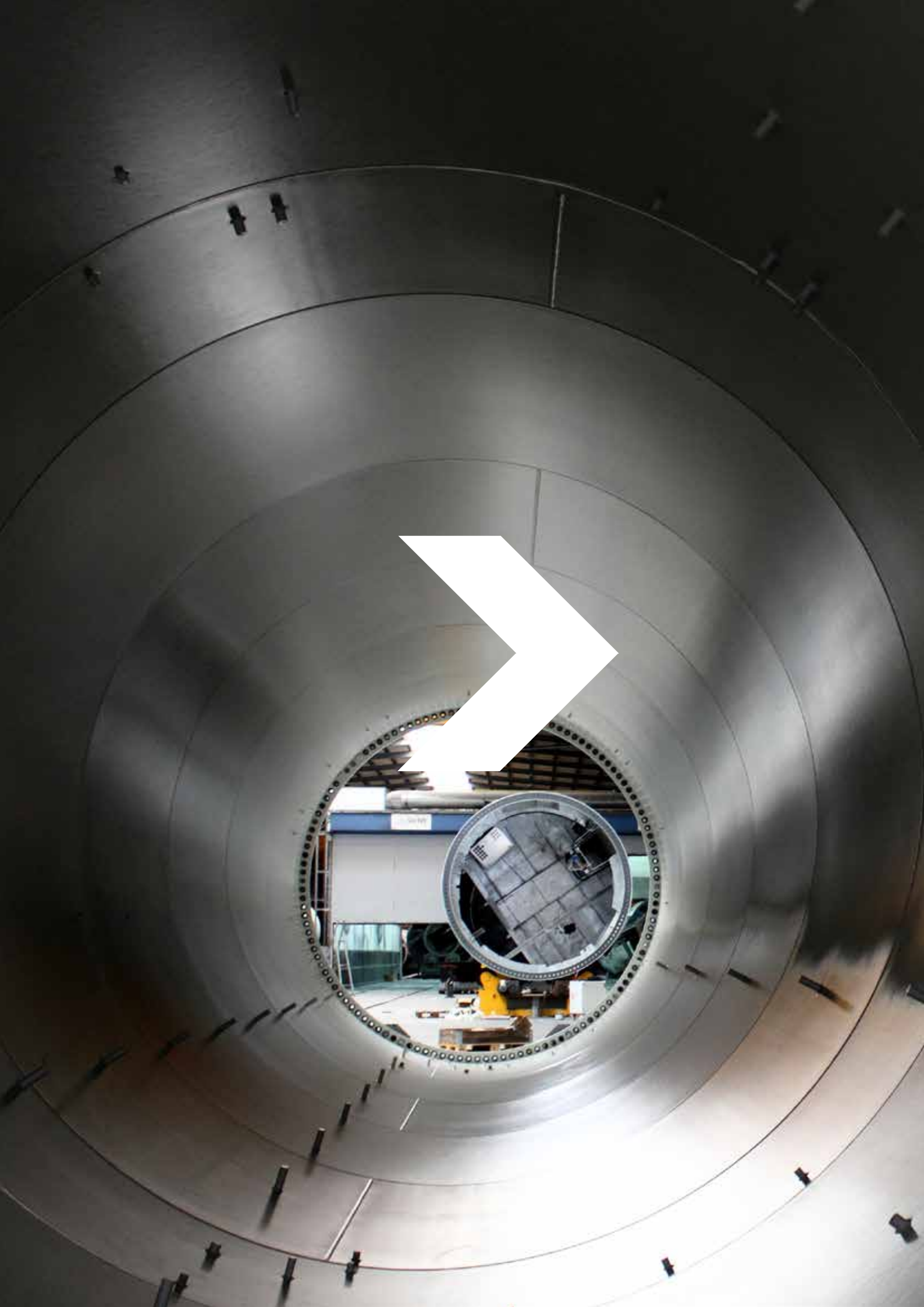


Improvement of the premises of West Sea in Viana do Castelo

In the year of 2018, several improvement works were carried out in the premises of West Sea in Viana do Castelo. These works had as main objective to improve the work conditions of the workers in the shipyard, but which also reflect some improvements from an environmental point of view. Among others, we highlight:

- > Replacement of the roofing of the maintenance and mechanics workshops, which contain asbestos;
- > Replacement of "transparent roof tiles" in multiple locations to use natural lighting;
- > Replacement of lighting/ fluorescent bulbs by LED lights in various workshops.

05



05

ECONOMIC DIMENSION

ECONOMIC AND FINANCIAL PERSPECTIVE

2018 Annual Results

HIGHLIGHTS - 2018 RESULTS

- > Operating Income of 217.4 M€, of which 125.7 M€ in Metallic Constructions, 82.2 M€ in the Naval Industry and 14.1 M€ in Renewables
- > Turnover generated outside Portugal and exports represent more than 66% of the total turnover of the Group
- > Significant improvement of the operational performance with EBITDA reaching 15.2 M€ (margin of 7.6% in turnover), which represents a growth of 79% compared to the same period of the previous year (8.5 M€ in 2017)
- > The Gross Added Value amounted to approximately 48 M€, i.e. approximately 24% of the turnover, which represents a substantial increase in productivity
- > Net profit attributable to the Group of 1.3 M€
- > Gross Debt decreased 17 M€ in relation to December 2017 to 219 M€, while Net Debt reduced 3 M€ to 186 M€
- > Order book of 373 M€ in Metallic Constructions and Naval Industry, the most robust in the last 5 years



KEY FINANCIAL INDICATORS

M€	DEC-18	DEC-17	VAR.%
Revenues	217.4	185.6	17%
EBITDA	15.2	8.5	79%
EBITDA margin	7.6%	4.8%	2.8 pp
Depreciation & Amortization	-8.8	-10.6	17%
Provisions & Impairment Losses	1.3	-12.3	n.m.
EBIT	7.7	-14.4	n.m.
EBIT margin	3.9%	-8.2%	12 pp
Financial Results	-4.5	17.5	n.m.
Profit before taxes	3.3	3.0	7%
Income tax	-1.7	0.7	n.m.
Net Profit	1.6	3.8	-58%
Attributable to non-controlling interests	0.3	-2.8	n.m.
Attributable to shareholders	1.3	6.5	-80%
Earnings per share €	0.013	0.067	-80%

In 2018, the total operating income was 217.4 million Euros (185.6 million Euros in 2017), 58% of which in the Metallic Constructions segment, 38% in the Naval Industry segment and 6% in the Renewables segment. "Others" refers to intersegment transactions.

Operating Income of the Metallic Constructions segment amounted to 125.7 million Euros, registering an increase of 17.1 million Euros due to increased activity. The Naval Industry segment presents a value of 82.2 million Euros in 2018 (a growth of 31% compared to 2017) that is a result of the strong growth of the activity of this segment in recent years. In the Renewables segment, it amounted to 14.1 million Euros in 2018 and results from the activity of the wind farms and solar parks in exploration and from the sale of projects.

DEBT AND FINANCIAL POSITION

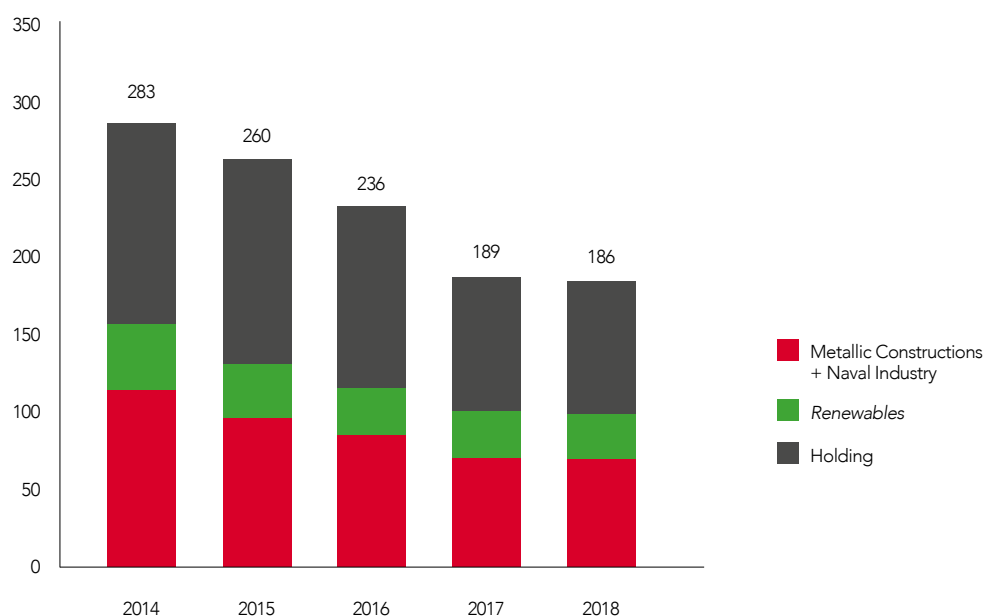
M€	DEZ-18	DEZ-17	VAR.%
Fixed Assets (including Goodwill)	123.4	131.1	-6%
Other non current assets	56.6	69.4	-18%
Inventory and Receivables	106.4	129.3	-18%
Cash and cash equivalents	33.4	46.3	-28%
Total Assets	319.7	376.1	-15%
Shareholders Equity	-13.9	-6.4	<-100%
Non-controlling interests	-35.9	-30.7	-17%
Total do Capital Próprio	-49.7	-37.2	-34%
Non-current debt and leasings	210.1	217.8	-4%
Other non-current liabilities	31.8	45.1	-30%
Current debt and leasings	8.9	17.8	-50%
Other current liabilities	118.6	132.6	-11%
Total Liabilities	369.4	413.3	-11%

During 2018, the decreasing trend of the Net Debt was maintained in line with the goals set in Martifer Group's Strategic Plan. Thus, on 31 December 2018, the consolidated Net Debt reached 186 million Euros, reflecting a 3 million Euro reduction when compared with the previous year.

M€	METALLIC CONSTRUCTIONS	NAVAL INDUSTRY	RENEWABLES	HOLDING	MARTIFER CONSOLIDATED
Net Debt FY 2018	87	-7	22	84	186
Net Debt FY 2017	91	-19	25	92	189

This evolution results from the Strategic Plan and, consequently, from the implementation of the agreement to restructure the financial debt executed with the financing entities, which is already in its fourth year of implementation.

DECREASE TREND OF THE CONSOLIDATED NET DEBT (M€)



Note: Net Debt = Loans + Financial Leasing (+/-) Derivatives - Cash and Cash Equivalents

In 2019, the Group will maintain its debt reduction strategy, in line with the premises defined in its Strategic Plan, namely regarding the implementation of the non-core asset disposal plan.



Future Prospects

The year 2019 will mark the first year of a new cycle in the Group, with a new management team. Continuity will be given to the Strategic Plan approved in 2018, and there will be many challenges for the Group ahead.

To highlight:

- > Implementation of the strategic plan approved in 2018 that is based on the following pillars:
 - Reinforcement of the organisational culture and consolidation of the governance model
 - Enhancement of operational efficiency, planning and productivity in particular in Metallic Constructions, consolidation in the Naval Industry and reinforcement of the sustainable growth strategy in Renewables
 - Consolidation of the financial stabilisation trajectory
- > Strengthening the export profile of the Group, boosting the industrial capacity in Portugal to foreign markets where the Group is present;
- > Gradual assessment of opportunities for diversification, in particular Oil & Gas and O&M;
- > Maintenance of the commitment in the Renewables segment, either through asset rotation or in exploring opportunities related to wind and solar projects;
- > Consolidation of the investment in training, in knowledge and innovation.



Oliveira de Frades, 17th April 2019

The Board of Directors,

Carlos Manuel Marques Martins
(Chairman)

Arnaldo José Nunes da Costa Figueiredo
(Vice-Chairman)

Jorge Alberto Marques Martins
(Vice-Chairman)

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

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

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

Vítor Manuel Álvares Escária
(Member of the Board of Directors)

Mariana França Gouveia
(Member of the Board of Directors)

www.martifer.com