

**Teixeira Duarte**

[www.teixeiraduarte.com](http://www.teixeiraduarte.com)

# Report and Accounts

## 1<sup>st</sup> Quarter of 2020



## CONTENTS

CONTENTS.....	3
IDENTIFICATION OF THE COMPANY.....	4
MAIN INDICATORS.....	5
INTERIM MANAGEMENT REPORT.....	7
I. INTRODUCTION.....	8
II. ECONOMIC AND FINANCIAL ANALYSIS .....	8
III. EVENTS THAT OCCURRED AFTER THE END OF THE 1ST QUARTER OF 2020 .....	16
IV. PROSPECTS.....	16
INTERIM MANAGEMENT REPORT.....	19
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION .....	20
CONSOLIDATED STATEMENT OF RESULTS .....	21
CONSOLIDATED STATEMENTS OF OTHER INTEGRAL INCOME.....	22
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY .....	23
CONSOLIDATED STATEMENTS OF CASH FLOWS .....	24
ANNEXES TO THE CONSOLIDATED FINANCIAL STATEMENTS .....	25

## IDENTIFICATION OF THE COMPANY

TEIXEIRA DUARTE, S.A.

LISTED COMPANY

Head Office: Lagoas Park, Edifício 2 - 2740-265 Porto Salvo

Share capital: € 210.000.000

Single Legal Person and

Registration number 509234526 at Cascais Commercial Register (Oeiras)

## MAIN INDICATORS

**Operational Profits** of 213 million euros;

**Turnover** reached 195 million euros;

**External Market** accounts for 67.2% of turnover;

**EBITDA** of 23 million euros;

**EBITDA margin / Turnover** of 11,6%;

**Net Results Attributable to Holders of Equity** plus 1.9 million euros;

**Net Group Assets** of 1,741 million euros;

**Net Financial Debt** of 732 million euros;

**Financial Autonomy** stood at 16.7%;

**Teixeira Duarte Group Orders Portfolio** for the construction sector of 1,321 billion euros.

### Statement of Results during the periods ended on 31 March 2020 and 2019

	1st Q 20	1st Q 19	Var (%)
Operating income	213 101	235 908	(9,7%)
Operating costs	(190 344)	(196 986)	(3,4%)
<b>EBITDA</b>	<b>22 757</b>	<b>38 922</b>	<b>(41,5%)</b>
Amortizations and depreciations	(13 363)	(14 759)	(9,5%)
Provisions and impairment losses	(2 573)	1 251	-
<b>EBIT</b>	<b>6 821</b>	<b>25 414</b>	<b>(73,2%)</b>
<b>Financial Results</b>	<b>(1 939)</b>	<b>(11 120)</b>	<b>(82,6%)</b>
<b>Results before taxes</b>	<b>4 882</b>	<b>14 294</b>	<b>(65,8%)</b>
Income tax	(2 246)	(6 187)	(63,7%)
<b>Net Income</b>	<b>2 636</b>	<b>8 107</b>	<b>(67,5%)</b>
<b>Attributable to:</b>			
<b>Equity holders</b>	<b>1 939</b>	<b>8 021</b>	<b>(75,8%)</b>
Non-controlling interests	697	86	-

(VALUES IN THOUSAND EUROS)



**Teixeira Duarte**

1<sup>st</sup> Quarter of 2020

# Interim Management Report

## I. INTRODUCTION

Under the terms of, and for the purposes of applicable legal and regulatory provisions TEIXEIRA DUARTE, S.A ("TD, S.A.") hereby discloses the Interim Report referring to the first three months of 2020, of which the attached consolidated financial statements also form a part.

It is clarified that, in compliance with and under the scope of standards on periodic reporting, the elements disclosed herein refer only to the consolidated scope. It is also clarified that the consolidated financial statements as at 31 March 2020 were prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as adopted by the European Union, effective for the periods beginning on 1 January 2020 and in accordance with IAS 34 - Interim Financial Reporting.

It is hereby reported that, without prejudice to the regular monitoring of the Teixeira Duarte Group's activity by its Supervisory Bodies, as well as by the reporting of information with which they have been provided for the purpose of drawing up this document, the elements published herein have not been audited.

It should also be noted that the Group has started to report the activity of operating the Port of La Guaira, Venezuela, in the Concessions and Services sector - it has been removed from the Construction Sector, where it used to be mentioned and accounted for. In this document the notes to the consolidated financial statements for the first quarter of 2019 have been reclassified to allow for an appropriate level of comparability, only in relation to these sectors.

In addition to the Consolidated Financial Statements and the respective attached notes, this document will also present a brief statement on the evolution of the Group's activity during the analyzed period.

As an introductory note, it should also be mentioned that the Board of Directors of TD,SA, as well as the boards of directors of the other Teixeira Duarte Group entities, monitored the development of the Covid-19 pandemic situation and acted according to recommendations made by the World Health Organization and public bodies responsible for health in the different countries where the Group companies operate.

In fact, contingency and preventive measures were taken during the period under review (and continued to be adapted to legislative developments and the global situation) to comply with the guidelines of these bodies and to mitigate and contain the public health risk. A balance was also promoted between this goal and the steps necessary to ensure continuity of the business and the impact that it has on all of its *stakeholders*.

Within this framework, it is also reported that, in view of the limitations resulting from the public health situation caused by the COVID-19 disease, the General Meeting previously convened for 26 May 2020, for approving the 2019 annual accounts, was postponed to 22 June 2020. Therefore, the values presented in this report as referring to 2019 are those shown in the accounts for this financial year that have already been approved by the Board of Directors, audited and published, but have not yet been approved at a General Meeting.

## II. ECONOMIC AND FINANCIAL ANALYSIS

In a period already affected by the COVID-19 pandemic, **operating income** fell by 9.7% in comparison with the same period of the previous year, to the amount of 213,101 thousand euros.

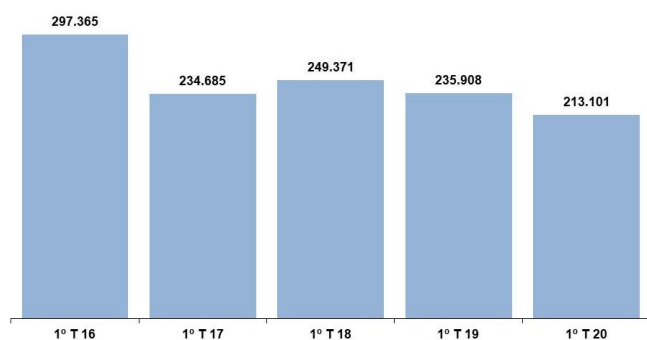
In this respect, the good performance of the Concessions and Services and Real Estate sectors should be highlighted, but this did not compensate for the downturn in all of the other sectors of activity.

In Portugal, the Group saw an overall increase of 25.7% with growth in the Construction, Concessions and Services and Real Estate sectors and a decrease in the hospitality sector.

On overseas markets, an overall decrease of 22.2% was seen compared to the same period of the previous year, essentially due to the devaluation of the Angolan Kwanza and the Brazilian Real - which did not allow the growth achieved in some sectors on these markets to stand out in Euro terms - as well as due to the difficult economic situation in Algeria.

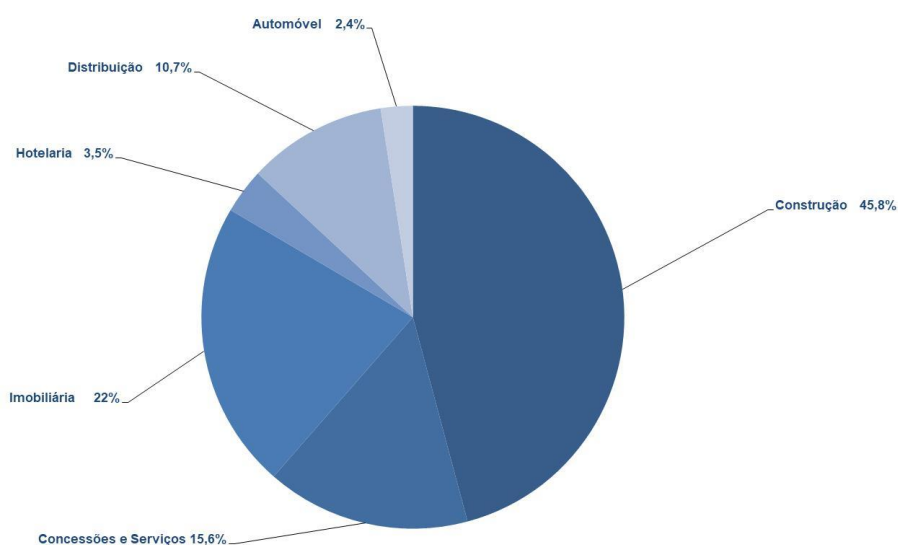
### Evolution of Operating Income





(VALUES IN THOUSAND EUROS)

### Operating Income by Sector of Activity

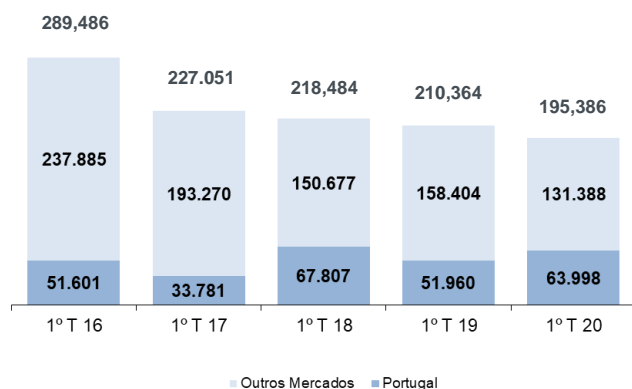


**Turnover** reached 195,386 thousand euros, representing a decrease of 7.1% compared to March 2019, that is, 14,978 thousand euros less.

An increase of 23.2% was seen in Portugal in comparison to the first three months of 2019, while other markets decreased overall by 17.1%.

In this context, overseas markets, which accounted for 75.3% of this indicator during the first three months of the previous year, came to represent 67.2% of total turnover of the Teixeira Duarte Group.

### Evolution of Turnover by Markets



(VALUES IN THOUSAND EUROS)

The tables below show Turnover, broken down by countries and sectors of activity, on which the Group's exposure to a range of different economic contexts can be seen.

### Evolution of Turnover by Country

Country	1st Q 20		1st Q 19		Variation
	Value	Contribution	Value	Contribution	
Portugal	63 998	32,8%	51 960	24,7%	23,2%
Angola	38 840	19,9%	63 689	30,3%	(39,0%)
Algeria	9 404	4,8%	30 679	14,6%	(69,3%)
Brazil	54 888	28,1%	35 620	16,9%	54,1%
Spain	11 517	5,9%	9 707	4,6%	18,6%
Mozambique	5 473	2,8%	8 888	4,2%	(38,4%)
Venezuela	5 391	2,8%	4 190	2,0%	28,7%
Other	5 875	3,0%	5 631	2,7%	4,3%
	<b>195 386</b>	<b>100,0%</b>	<b>210 364</b>	<b>100,0%</b>	<b>(7,1%)</b>

(VALUES IN THOUSAND EUROS)

### Evolution of Turnover by Sectors of Activity

Activity Sector	1st Q 20		1st Q 19		Variation
	Value	Contribution	Value	Contribution	
Construction (*)	92 374	47,3%	123 388	58,7%	(25,1%)
Concessions and services (*)	32 632	16,7%	29 321	13,9%	11,3%
Real estate	35 656	18,2%	7 034	3,3%	406,9%
Hospitality	7 269	3,7%	9 870	4,7%	(26,4%)
Distribution	22 654	11,6%	32 255	15,3%	(29,8%)
Automotive	4 801	2,5%	8 496	4,0%	(43,5%)
	<b>195 386</b>	<b>100,0%</b>	<b>210 364</b>	<b>100,0%</b>	<b>(7,1%)</b>

(VALUES IN THOUSAND EUROS)

(\*) – 2019 VALUES RECLASSIFIED DUE TO THE OPERATION ACTIVITY OF LA GUARIA PORT IN VENEZUELA BEING RECLASSIFIED DURING THIS PERIOD FROM CONSTRUCTION TO CONCESSIONS AND SERVICES

For a more in-depth analysis of the contents of the above table, below can be found some notes on the activity of Group companies in different sectors of activity:

#### CONSTRUCTION

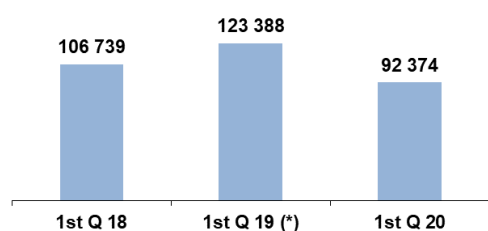
Turnover in the Construction Business decrease by 31,014 thousand euros, corresponding to a 25.1% reduction compared to the same period of 2019.

In Portugal there was an increase of 9.3% compared to last year and in Brazil, not considering the devaluation of the Real, the increase was 13.7% compared to the first quarter of the previous year.

Overall, the overseas market saw a 39% decrease when compared to the first three months of 2019, with emphasis on the downturns in Angola and Algeria which together dropped by 31,271 thousand euros.

Therefore, on 31 March 2020, the domestic market came to account for 41.9% of the turnover in Construction, instead of the 28.7% that it represented in March 2019.

#### Turnover of Construction Services



(VALUES IN THOUSAND EUROS)

(\*) – 2019 VALUES RECLASSIFIED DUE TO THE OPERATION ACTIVITY OF LA GUARIA PORT IN VENEZUELA BEING RECLASSIFIED DURING THIS PERIOD FROM CONSTRUCTION TO CONCESSIONS AND SERVICES

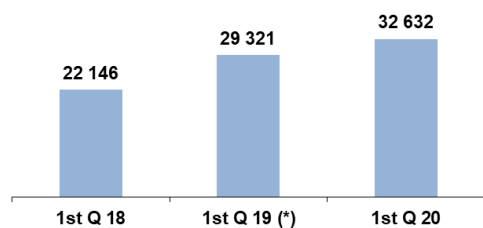
The construction order portfolio stood at 1,321,437 thousand euros on 31 March 2020.

#### CONCESSIONS AND SERVICES

Turnover from Concessions and Services increased by 11.3% compared to the same period of the previous year.

Growth of 8.6% was seen in Portugal, whereas other markets grew by 12.4% overall when compared to the same period of 2019.

#### Turnover of Concessions and Services



(VALUES IN THOUSAND EUROS)

(\*) – 2019 VALUES RECLASSIFIED DUE TO THE OPERATION ACTIVITY OF LA GUARIA PORT IN VENEZUELA BEING RECLASSIFIED DURING THIS PERIOD FROM CONSTRUCTION TO CONCESSIONS AND SERVICES

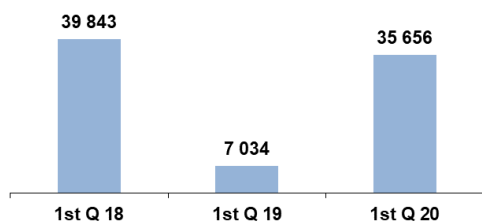
**REAL ESTATE**

The Group increased its turnover in the real estate sector by 28,622 thousand euros compared to the first three months of 2019.

In Portugal, the good performance of the market allowed for growth of 9,168 thousand euros.

In Brazil, there was an increase of 19,614 thousand euros, as a result of the recognition of sales in the "Retrato Pinheiros" venture in São Paulo.

**Turnover of Real estate Services**



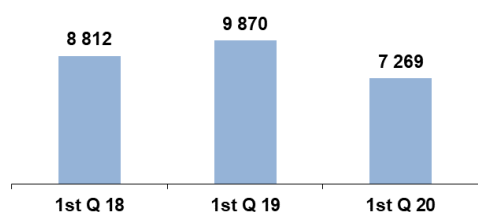
(VALUES IN THOUSAND EUROS)

**HOSPITALITY**

Turnover in the hospitality business decreased by 26.4% compared to the same period of 2019, with downturns of 22.8% in Portugal, 30.3% in Angola and 12.4% in Mozambique.

This sector of activity is suffering from the current Covid-19 pandemic situation and contingency and prevention measures to mitigate and contain the public health risk, as well as from the devaluation of the Kwanza that has not allowed the resilience of this sector in Angola to be reflected in euro terms.

**Turnover of Hospitality**



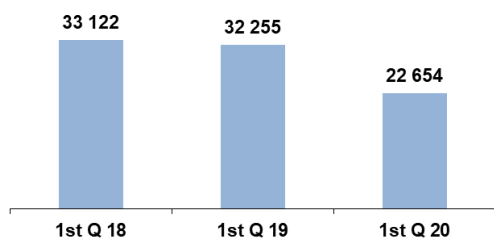
(VALUES IN THOUSAND EUROS)

**DISTRIBUTION**

In the Distribution sector, Group companies experienced a 29.8% decrease in their turnover compared to the same period of the last year.

However, it should be noted that activity in Angola saw 8% growth in Kwanzas compared to March 2019, which is considered to be indicative of the group's ability to adapt its activity in this sector to the current situation in Angola.

**Turnover of Distribution Services**

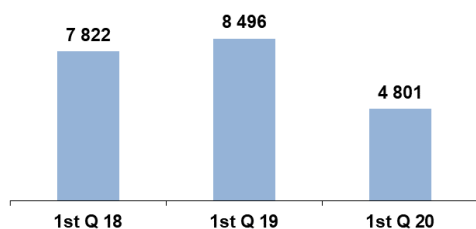


(VALUES IN THOUSAND EUROS)

#### AUTOMOTIVE

In the Automotive sector, there was a 43.5% decrease in turnover when compared to March 2019. This value was heavily impacted by the devaluation of the Kwana. Without this effect, this sector would have seen a drop of 17.5%, which is still a reflection of the effective contraction of the Angolan market.

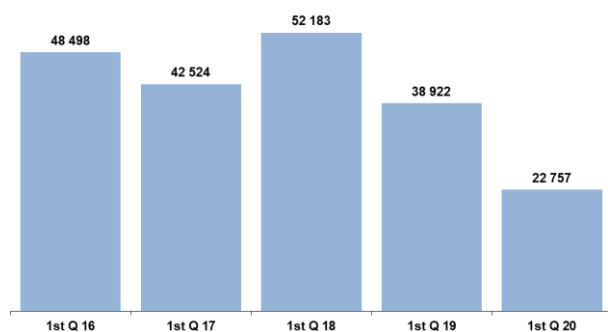
#### Turnover of the Automotive sector



(VALUES IN THOUSAND EUROS)

**EBITDA** - Earnings before interest, taxes, depreciation and amortization, decreased by 41.5% compared to March 2019 and stood at EUR 22,757 m.

#### Evolution of EBITDA



(VALUES IN THOUSAND EUROS)

#### EBITDA by Sectors of Activity

**Evolution of EBITDA by Activity**

Activity Sector	1st Q 20	1st Q 19	Var (%)
Construction (*)	6 572	30 184	(78,2%)
Concessions and services (*)	5 228	3 813	37,1%
Real estate	8 327	1 605	418,8%
Hospitality	1 992	3 512	(43,3%)
Distribution	1 396	901	54,9%
Automotive	711	1 884	(62,3%)
Not included in the segments	(1 511)	(2 978)	(49,3%)
Removals	42	1	-
	<b>22 757</b>	<b>38 922</b>	<b>(41,5%)</b>

(VALUES IN THOUSAND EUROS)

(\*) – 2019 VALUES RECLASSIFIED due to the operation activity of La Guaria port in Venezuela being reclassified during this period from construction to concessions and services

The reduction in EBITDA, particularly in the Construction sector, is due to the negative change of 14,818 thousand euros from operational exchange rate differences - which at the end of the first quarter of last year stood at a positive 16,952 thousand euros compared to a 2,134 thousand euros in the green this year -, as well as a major reduction in activity in both Angola and Algeria.

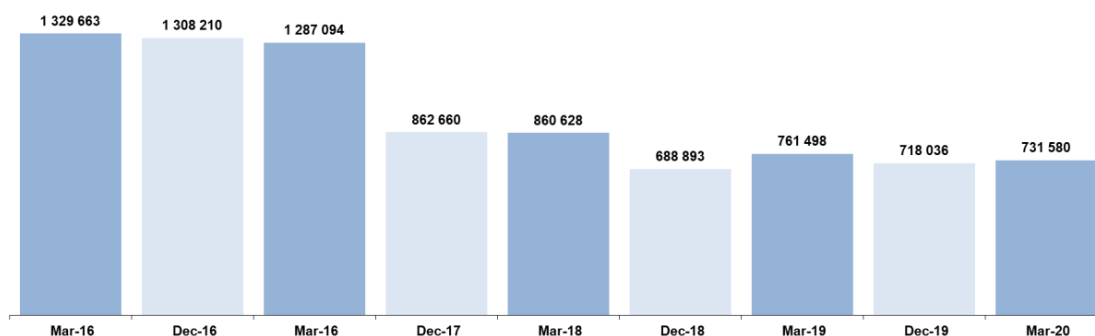
The **financial results** stood at minus 1,939 thousand euros, whereas they were minus 11,120 thousand euros in the first quarter of 2019. This improvement was essentially due to the capacity of group entities in Angola to reduce balances owned in currencies.

**Income tax** amounted to 2,246 thousand euros at 31 March 2020, while in the same period of 2019 it stood at 6,187 thousand euros.

**Net Results Attributable to Equity Holders** were a positive 1,939 thousand euros, compared to the positive results of 8,021 thousand euros posted in March 2019.

**Total Net Assets** decreased by 5.9% in relation to 31 December 2019, standing at 1,740,848 thousand euros, corresponding to a decrease of 109,168 thousand euros, of which 78,637 thousand euros are the result of the exchange rate effect over the period, essentially due to the devaluation of the Brazilian real and the Angolan Kwanza.

**Evolution of Net asset**

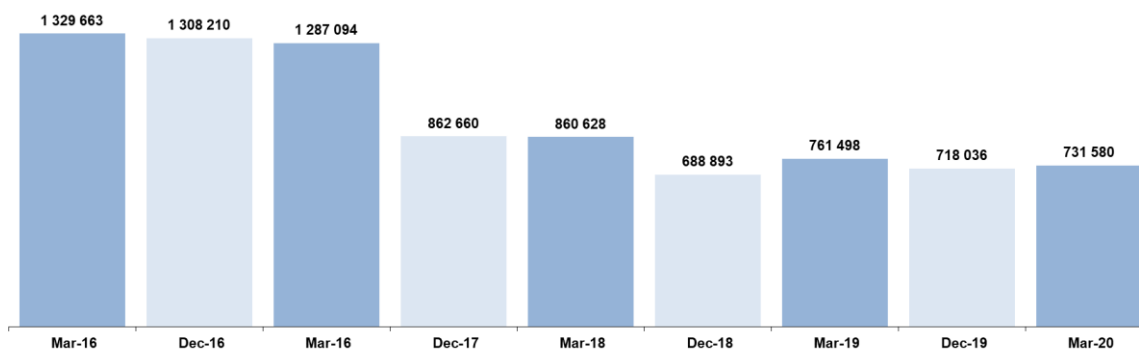


(VALUES IN THOUSAND EUROS)

**Net Financial Debt** increased by 13,544 thousand euros since the end of 2019, standing at 731,580 thousand euros.

It should also be noted that bank loans fell by 12,823 thousand euros.

#### Evolution of Net Financial Debt



(VALUES IN THOUSAND EUROS)

**Equity Attributable to Shareholders** decreased by 44,053 thousand euros, from 299,939 thousand euros to 255,886 thousand euros, corresponding to a 14.7% decrease when compared to 31 December 2019.

**Total Equity** decreased by 13.4% to 291,359 thousand euros, mainly influenced by the positive new result of 2,636 thousand euros and by the devaluation of the Brazilian Real and the Angolan Kwanza.

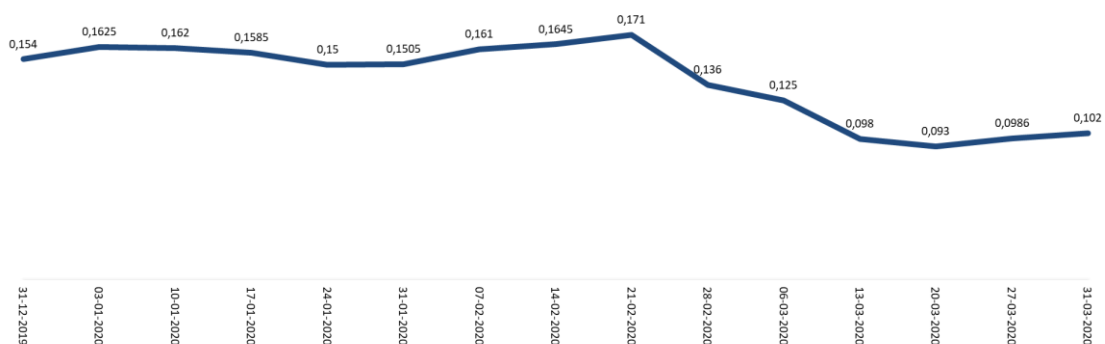
**Financial Autonomy** shifted from 18.2% as at 31 December 2019 to 16.7% at 31 March, 2020.

The **Average number of workers** on Tuesday, March 31, 2020 was 9,743, an decrease of 14.5% compared to 31 December 2019.

The **price of "Teixeira Duarte, S.A." bonds** increased from EUR 0.154 on 31 December 2019 to EUR 0.102 on 31 March 2020.

The following graph shows the evolution in listed share prices during the first three months of this year, which have varied during this period between a minimum of 0.081 euros and a maximum of 0.177 euros.

#### Teixeira Duarte, S.A. List Prices



53,192,487 shares were traded on the stock exchange during this period, with a total amount of turnover of 7,493,533 euros.

### III. EVENTS THAT OCCURRED AFTER THE END OF THE 1ST QUARTER OF 2020

Teixeira Duarte Group companies continued their activity in the different markets on which they operate, and there are no relevant facts to highlight that occurred after 31 March 2020 and the issue date of this document.

Even so, it should be mentioned that the Board of Directors of TD,SA, as well as the boards of directors of the other Teixeira Duarte Group entities, continued to monitor the development of the Covid-19 pandemic situation and acted according to recommendations made by the World Health Organization and public bodies responsible for health in the different countries where the Group companies operate.

In effect, the contingency and prevention measures for complying with the guidelines of these entities and for mitigating and containing the public health risk have been continually adapted to changes in legislation and the global situation. All necessary steps have also been taken to ensure the continuity of the business and to mitigate its impact on all of the group's *stakeholders*.

Within this framework, it is also reported that on 30 April TD,SA disclosed its 2019 accounting documents and its Annual General Meeting was convened for 26 May 2020. However, due to the limitations resulting from the public health situation caused by the COVID-19 disease, on 20 May this year the General Meeting was postponed to 22 June 2020 and on this date the new meeting notification and other documents for this effect were also disclosed.

### IV. PROSPECTS

Teixeira Duarte envisages the continuity of operations in the different sectors and markets in which it has been operating, although with a reduction in relation to 2019 as a result of the impacts of the current COVID-19 global pandemic situation and the fact that the devaluations of the Angolan Kwanza and the Brazilian Real have decreased the significance of operating profits from activities carried out on these markets in euros. Overall, operating profits of 850 million euros are forecast for 2020.

Lagoas Park, 29th May 2020

The Board of Directors,

Pedro Maria Calainho Teixeira Duarte

Manuel Maria Calainho de Azevedo Teixeira Duarte

Carlos Gomes Baptista

Maria da Conceição Maia Teixeira Duarte

Diogo Bebiano Branco de Sá Viana Rebelo







# JUNTOS DESENVOLVEMOS ANGOLA

LÍQUIDIFICADOR  
15L  
**12990**  
maxi

BANANA  
NAL  
KG  
**169**  
maxi

XIPRIA  
KG  
**380**



**Teixeira Duarte**

1<sup>st</sup> Quarter of 2020

# Consolidated Financial Statements

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AT 31 MARCH 2020 AND 31 DECEMBER 2019  
(VALUES IN THOUSAND EUROS)

	Notes	31/03/2020 (Non Audited)	31/12/2019 (Audited)
<b>Non-current assets:</b>			
Goodwill		12 209	12 214
Intangible assets		58 924	60 267
Fixed tangible assets	13	442 494	479 776
Investment Properties	14	203 524	208 478
Usage right		39 822	41 603
Investments in associates and joint-ventures	7 and 15	22 264	22 235
Other financial investments at amortized cost	16	2 978	2 806
Other financial investments at fair value through other comprehensive income	7 and 16	12 678	15 866
Assets for deferred tax	18	149 637	147 993
Customers		17 295	16 458
Other debtors		12 342	12 694
<b>Total of non-current assets</b>		<b>974 167</b>	<b>1 020 390</b>
<b>Current assets:</b>			
Inventories		171 014	202 111
Customers		234 349	236 183
Other debtors		40 410	38 517
Other financial investments at fair value through other comprehensive income	7 and 16	10	10
Cash and cash equivalents	20	106 884	135 380
Other current assets		179 117	182 528
		<b>731 784</b>	<b>794 729</b>
Assets for sale	17	34 897	34 897
<b>Total of current assets</b>		<b>766 681</b>	<b>829 626</b>
<b>TOTAL OF ASSET</b>	<b>7</b>	<b>1 740 848</b>	<b>1 850 016</b>
<b>Equity:</b>			
Capital	21	210 000	210 000
Adjustments of shareholdings in associates and joint-ventures		(273)	(443)
Effect of currency adjustments	26	(494 543)	(444 577)
Reserves and retained income	22	538 763	520 545
Consolidated net result		1 939	14 414
<b>Equity attributable to shareholders</b>		<b>255 886</b>	<b>299 939</b>
Non-controlling interests		35 473	36 585
<b>EQUITY TOTAL</b>		<b>291 359</b>	<b>336 524</b>
<b>Non-current liabilities:</b>			
Loans	23	638 585	692 004
Provisions		45 534	45 053
Lease liabilities		32 924	34 594
Liabilities by deferred taxes	18	106 195	111 672
Other Creditors		298	376
Other non-current liabilities		86 619	80 002
<b>Total of non-current liabilities</b>		<b>910 155</b>	<b>963 701</b>
<b>Current liabilities:</b>			
Loans	23	160 495	119 899
Lease liabilities		6 460	6 919
Suppliers		119 828	148 122
Other Creditors		24 089	26 920
Other current liabilities		204 901	224 370
		<b>515 773</b>	<b>526 230</b>
Liabilities for sale	17	23 561	23 561
<b>Total of current liabilities</b>		<b>539 334</b>	<b>549 791</b>
<b>TOTAL OF LIABILITY</b>	<b>7</b>	<b>1 449 489</b>	<b>1 513 492</b>
<b>TOTAL OF LIABILITY AND EQUITY</b>		<b>1 740 848</b>	<b>1 850 016</b>

The annex notes forms an integral part of the consolidated statement of the financial position for the quarter ending 31 March 2020.

## CONSOLIDATED STATEMENT OF RESULTS

DURING THE PERIODS ENDED ON 31 MARCH 2020 AND 2019

(NON AUDITED)

(VALUES IN THOUSAND EUROS)

	Notes	1 <sup>st</sup> Quarter 20	1 <sup>st</sup> Quarter 19
<b>Operating income:</b>			
Sales and services rendered	7 and 8	195 386	210 364
Other operating income	8	17 715	25 544
<b>Total of operating income</b>	<b>8</b>	<b>213 101</b>	<b>235 908</b>
<b>Operating costs:</b>			
Cost of sales		(62 941)	(59 070)
Production changes		305	463
External supplies and services		(62 252)	(66 326)
Expenses with staff		(49 473)	(56 674)
Amortizations and depreciations	7	(13 363)	(14 759)
Provisions and impairment losses in depreciable and amortizable asset and Goodwill	7	(2 573)	1 251
Other operating costs		(15 983)	(15 379)
<b>Total of operating costs</b>		<b>(206 280)</b>	<b>(210 494)</b>
<b>Operational Income</b>	<b>7</b>	<b>6 821</b>	<b>25 414</b>
Costs and financial losses	7 and 9	(22 309)	(17 374)
Income and financial earnings	7 and 9	19 855	5 106
<b>Income related to investment activities:</b>			
Income related to affiliates and joint-ventures	7 and 9	515	347
Other	7 and 9	-	801
<b>Financial Results</b>		<b>(1 939)</b>	<b>(11 120)</b>
<b>Results before taxes</b>	<b>7</b>	<b>4 882</b>	<b>14 294</b>
Income tax	10	(2 246)	(6 187)
<b>Consolidated net result for the period</b>		<b>2 636</b>	<b>8 107</b>
<b>Net results attributable to:</b>			
<b>Equity holders</b>	<b>11</b>	<b>1 939</b>	<b>8 021</b>
Non-controlling interests		697	86
<b>Income by share:</b>			
Basic (euros)	11	0,00	0,02
Diluted (euros)	11	0,00	0,02

## CONSOLIDATED STATEMENTS OF OTHER INTEGRAL INCOME

DURING THE PERIODS ENDED ON 31 MARCH 2020 AND 2019

(NON AUDITED)

(VALUES IN THOUSAND EUROS)

	Notes	1st Quarter 20	1st Quarter 19
<b>Consolidated net result for the period</b>		<b>2 636</b>	<b>8 107</b>
<b>Income and expenses that will not be reclassified for results</b>			
Other equity variations		5 315	(612)
Other financial investments at fair value through other comprehensive income, net of taxes	16	(616)	10
		<b>4 699</b>	<b>(602)</b>
<b>Income and expenses that can be reclassified for results</b>			
Currency conversion adjustments	26	(52 670)	(8 843)
Adjustments of shareholdings in associates and joint-ventures	15	170	182
		<b>(52 500)</b>	<b>(8 661)</b>
<b>Result known directly in equity</b>		<b>(47 801)</b>	<b>(9 263)</b>
<b>Comprehensive income for the financial year</b>		<b>(45 165)</b>	<b>(1 156)</b>
<b>Comprehensive income attributable to:</b>			
Equity holders		(44 053)	(965)
Non-controlling interests		(1 112)	(191)

The notes are an integral part of the consolidated statement of the other comprehensive income for the period ended on 31 March 2020

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

DURING THE PERIODS ENDED ON 31 MARCH 2020 AND 2019

(NON AUDITED)

(VALUES IN THOUSAND EUROS)

Notes	Capital	Reserves and retained income							Total equity attributable to shareholders	Total		
		Adjustments of shareholdings in associates and joint ventures	Currency conversion adjustments	Legal reserve	Other reserves	Fair value reserve - financial investments	Revaluation reserve - real estate	Retained income				
Balance on January 1 <sup>st</sup> , 2019	210 000	(673)	(303 790)	42 000	253 326	598	162 085	(7 049)	11 127	367 024	35 736	403 360
Comprehensive income for the financial year:												
Consolidated net result for the period	-	-	-	-	-	-	-	-	8 021	8 021	86	8 107
Variation in currency conversion adjustments	-	(8 348)	-	-	-	-	-	-	-	(8 348)	(495)	(8 843)
Changes in the fair value of other investments through other comprehensive income, net of taxes	-	-	-	-	-	10	-	-	-	10	-	10
Revaluation surplus, net of tax	-	-	-	-	-	(1 740)	-	1 740	-	-	-	-
Effect of the application of equity method:	-	182	-	-	-	-	-	(830)	-	182	218	(642)
Other	-	-	-	-	-	-	-	-	-	(830)	-	(830)
Operations with equity owners for that period:												
Appropriation of the consolidated net income for 2019:	-	-	-	-	-	-	-	-	11 127	-	-	11 127
Transfer to retained earnings	-	(491)	(312 130)	-	253 326	608	160 345	4 988	-	366 659	35 545	402 204
Balance on March 31 <sup>st</sup> , 2019	210 000	(491)	(312 130)	42 000	253 326	608	160 345	4 988	11 127	366 659	35 545	402 204
Balance on January 1 <sup>st</sup> , 2020	210 000	(443)	(444 577)	42 000	257 998	471	229 797	(9 721)	14 414	299 839	36 555	336 524
Comprehensive income for the financial year:												
Consolidated net result for the period	-	-	-	-	-	-	-	-	1 939	1 939	697	2 636
Variation in currency conversion adjustments	-	-	(49 866)	-	-	-	-	-	-	(49 866)	(2 704)	(52 670)
Changes in the fair value of other investments through other comprehensive income, net of taxes	-	-	-	-	-	(616)	-	-	-	(616)	-	(616)
Revaluation surplus, net of tax	-	-	-	-	-	-	(2 862)	2 862	-	-	-	-
Effect of the application of equity method:	-	170	-	-	-	-	-	4 420	-	170	695	5 315
Other	-	-	-	-	-	-	-	-	-	4 420	-	4 420
Operations with equity owners for that period:												
Appropriation of the consolidated net income for 2020:	-	-	-	-	-	-	-	-	14 414	-	-	14 414
Transfer to retained earnings	-	(273)	(494 543)	42 000	257 998	(145)	226 935	11 975	-	255 696	35 473	291 359
Balance on March 31 <sup>st</sup> , 2020	210 000	(273)	(494 543)	42 000	257 998	(145)	226 935	11 975	14 414	255 696	35 473	291 359

The notes are an integral part of the consolidated statement of changes in equity for the year ended on 31 March 2020.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

DURING THE PERIODS ENDED ON 31 MARCH 2020 AND 2019

(NON AUDITED)

(VALUES IN THOUSAND EUROS)

	Notes	1 <sup>st</sup> Quarter 20	1 <sup>st</sup> Quarter 19
<b>OPERATIONAL ACTIVITIES:</b>			
Receipts from customers		201 039	207 998
Payment to suppliers		(172 934)	(162 407)
Payment to staff		(46 239)	(54 461)
<b>Cash flow generated by operations</b>		<b>(18 134)</b>	<b>(8 870)</b>
Payment/receipt of income tax		(1 494)	(1 629)
Other receipts/payments related to the operational activity		(6 671)	(651)
<b>Cash flows of operational activities (1)</b>		<b>(26 299)</b>	<b>(11 150)</b>
<b>INVESTMENT ACTIVITIES:</b>			
<b>Receipts related to:</b>			
Financial investments	20	-	1 747
Tangible fixed assets and investment properties		21 230	283
Interests and similar gains		462	995
		<b>21 692</b>	<b>3 025</b>
<b>Payments related to:</b>			
Tangible fixed assets and investment properties		(2 741)	(11 954)
Intangible assets		-	(78)
		<b>(2 741)</b>	<b>(12 032)</b>
<b>Cash flows from investment activities (2)</b>		<b>18 951</b>	<b>(9 007)</b>
<b>FINANCING ACTIVITIES:</b>			
<b>Revenue derived from:</b>			
Obtained loans	23	<b>342 372</b>	<b>328 368</b>
<b>Payments related to:</b>			
Obtained loans	23	(351 282)	(331 545)
Lease liabilities		(2 066)	-
Interests and similar costs		(2 963)	(5 103)
		<b>(356 311)</b>	<b>(336 648)</b>
<b>Cash flows from financing activities (3)</b>		<b>(13 939)</b>	<b>(8 280)</b>
<b>Variation of cash and cash-equivalent items (4)=(1)+(2)+(3)</b>		<b>(21 287)</b>	<b>(28 437)</b>
<b>Exchange rate differences Effect</b>		<b>(7 209)</b>	<b>(3 553)</b>
<b>Cash and cash-equivalent items at the beginning of the period</b>	<b>20</b>	<b>135 380</b>	<b>171 991</b>
<b>Cash and cash-equivalent items at the end of the period</b>	<b>20</b>	<b>106 884</b>	<b>140 001</b>

The annex forms an integral part of the cash flow statement for the period ending 31 March 2020.



## ANNEXES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ON 31 MARCH 2020

(NON AUDITED)

### 1 - INTRODUCTION

TEIXEIRA DUARTE, S.A. ("Company" or "TD, S.A.") with head office in Porto Salvo, was incorporated on 30 November 2009, with share capital of EUR 210,000,000, represented by 420,000,000 shares with the nominal value of EUR 0.5 each, and its core business is the implementation and management of investments, the coordination and supervision of other companies integrated in or related to its business Group.

The corporate universe of Teixeira Duarte ("Group") is composed of the participated companies indicated in Note 4. The Group's core activities are: Construction; Concessions and Services; Real Estate; Hospitality; Distribution; Energy and Automotive (Note 7).

Reference should also be made to the fact that the Group has repositioned the operation of La Guaria Port in Venezuela, from Construction to Concessions and Services, and in this document, the notes to the consolidated financial statements for the first quarter of the 2019 financial year were - only in relation to these sectors - reclassified to allow an adequate level of comparability.

The stated values will be expressed in thousands of euros, unless expressly indicated.

### 2 - BASIS OF PRESENTATION

The consolidated financial statements at 31 March, 2020 have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as adopted by the European Union, in effect for periods beginning on 1 January, 2020, and in accordance with IAS 34 - Interim Financial Reporting.

### 3 - ALTERATIONS OF POLICIES, ESTIMATES AND ERRORS

The accounting policies that have been adopted are consistent with those used for preparing the financial statements for the financial year ending 31 December 2019, and described in the respective attached notes.

### 4 - COMPANIES INCLUDED IN THE CONSOLIDATION PERIMETER

As at 31 March 2020, TEIXEIRA DUARTE, S.A. and the following controlled companies were included in the consolidation, by the full method:

Corporate name	Head Office	% effective participation
<b>INTERNAL MARKET</b>		
<b>CONSTRUCTION</b>		
CONSTRUSALAMONDE, ACE	Edifício 2, Lagoas Park - Porto Salvo	92.50%
EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
SOMAFEL - Engenharia e Obras Ferroviárias, S.A.	Edifício 2, Lagoas Park - Porto Salvo	67.74%
Teixeira Duarte - Engenharia e Construções, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
<b>CONCESSIONS AND SERVICES</b>		
DPLG - Desenvolvimento do Terminal Especializado de Contentores do Porto de La Guaira, Sociedade Unipessoal Lda.;	Rua das Pretas, 4 - Fração 4 D - Funchal	100.00%

TDAP - Atividades Portuárias, S.A.	Rua das Pretas, 4 - Fração 4 D - Funchal	100.00%
TDGI AÇORES - Unipessoal, Lda.	Zona Industrial Chã do Rego d'Água, Lote 39 - Cabouco, Ilha de São Miguel - Açores	100.00%
TDGI - Tecnologia de Gestão de Imóveis, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TDGI Manutenção, ACE	Edifício 2, Lagoas Park - Porto Salvo	100.00%
<b>REAL ESTATE</b>		
FUNDO DE INVESTIMENTO IMOBILIÁRIO FECHADO TDF	Av. Professor Doutor Cavaco Silva, Parque das Tecnologias, Edifício 3 - Porto Salvo	100.00%
IMOPEDROUÇOS - Sociedade Imobiliária, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
IMOTD – Sociedade Gestora de Participações Sociais, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
MALANGA – Investimentos Imobiliários, Unipessoal Lda.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
QUINTA DE CRAVEL - Imobiliária, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TD VIA - Sociedade Imobiliária, S.A.	Edifício 2, Lagoas Park - Porto Salvo	93.75%
TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TEIXEIRA DUARTE REAL ESTATE, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TRANSBRITAL - Britas e Empreendimentos Imobiliários, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
V8 - Gestão Imobiliária, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
<b>HOSPITALITY</b>		
ESTA - Gestão de Hotéis, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
GO CORP TRAVEL SOLUTIONS – Agência de Viagens, S.A.	Rua Encosta das Lagoas, nº 8 - Porto Salvo	100.00%
LAGOASFUT - Equipamento Recreativo e Desportivo, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
LAGOAS HOTEL, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
SINERAMA - Organizações Turísticas e Hoteleiras, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TDH - Sociedade Gestora de Participações Sociais, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TDHC - Instalações para Desporto e Saúde, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
<b>DISTRIBUTION</b>		
BONAPAPEL - Artigos de Papelaria e Equipamentos Informáticos - Unipessoal, Lda.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TEDAL – Participações e Distribuição, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%

TEDAL II – Distribuição e Investimentos, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TEIXEIRA DUARTE – Distribuição, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
<b>AUTOMOTIVE</b>		
SMOTORS, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TDO - Investimento e Gestão, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TEDAL III – Automóveis e Investimentos, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TEDAL IV – Participações e Automóveis, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
<b>OTHER</b>		
C + P.A. - Cimento e Produtos Associados, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TDO - Sociedade Gestora de Participações Sociais, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TEDAL - Sociedade Gestora de Participações Sociais, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
<b><u>EXTERNAL MARKET</u></b>		
<b><u>SOUTH AFRICA</u></b>		
<b>CONSTRUCTION</b>		
Global Net Distributors (Pty) Ltd.	10 Ninth Avenue - Northmead, Gauteng 1501	100.00%
<b><u>ANGOLA</u></b>		
<b>CONCESSIONS AND SERVICES</b>		
EDUCARE - Atividades Educativas e Culturais, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
TDGI - Tecnologia de Gestão de Imóveis, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	42.40%
<b>REAL ESTATE</b>		
AFRIMO - Empreendimentos Imobiliários, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	51.00%
TEIXEIRA DUARTE - Engenharia e Construções (Angola), Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%

**HOTEL SERVICES**

ALVALADE - Empreendimentos Turísticos e Hoteleiros, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
ANGOPREDIAL - Empreendimentos Imobiliários, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
HOTEL TRÓPICO, S.A.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	80.00%
HOTEL BAÍA, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%

**DISTRIBUTION**

CND - Companhia Nacional de Distribuição, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
COM 1 - Comércio e Distribuição, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
DCG - Distribuição e Comércio Geral, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
IMO 1 - Empreendimentos Imobiliários, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
OCC – Operador Central de Comércio, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	80.00%

**AUTOMOTIVE**

AUTO 1 - Comércio Automóvel, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
AUTO COMPETIÇÃO ANGOLA, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
AUTO 8, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%

COMÉRCIO DE AUTOMÓVEIS, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
TDA - Comércio e Indústria, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
VAUCO - Automóveis e Equipamentos, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
<b>OTHER</b>		
Investipart – Participações e Investimentos, S.A.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	36.00%
<b>ALGERIA</b>		
<b>CONSTRUCTION</b>		
TEIXEIRA DUARTE ALGERIE, SPA	8 Rooute Ben Aknoun, Rés de Chanssée El Biar - Alger	99.94%
<b>BELGIUM</b>		
<b>CONCESSIONS AND SERVICES</b>		
TDGI, S.A.	Avenue Jean-Monnet, 1, 1348 Louvain-La-Neuve – RPM Bruxelles	100.00%
<b>BRAZIL</b>		
<b>CONSTRUCTION</b>		
EMPA, S.A. - Serviços de Engenharia	Rua Paraíba, 1000, 12º andar - Parte Bairro Savassi - Belo Horizonte	100.00%
SOMAFEL – Obras Ferroviárias e Marítimas, Ltda.	Rua Iguatemi, n.º 448, 6.º andar conjuntos 602, 604, 606, 608 e 610 Bairro Itaim Bibi, São Paulo	67.74%
<b>CONCESSIONS AND SERVICES</b>		
GONGOJI Montante Energia, S.A.	Rua Paraíba, 1000, 12º andar - Parte Bairro Savassi - Belo Horizonte	100.00%
PAREDÃO de Minas Energia, S.A.	Rua Paraíba, 1000, 12º andar - Parte Bairro Savassi - Belo Horizonte	100.00%
TABOQUINHA Energia, S.A.	Rua Paraíba, 1000, 12º andar - Parte Bairro Savassi - Belo Horizonte	100.00%
TDGI FACILITIES E MANUTENÇÃO DE INSTALAÇÕES LTDA.	Rua Iguatemi, n.º 448, 6.º andar Conjunto 602, sala 18 Bairro Itaim Bibi, São Paulo	100.00%

REAL ESTATE

TDPG - Empreendimentos Imobiliários e Hoteleiros, Ltda.	Rua Irene Ramos Gomes de Matteo, nº 97 - Casa 097 Pina - Recife	100.00%
TDSP - Participações, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 01 Itaim Bibi - São Paulo	100.00%
TDSP - Elisa de Moraes Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 02 Itaim Bibi - São Paulo	90.00%
TDSP - Bela Vista Empreendimentos Imobiliários, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 06 Itaim Bibi - São Paulo	92.65%
TDSP - Galeno de Castro Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 03 Itaim Bibi - São Paulo	92.65%
TDSP - Maratona Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 08 Itaim Bibi - São Paulo	92.65%
TDSP - Direitos Humanos Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 04 Itaim Bibi - São Paulo	92.65%
TDSP - Alta Vista I Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 19 Itaim Bibi - São Paulo	92.65%
TDSP - Verum Mooca Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 18 Itaim Bibi - São Paulo	100.00%
TDSP - Gilberto Sabino Empreendimentos Imobiliários, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 05 Itaim Bibi - São Paulo	100.00%
TDSP - Alta Vista II Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 20 Itaim Bibi - São Paulo	92.65%
TDSP - Gualaxos Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 07 Itaim Bibi - São Paulo	100.00%
TDSP - Alta Vista III Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602 Itaim Bibi - São Paulo	92.65%
TDSP - Zanzibar Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 09 Itaim Bibi - São Paulo	92.50%
TDSP - Dionísio da Costa Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 10 Itaim Bibi - São Paulo	92.50%
TDSP - Baceunas Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 11 Itaim Bibi - São Paulo	100.00%
TDSP - Maria de Jesus Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 12 Itaim Bibi - São Paulo	95.00%

TDSP – Volta Redonda Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 13 Itaim Bibi - São Paulo	95.00%
TDSP - Nilo Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 14 Itaim Bibi - São Paulo	100.00%
TDSP – Alta Vista IV Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 15 Itaim Bibi - São Paulo	92.65%
TDSP – Princesa Isabel Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 16 Itaim Bibi - São Paulo	90.00%
TDSP – Carolina Ribeiro - Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 17 Itaim Bibi - São Paulo	95.00%
TDSP – 18 Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 23 Itaim Bibi - São Paulo	100.00%
<b>OTHER</b>		
EMES – Participações , Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 21 Itaim Bibi - São Paulo	100.00%
<b><u>COLOMBIA</u></b>		
<b>CONSTRUCTION</b>		
TEIXEIRA DUARTE – Engenharia e Construções (Colômbia) S.A.S.	Carrera 11 nº 94 – 02 oficina 201 Centro empresarial Manhattan, Bogotá	100.00%
<b><u>CYPRUS</u></b>		
<b>OTHER</b>		
LEVENEL, Limited	Irakli, 2, Egekomi, 2413 Nicosia	100.00%
<b><u>SPAIN</u></b>		
<b>CONSTRUCTION</b>		
UTE VIANA	Alberto Alcocer, 24 - 7º Madrid	100.00%
<b>CONCESSIONS AND SERVICES</b>		
RECOLTE, Servicios Y Medioambiente, S.A. Sociedade Unipersonal.	Alberto Alcocer, 24 - 7º Madrid	100.00%
TDGI - Mantenimiento y Servicios Integrales, S.L.	Alberto Alcocer, 24 - 7º Madrid	100.00%

**UNITED STATES OF AMERICA**

**CONSTRUCTION**

TEIXEIRA DUARTE CONSTRUCTION SERVICES, LLC	1030 Salem Road Union, NJ 07083	100.00%
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**REAL ESTATE**

TDRE INVESTMENTS, LLC.	4100 Spring Valley Road, Suite 310, Dallas Texas 75244	100.00%
TDRE LEE PARK, LLC.	4100 Spring Valley Road, Suite 310, Dallas Texas 75244	100.00%
TDRE HOOD, LLC.	4100 Spring Valley Road, Suite 300, Dallas Texas 75244	100.00%

**GABON**

**CONSTRUCTION**

SOMAFEL GABON, SARL Unipersonnelle	Zone Industrielle Owendo Libreville, Gabon	67.74%
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**MACAU**

**CONSTRUCTION**

TEIXEIRA DUARTE - Engenharia e Construções (Macau), Lda.	Av. Dr. Mário Soares, nº 25 Edifício Montepio Apr. 26 e 28 – 3º andar Macau	100.00%
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**MOZAMBIQUE**

**CONSTRUCTION**

TEIXEIRA DUARTE - Engenharia e Construções (Moçambique), Lda.	Av. Július Nyerere, nº 130 Maputo	74.46%
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**CONCESSIONS AND SERVICES**

TDGI - Tecnologia de Gestão de Imóveis, Lda.	Av. Július Nyerere, nº 130 Maputo	69.55%
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**REAL ESTATE**

IMOPAR - Centro Comercial de Maputo, S.A.	Av. Július Nyerere, nº 130 Maputo	100.00%
MALANGA - Empreendimentos Imobiliários, S.A.	Av. Július Nyerere, nº 4 - R/C Maputo	74.71%

**HOTEL SERVICES**

AVENIDA - Empreendimentos Turísticos e Hoteleiros, Lda.	Av. Július Nyerere, nº 627 Maputo	100.00%
Sociedade Hotel Tivoli, Lda.	25 de Setembro, 1321 Maputo	65.00%
TIVOLI BEIRA - Hotelaria e Serviços, Lda.	Av. Július Nyerere, nº 130 Maputo	100.00%



**PERU**

**CONSTRUCTION**

TEIXEIRA DUARTE PERÚ – Ingeniería y Construcciones, Sociedad Anónima Cerrada Avenida Arenales, nº 773 Lima

100.00%

**VENEZUELA**

**CONSTRUCTION**

CONSORCIO BOYACÁ - LA GUAIRA

Av. San Juan Bosco,  
Edificio Centra Altamira  
Piso 5, Oficina 54, Urb. Altamira  
Caracas

57.20%

TEGAVEN – Teixeira Duarte y Asociados, C.A.

Av. Venezuela del Rosal con Calle  
Mohedano, Torre JWM  
Piso 5, Of. 5-2, Urb El Rosal - Caracas

100.00%

**5 - CHANGES IN THE CONSOLIDATION SCOPE**

During the year ended on 31 March 2020, there was no alteration to the consolidation perimeter relative to 31 December 2019.

It should be noted that the following companies have been incorporated:

Construction

- Somafel Gabon, SARL Unipersonnelle

Real estate

- Teixeira Duarte Real Estate, S.A.

6 - EXCHANGE RATES

The following exchange rates were used to convert the assets and liabilities expressed in foreign currency into Euro as at 31 March 2020 and 31 December 2019, as well as the earnings of the operations developed in countries where the functional currency is different from the Euro, for the year ended on 31 March 2020 and 2019:

Currency	Closing exchange rate			Average exchange		
	31/03/2020	31/12/2019	Var.	31/03/2020	31/03/2019	Var
Venezuelan bolivar	95 751,9560	58 228,6642	64,4%	95 751,9560	4 132,3903	s.s.
Algerian dinar	136,3365	133,4442	2,2%	133,4224	135,0364	(1,2%)
Kuwaiti Dinar	0,3434	0,3402	0,9%	0,3387	n/a	-
Tunisian Dinar	3,1380	3,1329	0,2%	3,1292	3,4425	(9,1%)
Dirham from Emirates	4,0239	4,1260	(2,5%)	4,0601	4,1863	(3,0%)
Moroccan Dirham	11,0559	10,7442	2,9%	10,7310	10,9187	(1,7%)
American dollars	1,0956	1,1234	(2,5%)	1,1055	1,1397	(3,0%)
Cape Verde Escudo	110,2650	110,2650	-	110,2650	110,2650	-
CFA Franc BEAC	655,9570	n/a	-	655,9570	n/a	-
Angola Kwanza	562,4569	536,2617	4,9%	543,7041	355,5114	52,9%
Mozambican metical	73,3000	68,7000	6,7%	70,7050	71,0200	(0,4%)
Peruvian Novo Sol	3,7587	3,7196	1,1%	3,7521	3,8029	(1,3%)
Macanese pataca	8,7493	9,0097	(2,9%)	8,8531	9,2087	(3,9%)
Colombian Peso	4 447,0400	3 690,6300	20,5%	3 945,3350	3 595,5950	9,7%
South Africa Rand	19,6095	15,7773	24,3%	17,2432	15,9784	7,9%
Brazilian real	5,7001	4,5157	26,2%	4,9637	4,3259	14,7%

7 – INFORMATION BY OPERATING SEGMENTS

The Group organises its activity according to the following business segments:

- Construction;
- Concessions and services;
- Real estate;
- Hotel services;
- Distribution;
- Automobile.

The sales and services rendered and the earnings of each of operating segment referred to above for the semesters ended on 31 March 2020 and 2019, were as follows:

Segment	Sales and services rendered						Operational Income	
	1 <sup>st</sup> Quarter 20			1 <sup>st</sup> Quarter 19			1 <sup>st</sup> Quarter 20	1 <sup>st</sup> Quarter 19
	External clients	Intersegmental	Total	External clients	Intersegmental	Total		
Construction (*)	92 374	7 457	99 831	123 388	2 542	125 930	(2 415)	24 364
Concessions and services (*)	32 632	994	33 626	29 321	1 164	30 485	4 317	(327)
Real estate	35 656	1 995	37 651	7 034	3 121	10 155	7 598	3 598
Hospitality	7 269	142	7 411	9 870	421	10 291	(131)	1 573
Distribution	22 654	220	22 874	32 255	136	32 391	(121)	(1 064)
Automotive	4 801	250	5 051	8 496	3 573	12 069	(893)	302
Not included in the segments	-	-	-	-	-	-	(1 576)	(3 033)
Removals	-	(11 058)	(11 058)	-	(10 957)	(10 957)	42	1
	195 386	-	195 386	210 364	-	210 364	6 821	25 414
Costs and financial losses (Note 9)							(22 309)	(17 374)
Income and financial earnings (Note 9)							19 855	5 106
Income related to investment activities (Note 9)							515	1 148
<b>Results before taxes</b>							<b>4 882</b>	<b>14 294</b>

(\*) - Values for the 1st quarter of 2019 reclassified as explained in the introductory note.

Inter-segmental transactions are carried out under market conditions and terms, equivalent to transactions made with third parties.

Other information:

Segment	Fixed capital expenditures		Amortizations and depreciations in results		Provisions and impairment losses	
	1 <sup>st</sup> Quarter 20	1 <sup>st</sup> Quarter 19	1st Quarter 20	1st Quarter 19	1st Quarter 20	1st Quarter 19
Construction (*)	2 956	6 199	6 371	6 504	2 616	(684)
Concessions and services (*)	23	1 124	911	1 140	-	3 000
Real estate	7 337	5 424	729	1 574	-	(3 567)
Hospitality	232	301	2 166	1 939	(43)	-
Distribution	39	498	1 517	1 965	-	-
Automotive	10	10	1 604	1 582	-	-
Not allocated to segments	-	10	65	55	-	-
	<b>10 597</b>	<b>13 566</b>	<b>13 363</b>	<b>14 759</b>	<b>2 573</b>	<b>(1 251)</b>

(\*) - Values for the 1st quarter of 2019 reclassified as explained in the introductory note.

The assets and liabilities of the segments and their respective reconciliation with the consolidated total, as at 31 Marc 2020 and 31 December 2019, are as follows:

Segment	Assets				Liabilities					
	31/03/2020				31/12/2019					
	Investments in associates and joint-ventures (Note 15)	Financial assets at fair value through other comprehensive income(Note 16)	Other Assets	Total	Investments in associates and joint-ventures (Note 15)	Financial assets at fair value through other comprehensive income(Note 16)	Other Assets	Total	31/03/2020	31/12/2019
Construction	3 058	600	1 803 660	<b>1 807 318</b>	2 888	12 836	1 794 661	<b>1 810 385</b>	959 784	988 016
Concessions and services	3 745	109	110 606	<b>114 460</b>	2 338	100	111 932	<b>114 370</b>	50 376	47 349
Real estate	2 592	614	1 104 409	<b>1 107 615</b>	3 378	1 161	1 141 463	<b>1 146 002</b>	459 605	475 343
Hospitality	-	19	231 337	<b>231 356</b>	-	17	243 138	<b>243 155</b>	77 028	79 096
Distribution	-	13	185 009	<b>185 022</b>	-	13	205 431	<b>205 444</b>	93 676	109 739
Automotive	-	9	204 351	<b>204 360</b>	-	9	217 800	<b>217 809</b>	84 707	94 904
Not included in the segments	12 869	11 324	825 895	<b>850 088</b>	13 631	1 740	916 327	<b>931 698</b>	792 259	795 908
Removals	-	-	(2 759 371)	<b>(2 759 371)</b>	-	-	(2 818 847)	<b>(2 818 847)</b>	(1 067 946)	(1 076 863)
	<b>22 264</b>	<b>12 688</b>	<b>1 705 896</b>	<b>1 740 848</b>	<b>22 235</b>	<b>15 876</b>	<b>1 811 905</b>	<b>1 850 016</b>	<b>1 449 489</b>	<b>1 513 492</b>

The sales and services rendered, and information on non-monetary non-current assets by geographic segment are broken down as follows for the years ended on 31 March 2020 and 31 and on 31 March 2020 and 31 December 2019, respectively:

Geographic segment	Sales and services rendered		Non-current and non-monetary assets	
	1 <sup>st</sup> Quarter 20	1 <sup>st</sup> Quarter 19	31/03/2020	31/12/2019
Portugal	63 998	51 960	248 831	251 642
Angola	38 840	63 689	435 466	462 074
Algeria	9 404	30 679	11 606	14 926
Brazil	54 888	35 620	20 500	26 311
Spain	11 517	9 707	8 491	12 209
Mozambique	5 473	8 888	30 050	32 871
Venezuela	5 391	4 190	68	109
Other	5 875	5 631	1 961	2 196
	<b>195 386</b>	<b>210 364</b>	<b>756 973</b>	<b>802 338</b>

Non-monetary non-current assets include *goodwill*, intangible assets, tangible fixed assets, investment property and usage rights.

## 8 - OPERATING INCOME

Operating profits were as follows for the periods ending 31 March 2020 and 2019:

	1 <sup>st</sup> Quarter 20	1 <sup>st</sup> Quarter 19
<b>Sales and services rendered</b> 2013 2012	195 386	210 364
<b>Other operating income:</b>		
Variation in the fair value of income of investment properties	10 381	6 240
Exchange rate differences	2 493	17 416
Supplementary income	1 272	917
Sales of assets a)	1 225	161
Works for own company b)	936	507
Reversal of impairment losses in accounts receivable	69	3
Reversal of impairment losses in inventories	25	69
Other operating income	1 314	231
	17 715	25 544
	213 101	235 908

- a) In the periods ending 31 March 2020 and 2019, the indicated gains were obtained by divesting tangible fixed assets.  
 b) Work for the company essentially involves the improvement of equipment.

## 9 - FINANCIAL RESULTS

Financial results were as follows for the periods ending 31 March 2020 and 2019:

	1 <sup>st</sup> Quarter 20	1 <sup>st</sup> Quarter 19
<b>Costs and financial losses</b>		
Supported interests	(4 594)	(3 871)
Unfavourable exchange rate differences	(13 926)	(7 941)
Net Financial Position a)	(3)	-
Other costs and financial losses	(3 786)	(5 562)
	(22 309)	(17 374)
<b>Income and financial earnings:</b>		
Obtained interests	492	1 032
Favourable exchange rate differences	17 988	3 354
Net Financial Position a)	-	296
Other income and financial earnings	1 375	424
	19 855	5 106
<b>Income related to investment activities:</b>		
Earnings from associates and joint works b)	515	347
Other investments (c)	-	801
	515	1 148
<b>Financial Results</b>	(1 939)	(11 120)

- a) The presented amount corresponds to the gain / loss caused by the application of IAS 29.  
 b) The earnings from associates and joint-ventures for the year ended on 31 March 2020 and 2019 include the effect of the application of the equity method to these investments (Note 15).

c) At 31 March 2019, the "Other Investments" item accounted for gains and losses and gains on the divestment of financial assets

Net exchange rate differences, recorded during the periods ending 31 March 2020 and 2019, are due to payments and receipts, as well as exchange rate updates on balance sheets, recorded based on currencies other than the Euro.

## 10 – INCOME TAX

"TD, SA" is the dominant company of a group of companies that pay tax under the Special Taxation Regime for Groups of Companies (RETGS), covering all companies in which it directly or indirectly holds at least 75% of the respective equity, provided that the stake in question grants it over 50% of voting rights and that, at the same time, have effective headquarters and management in Portugal and pay tax under the general Corporation Income Tax regime ("IRC").

All other subsidiary companies that are not covered by the RETGS, pay tax individually, based on the respective taxable items and the applicable rates of IRC, and municipal and state surtaxes.

The "TD, SA" and most of its subsidiaries headquartered in Portugal are subject to Corporation Tax (IRC), at the rate of 21%, on the taxable amount. Entities with reportable profit are also subject to the Municipal Surcharge, whose rate may vary to the maximum of 1.5%, as the State Surcharge, incident on taxable profit in excess of EUR 1,500, 7,500 and EUR 35,000, at the rates of 3%, 5% and 9%, respectively.

These entities are also subject to regional taxation, at the rates and with the fees, charges and expenses provided for in article 88 of the IRC (Corporation Tax) Code.

In the calculation process of the taxable income, amounts that are not tax deductible are added to, and subtracted from the accounting result. These differences between the book value profit and the profit for tax purposes may be of a temporary or permanent nature.

Pursuant to the legislation in force in Portugal, tax losses are reportable for a period of twelve (5) years for those that occurred during the 2018 tax year onwards, being subject to deduction from taxable income calculated subsequently, with this deduction being limited to 70% of the taxable income calculated during the tax period in which it is earned.

In accordance with the legislation in force, tax returns in Portugal are subject to review and correction by the tax authorities for a period of four years, unless tax losses have been deducted or inspections, claims or appeals, in which cases, depending on the circumstances, this period may be increased or suspended.

The review period of tax returns of entities with a presence in other countries varies between three and five years.

The Board of Directors believes that any corrections which might arise from any tax reviews/inspections to these tax returns will not significantly affect the consolidated financial statements as at 31 March 2020.

The Group records deferred taxes corresponding to the temporary differences between the book value of the assets and liabilities and the corresponding tax base, as laid down in IAS 12 - Income Tax (Note 18).

The income taxes recognised for the years ended on 31 March 2020 and 2019 are as follows:

	1 <sup>st</sup> Quarter 20	1 <sup>st</sup> Quarter 19
<b>Current Tax:</b>		
Income tax in Portugal	(4 035)	(5 893)
Income tax in other jurisdictions	(2 508)	(2 969)
<b>Current Tax</b>	<b>(6 543)</b>	<b>(8 862)</b>
<b>Deferred tax (Note 18)</b>	<b>4 297</b>	<b>2 675</b>
	<b>(2 246)</b>	<b>(6 187)</b>

In addition to the amounts of deferred taxes recorded directly in the income statement, deferred taxes amounting to EUR 178 thousand were recorded directly in equity as at 31 March 2020 (EUR 2 thousand as at 31 March 2019) (Note 18).

11 - EARNINGS PER SHARE

Earnings per share for the years ended 31 March 2020 and 2019 were determined based on the following amounts:

Result to estimate the net result by basic share (net result of period)	1 939	8 021
Weighted average number of shares for the effect of calculating earnings per basic share (thousand)	420 000	420 000
<b>Net result by basic share</b>	<b>0,00</b>	<b>0,02</b>

Since for the financial years ended on 31 March 2020 and 2019 there were no dilution effects of the earnings per share, the diluted earnings per share are the same as the basic earnings per share.

12 - DIVIDENDS

No distribution of dividends was proposed at the General Meeting of Shareholders held on Monday, June 22, 2020, taking into consideration the separate financial statements of the Company on Tuesday, December 31, 2019.

### 13 - TANGIBLE FIXED ASSETS

During the years ended on 31 March 2020 and 2019, the movement in fixed tangible assets and their depreciation and accumulated impairment losses was as follows:

	Land and natural resources	Buildings and other constructions	Basic equipment	Transportation equipment	Tools and Utensils	Administrative equipment	Other tangible fixed assets	Fixed assets on going	Advances on account of assets tangible assets	Total
<b>Gross asset:</b>										
Balance on December 31, 2018	27 157	828 208	348 539	73 198	41 227	30 535	11 183	8 972	112	1 369 131
Impact of the application of IAS 29 - Hyperinflation	437	(2 170)	1 809	463	18	539	164	728	4	1 992
Currency conversion adjustments	(60)	(7 049)	(155)	(34)	78	(193)	(32)	(411)	(1)	(7 857)
Additions	2	239	3 161	3 106	388	191	30	1 041	-	8 158
Transfers and reductions	-	(10 512)	(2 938)	(3 835)	(75)	(488)	(1 584)	(983)	-	(20 415)
Sales	-	-	(527)	(425)	(34)	(92)	-	-	-	(1 078)
<b>Balance on March 31<sup>st</sup>, 2019</b>	<b>27 536</b>	<b>808 716</b>	<b>349 889</b>	<b>72 473</b>	<b>41 602</b>	<b>30 492</b>	<b>9 761</b>	<b>9 347</b>	<b>115</b>	<b>1 349 931</b>
Balance on December 31, 2019	18 437	797 926	313 560	61 519	37 875	25 715	9 104	3 405	74	1 267 615
Currency conversion adjustments	(581)	(34 645)	(10 704)	(3 502)	(1 109)	(874)	(160)	(135)	(1)	(51 711)
Additions	-	13	1 978	462	97	208	14	426	-	3 188
Transfers and reductions	-	333	3 147	(709)	502	244	166	(77)	-	3 606
Sales	-	(3 607)	(6 852)	(6 404)	(251)	(502)	(2 854)	-	-	(20 470)
<b>Balance on March 31<sup>st</sup>, 2020</b>	<b>17 856</b>	<b>760 020</b>	<b>301 129</b>	<b>51 356</b>	<b>37 114</b>	<b>24 791</b>	<b>6 270</b>	<b>3 619</b>	<b>73</b>	<b>1 202 228</b>
<b>Depreciation and losses from impairment:</b>										
Balance on December 31, 2018	164	389 169	298 546	60 021	35 118	27 183	6 298	-	-	816 499
Impact of the application of IAS 29 - Hyperinflation	-	188	1 959	250	18	515	129	-	-	3 059
Exchange conversion effect	-	(4 168)	20	(29)	17	(111)	(16)	-	-	(4 287)
Reinforcements	-	5 056	4 776	887	701	305	197	-	-	11 922
Transfers and reductions	-	(1 144)	(379)	(210)	(24)	(33)	(2)	-	-	(1 792)
Sales	-	-	(397)	(425)	(23)	(74)	-	-	-	(919)
<b>Balance on March 31<sup>st</sup>, 2019</b>	<b>164</b>	<b>389 101</b>	<b>304 525</b>	<b>60 494</b>	<b>35 807</b>	<b>27 785</b>	<b>6 606</b>	<b>-</b>	<b>-</b>	<b>824 482</b>
Balance on December 31, 2019	-	400 553	274 808	50 430	33 220	23 154	5 874	-	-	787 839
Exchange conversion effect	-	(16 491)	(6 218)	(2 439)	(426)	(892)	(86)	-	-	(26 352)
Stiffeners	-	4 813	4 312	792	549	263	124	-	-	10 853
Transfers and reductions	-	(162)	448	(721)	(177)	(258)	(1 836)	-	-	(2 706)
Sales	-	(668)	(4 463)	(3 951)	(103)	(198)	(517)	-	-	(9 900)
<b>Balance on March 31<sup>st</sup>, 2020</b>	<b>-</b>	<b>388 045</b>	<b>268 887</b>	<b>44 111</b>	<b>33 063</b>	<b>22 269</b>	<b>3 359</b>	<b>-</b>	<b>-</b>	<b>759 734</b>
<b>Net value:</b>										
On March 31 <sup>st</sup> , 2019	27 372	419 615	45 364	11 979	5 795	2 707	3 155	9 347	115	525 449
On March 31 <sup>st</sup> , 2020	17 856	371 975	32 242	7 245	4 051	2 522	2 911	3 619	73	442 494

Additions of tangible fixed assets during the period ending 31 March 2020 are essentially related to investments made in installations and equipment.

### 14 - INVESTMENT PROPERTIES

During the years ended on 31 March 2020 and 2019, the movement in investment properties was as follows:

	2020	2019
<b>Balance on January 1</b>	<b>208 478</b>	<b>194 091</b>
Increases / (divestments)	(4 662)	1 880
Variation in fair value	3 511	267
<b>Balance on March 31<sup>st</sup></b>	<b>203 524</b>	<b>195 605</b>

During the periods ending 31 March 2020 and 2019, the fair value of investment properties by geographical area changed as follows:

	1 <sup>st</sup> Quarter 20	1 <sup>st</sup> Quarter 19
Portugal	3 511	267
	<b>3 511</b>	<b>267</b>

Income from investment property amounted to 1,072 thousand euros for the period ended 31 March 2020 (1,253 thousand euros at 31 March 2019). For the financial year ended on 31 March 2020, direct operating costs related to investment properties reached EUR 463 thousand (EUR 312 thousand as at 31 March 2019).



## 15 - INVESTMENTS IN ASSOCIATES AND JOINT-VENTURES

The following associates and joint-ventures were recorded through the equity method as at 31 March 2020:

Corporate name	Head Office
ADOQUINES VARGAS, (ADOQUINVAR), C.A.	Instalaciones de Bolivariana de Puertos Puerto de La Guaria – Parroquia Maiquetia Municipio Vargas del Estado Vargas
ALVORADA PETRÓLEO, S.A.	Rua Paraíba, nº 1000, sala 1518 15º andar – Bairro Funcionário Belo Horizonte - Minas Gerais - Brasil
ALSOMA, GEIE. AK10 - Empreendimentos e Participações SPE Ltda.	3 Av André Malraux - Levallois Peret - França Alameda Santos, nº 960, 19º andar, Edifício CYK Cerqueira César – São Paulo
CAIS DE CRUZEIROS 2ª FASE, ACE CONBATE, ACE Consórcio Puente Daule Guayaquil	Rua da Tapada da Quinta de Cima - Linhó – Sintra Edifício 2, Lagoas Park - Porto Salvo Av. Francisco de Orellana, Kilometro uno e medio y Juan Tanca Marengo, Edifício Cofin, piso seis (6) Guayaquil, Equador
Consorcio Minero Luso Vargas C.A. (CONLUVAR)	Av. Venezuela com Calle Mohedano, Torre JWM Piso 5, Of. 5-2, Urb El Rosal – Caracas – Venezuela
CONSORCIO OPSUT 2010	Calle 4, Casa nº 4, Urbanizacion Los Laureles Valle de la Pascoa - Venezuela
DOURO LITORAL, ACE	Tower Plaza, Rotunda Edgar Cardoso, nº 23, 12º andar, sala F - Vila Nova de Gaia
D.L.O.E.A.C.E. – Douro Litoral Obras Especiais, ACE FERROVIAL/TEIXEIRA DUARTE – Obras Hidráulicas do Alqueva, ACE	Edifício 2, Lagoas Park - Porto Salvo Edifício Central Park Rua Alexandre Herculano, Edifício 1 - 4º Piso, Fração B e C - Linda-a-Velha
IMOC - Empreendimentos Imobiliários, S.A.	Av. Julius Nyerere, 130 - Maputo
METROLIGEIRO - Construção de Infraestruturas, ACE	Rua Abranches Ferrão, nº 10 – 5º F - Lisboa
MESOFER, ACE	Rua Mário Dionísio, nº 2 , 2799-557 Linda-a-Velha
NOVA ESTAÇÃO, ACE	Edifício 6 – Piso 1, Lagoas Park - Porto Salvo
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	Edifício 2, Lagoas Park - Porto Salvo
TDE - Empreendimentos Imobiliários, S.A.	Edifício 2, Lagoas Park - Porto Salvo
TDGISERV Services, LLC (a)	PO Box 7098, Doha - Qatar
TRÊS PONTO DOIS – Trabalhos Gerais de Construção Civil, Via e Catenária de Modernização da Linha do Norte, ACE	Av. das Forças Armadas, 125 - 2º C - Lisboa

The investments in associates and joint-ventures showed the following movements in the years ended on 31 March 2020 and 2019:

	Equity holdings	Goodwill	Total
<b>Balance on January 1<sup>st</sup>, 2019</b>	<b>16 821</b>	-	<b>16 821</b>
Effects of the application of the equity method:			
- Effect on the result of the period (Nota 9)	347	-	347
- Effect in equity	182	-	182
Sales	(24)	-	(24)
Currency conversion adjustments	(143)	-	(143)
Other	326	-	326
<b>Balance on March 31<sup>st</sup>, 2019</b>	<b>17 509</b>	-	<b>17 509</b>
<b>Balance on January 1<sup>st</sup>, 2020</b>	<b>22 235</b>	-	<b>22 235</b>
Effects of the application of the equity method:			
- Effect on the result of the period (Nota 9)	515	-	515
- Effect in equity	170	-	170
Currency conversion adjustments	(771)	-	(771)
Other	115	-	115
<b>Balance on March 31<sup>st</sup>, 2020</b>	<b>22 264</b>	-	<b>22 264</b>

Investments in associated companies and joint-ventures as at 31 March 2020 and 31 December 2019 are broken down as follows:

Affiliates and joint-ventures	31/03/2020		31/12/2019		Value of financial position
	Equity holdings	Goodwill	Equity holdings	Goodwill	
IMOC - Empreendimentos Imobiliários, S.A.R.L.	12 868	-	13 631	-	13 631
TDE - Empreendimentos Imobiliários, S.A.	3 510	-	3 378	-	3 378
TDGISERV Services, LLC (a)	2 592	-	2 338	-	2 338
Consórcio Puente Daule Guayaquil	1 123	-	1 024	-	1 024
Other	2 171	-	1 864	-	1 864
	<b>22 264</b>	-	<b>22 235</b>	-	<b>22 235</b>

These shares are stated using the equity method, which, in the years ended on 31 March 2020 and 2019, had the following impacts:

Affiliates and joint-ventures	1 <sup>st</sup> Quarter 20		
	Income and losses in affiliates and joint-ventures (Note 9)	Adjustments of capital shares	Total
Alvorada Petróleo, S.A.	(14)	273	259
Consórcio Puente Daule Guayaquil	72	-	72
IMOC - Empreendimentos Imobiliários, S.A.R.L.	287	(195)	92
TDE - Empreendimentos Imobiliários, S.A.	(5)	-	(5)
TDGISERV Services, LLC (a)	193	2	195
Other	(18)	90	72
	<b>515</b>	<b>170</b>	<b>685</b>

Affiliates and joint-ventures	1 <sup>st</sup> Quarter 19		
	Income and losses in affiliates and joint-ventures (Note 9)	Adjustments of capital shares	Total
Alvorada Petróleo, S.A.	(59)	1	(58)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	489	160	649
TDGISERV Services, LLC (a)	247	21	268
Other	(330)	-	(330)
	<b>347</b>	<b>182</b>	<b>529</b>

## 16 - OTHER FINANCIAL INVESTMENTS

On 31 March 2020 and 31 December 2019, the details of other financial investments were as follows:

	31/03/2020		31/12/2019	
	Non-current	Current	Non-current	Current
<b>Financial assets at fair value through other comprehensive income</b>				
Aginyo Inversiones Y Gestiones Inmobiliarias S.L.	9 832	-	12 213	-
EIA - Ensino, Investigação e Administração, S.A.	624	-	624	-
Banco Comercial Português, S.A.	568	-	1 352	-
KUIKILA Investments, Lda.	493	-	526	-
MATADOURO DE MACAU, S.A.R.L.	317	-	317	-
ILTA - Urbanizadora da Ilha de Tavira, S.A.	256	-	256	-
Macau CPM Holdings	150	-	150	-
COLT Resources Inc.	146	-	156	-
Other	292	10	272	10
	<b>12 678</b>	<b>10</b>	<b>15 866</b>	<b>10</b>
<b>Financial assets at amortized cost</b>				
Government Debt Security of the People's Republic of Angola Govern	2 978	-	2 806	-
	<b>2 978</b>	<b>-</b>	<b>2 806</b>	<b>-</b>
	<b>15 656</b>	<b>10</b>	<b>18 672</b>	<b>10</b>

During the periods ended 31 March 2020 and 2019, the following movements occurred in other financial investments:

	Non-current	Current	Non-current	Current
<b>Initial balance</b>	<b>18 672</b>	<b>10</b>	<b>21 149</b>	<b>14 665</b>
Increases	20	-	-	-
Reductions	-	-	-	(1 793)
Variation of fair value	(794)	-	11	-
Currency Variation	(2 242)	-	117	(103)
Other variations	-	-	80	428
<b>Closing balance</b>	<b>15 656</b>	<b>10</b>	<b>21 357</b>	<b>13 197</b>

## 17 - FINANCIAL ASSETS FOR SALE

On 31 March 2020 and 31 December 2019, assets and liabilities held for sale are detailed as follows:

	31/03/2020	31/12/2019
<b>Assets for sale</b>		
Goodwill	1 979	1 979
Fixed tangible assets	441	441
Investment Properties	30 548	30 548
Other investments	1 159	1 159
Inventories	199	199
Clients - current	115	115
Other debtors	5	5
Cash and cash equivalents	24	24
Other Assets	427	427
<b>Total assets for sale</b>	<b>34 897</b>	<b>34 897</b>
<b>Liabilities for sale:</b>		
Loans	21 698	21 698
Liabilities by deferred taxes	(1 848)	(1 848)
Financial Leases	2 417	2 417
Suppliers	212	212
Other Creditors	634	634
Other liabilities	448	448
<b>Total liabilities for sale</b>	<b>23 561</b>	<b>23 561</b>
<b>Total Net</b>	<b>11 336</b>	<b>11 336</b>

#### 18 - DEFERRED TAX

All situations which could significantly affect future taxes are recorded by applying the rules on deferred taxes.

The movement occurred on the assets and liabilities by deferred tax for the financial years ended on March 31st, 2020 and 2019 was as follows:

	Assets for deferred tax		Liabilities for deferred tax	
	2020	2019	2020	2019
<b>Balance on January 1<sup>st</sup></b>	<b>147 993</b>	<b>149 435</b>	<b>111 672</b>	<b>112 548</b>
<b>Constitution / Reversal</b>				
Net income (Note 10)	3 204	2 132	(1 093)	(543)
Equity	178	2	-	-
<b>Exchange conversion effect and adjustments</b>	<b>(1 738)</b>	<b>4 341</b>	<b>(4 384)</b>	<b>(1 125)</b>
<b>Balance on March 31<sup>st</sup></b>	<b>149 637</b>	<b>155 910</b>	<b>106 195</b>	<b>110 880</b>

Deferred tax assets are only recorded insofar as it is considered that taxable profits are likely to occur in future taxation periods which may be used to recover the tax losses or deductible tax differences. This appraisal is based on business plans of Group companies, which are periodically reviewed and updated, and on prospects of generating taxable results.

#### 19 - RELATED PARTIES

The transactions and balances between "TD,S.A." and the companies of the Group included in the consolidation perimeter, which are related parties, were eliminated in the consolidation process and are not disclosed in the present note. The balances and transactions between the Group and the associates and joint-ventures, related and individual companies with significant voting power which have their own companies, are detailed below.

The terms or conditions applied between these related parties are, in substance, identical to those which would normally be contracted, accepted and applied between independent entities in comparable operations.

The main balances with related parties as at 31 March 2020 and 31 December 2019 can be broken down as follows:

Entities	Balance Receivable		Balance Payable		Granted loans		Other debts	
	31/03/2020	31/12/2019	31/03/2020	31/12/2019	31/03/2020	31/12/2019	31/03/2020	31/12/2019
AEBT - Auto Estradas do Baixo Tejo, S.A.	-	-	-	-	115	115	-	-
BONAPARTE - Imóveis Comerciais e Participações, S.A.	63	70	-	-	-	-	725	725
CINTEL - Construção Interceptor Esgotos, S.A.	47	47	-	-	4	5	-	-
CONBATE, ACE	-	-	1	1	-	-	-	-
Consórcio Puente Daule - Guayaquil	65	168	-	-	-	-	-	-
DOURO LITORAL, ACE	9	19	(21)	(21)	-	-	3	3
DOURO LITORAL OBRAS ESPECIAIS, ACE	-	-	2	2	-	-	-	-
EIA - Ensino de Investigação e Administração, S.A.	9	9	-	-	-	-	-	-
IMOC - Empreendimentos Imobiliários, S.A.R.L.	494	419	224	95	-	-	1 529	1 630
MESOFER, ACE	1 598	-	2	-	-	-	-	-
METROLIGEIRO - Construção de Infraestruturas, ACE	47	32	-	-	11	11	-	-
NOVA ESTAÇÃO, ACE	267	213	88	88	13	13	-	-
Promociones Inmobiliárias 3003, C.A.	-	-	-	-	-	-	(478)	(466)
TDE - Empreendimentos Imobiliários, S.A.	297	252	-	1	4 900	4 900	225	-
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	7	7	55	55	-	-	-	-
TRÊS PONTO DOIS - Trabalhos Gerais de Construção Civil, Via e Catenária de Modernização da Linha do Norte, ACE	-	-	35	35	-	-	-	-
TDGISERV Services, LLC (a)	165	121	-	-	475	463	-	-
TDHOSP - Gestão de Edifício Hospitalar, S.A.	191	479	-	-	-	-	10	-
	<b>3 259</b>	<b>1 836</b>	<b>386</b>	<b>256</b>	<b>5 518</b>	<b>5 507</b>	<b>2 014</b>	<b>1 892</b>

The main transactions carried out with related parties during the periods ended on 31 March 2020 and 2019 were as follows:

Entities	Sales and services rendered		Purchases and Services Obtained	
	1 <sup>st</sup> Quarter 20	1 <sup>st</sup> Quarter 19	1 <sup>st</sup> Quarter 20	1 <sup>st</sup> Quarter 19
AEBT - Auto Estradas do Baixo Tejo, S.A.	18	6	-	-
BONAPARTE - Imóveis Comerciais e Participações, S.A.	170	-	-	-
CONBATE, ACE	26	27	-	-
Consórcio Puente Daule - Guayaquil	154	-	-	-
DOURO LITORAL, ACE	34	17	-	2
IMOC - Empreendimentos Imobiliários, S.A.R.L.	42	384	70	3
MESOFER, ACE	2 346	-	2	-
METROLIGEIRO - Construção de Infraestruturas, ACE	15	-	-	-
TDE - Empreendimentos Imobiliários, S.A.	46	-	-	-
TDGISERV Services, LLC (a)	44	32	-	-
TDHOSP - Gestão de Edifício Hospitalar, S.A.	1 022	776	69	64
	<b>3 917</b>	<b>1 242</b>	<b>141</b>	<b>69</b>

The remunerations of the members of TD,S.A. governing bodies for the periods ended on 31 March 2020 and 2019 were as follows:

	1 <sup>st</sup> Quarter 20	1 <sup>st</sup> Quarter 19
<b>Executive Directors:</b>		
Short-term benefits	136	148
<b>Supervisory Board:</b>		
Short-term benefits	17	17
<b>Chartered accountant:</b>		
Short-term benefits	15	15
	<b>168</b>	<b>180</b>

The remunerations of the members of TD,S.A. administration for the periods ended on 31 March 2020 and 2019 were as follows:

	1 <sup>st</sup> Quarter 20	1 <sup>st</sup> Quarter 19
<b>Senior management:</b>		
Short-term benefits	1 144	1 392
	<b>1 144</b>	<b>1 392</b>

## 20 - NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

### CASH AND CASH EQUIVALENT

This item had the following composition at 31 March 2020 and 31 December 2019:

	31/03/2019	31/12/2019
Bank deposits	79 951	108 255
Time deposits	22 707	20 335
Other treasury applications	2 118	5 068
Cash	2 108	1 722
	<b>106 884</b>	<b>135 380</b>

The cash and equivalent heading includes cash, deposits payable on demand, cash investments and term deposits with maturity of less than three months, repayable on demand, and for which the risk of change of value is insignificant.

## FLOWS OF INVESTMENT ACTIVITIES

Revenue from financial investments for the years ended on 31 March 2020 and 2019 refer to:

	1 <sup>st</sup> Quarter 20	1 <sup>st</sup> Quarter 19
Government Debt Security of the People's Republic of Angola Governr	-	1 747
	-	1 747

### 21 - SHARE CAPITAL

As at 31 March 2019, the underwritten and paid-up share capital was represented by 420,000,000 shares with the nominal value of EUR 0.5 each.

On 31 March 2020, TEIXEIRA DUARTE – Sociedade Gestora de Participações Sociais, S.A. directly held 193,722,648 shares representing the capital of Teixeira Duarte, S.A., 46.12% of which corresponds to the respective share capital (202,481,978 shares representing the capital of Teixeira Duarte, S.A, corresponding to 48.21% of the respective share capital on 31 March 2019).

### 22 - RESERVES AND RETAINED EARNINGS

Legal reserve: Pursuant to the current legislation, the Company is obliged to transfer at least 5% of its annual net profit to the legal reserve, until it reaches at least 20% of the share capital. This reserve is not distributable to shareholders, but may be used to absorb losses, after all other reserves have been depleted, or incorporated in the share capital.

Fair value reserve - Financial investments: The fair value reserve of financial investments reflects changes in the fair value of financial assets recorded at fair value against other comprehensive income, and it cannot be distributed or used for absorbing losses.

Revaluation reserve – Real estate: This reserve may not be distributed, unless it is paid in or the respective assets subject to revaluation have been divested.

Other reserves: Other reserves are available for distribution, under the terms and subject to the limits stated in the Code of Commercial Companies.

### 23 - LOANS

As at 31 March 2020 and 31 December 2019, the loans received were as follows:

	31/03/2019	31/12/2019
<b>Non-current liabilities:</b>		
Bank loans a)	309 735	319 604
Commercial role b)	323 750	367 300
Debentures loans c)	5 100	5 100
	<b>638 585</b>	<b>692 004</b>
<b>Current liabilities:</b>		
Bank loans a)	114 395	113 299
Commercial role b)	41 000	1 500
Debentures loans c)	5 100	5 100
	<b>160 495</b>	<b>119 899</b>
	<b>799 080</b>	<b>811 903</b>

#### a) Bank loans

As at 31 March 2020, the internal bank loans, bank overdrafts and escrow accounts earned interest at the weighted annual average rate of 2.26% (2.27% as at 31 March 2019).

As at 31 March 2020, the most significant bank loans contracted by the Group essentially correspond to:

Geography	Bank	Type of Financing	Contract Date	Due Date	Currency	Amount Moeda	Amount (€)
Portugal	Novo Banco	Factoring with recourse	02/05/2004	31/12/2033	EUR	1 513	1 513
Portugal	Banco Comercial Português	Loan	05/01/2009	15/12/2033	EUR	141 020	141 020
Angola	BCGA - Banco Caixa Geral Angola (Angola)	Loan	23/01/2014	30/04/2021	AON	361 097	642
Portugal	Caixa Geral de Depósitos	Loan	27/01/2014	15/12/2020	EUR	4 084	4 084
Portugal	Caixa Geral de Depósitos	Loan	22/09/2014	15/12/2033	EUR	83 000	83 000
Portugal	Novo Banco	Loan	26/01/2015	15/12/2021	EUR	30 502	30 502
Portugal	Banco BPI	Loan	05/07/2016	05/11/2021	EUR	6 009	6 009
Portugal	Caixa Geral de Depósitos	Loan	12/08/2016	31/12/2033	EUR	6 523	6 523
Portugal	Novo Banco	Loan	12/08/2016	31/12/2033	EUR	17 966	17 966
Portugal	Banco BAI Europa	Loan	22/09/2016	31/12/2021	USD	800	730
Portugal	Caixa Económica Montepio Geral	Factoring with recourse	17/01/2017	31/12/2020	EUR	3 592	3 592
Spain	Banco Santander	Loan	16/06/2017	20/07/2021	EUR	702	702
Spain	Banco Santander	Loan	22/11/2017	22/11/2022	EUR	363	363
Portugal	Banco Comercial Português	Loan	27/11/2017	31/12/2033	EUR	31 673	31 673
Portugal	Caixa Geral de Depósitos	Loan	12/01/2018	31/12/2033	EUR	5 814	5 814
Portugal	Novo Banco	Loan	12/01/2018	31/12/2033	EUR	9 855	9 855
Portugal	Banco Comercial Português	Loan	16/01/2018	31/12/2033	EUR	5 113	5 113
Portugal	Caixa Geral de Depósitos	Loan	30/01/2018	15/06/2021	EUR	2 600	2 600
Portugal	Banco Comercial Português	Loan	30/01/2018	15/06/2021	EUR	12 615	12 615
Brazil	Banco Mercedes Benz	Loan	21/02/2019	24/10/2022	BRL	7 005	1 229
Brazil	Sandvik Credit	Loan	27/03/2019	04/10/2023	EUR	4 678	4 678
Brazil	Mercedes Benz	Loan	18/04/2019	18/06/2022	BRL	1 271	223
Brazil	Banco Itaú	Loan	13/05/2019	31/12/2021	BRL	7 593	1 332
Brazil	Banco Itaú	Loan	15/05/2019	15/11/2021	BRL	7 439	1 305
Brazil	Banco Bradesco	Loan	24/07/2019	26/07/2021	BRL	13 680	2 400
Brazil	Scania	Loan	24/09/2019	03/11/2022	BRL	9 057	1 589
Brazil	Caterpillar	Loan	29/11/2019	29/11/2022	BRL	3 933	690
Brazil	Banco Luso Brasileiro	Loan	23/12/2019	01/06/2020	BRL	4 931	865
Portugal	Bench BIC	Loan	02/01/2020	31/12/2026	EUR	5 000	5 000

As at 31 March 2020 and 31 December 2019, the bank loans also include the pledged accounts of the value of EUR 39,585 thousand and EUR 50,153 thousand, respectively.

#### b) Commercial role

As at 31 March 2020, the Group had negotiated the following commercial paper programmes:

Geography	Bank	Type of Financing	Contract Date	Due Date	Spread	Currency	Amount (€)
Portugal	Novo Banco	Commercial Paper	16/12/2005	15/12/2023	1,60%	EUR	42 450
Portugal	Caixa Geral de Depósitos	Commercial Paper	07/07/2010	31/12/2033	2,50%	EUR	20 850
Portugal	Novo Banco	Commercial Paper	30/12/2013	31/12/2033	2,00%	EUR	182 750
Portugal	Banco Finantia	Commercial Paper	02/05/2014	02/05/2020	4,25%	EUR	2 500
Portugal	Novo Banco	Commercial Paper	28/12/2015	15/06/2027	1,95%	EUR	95 000
Portugal	Novo Banco	Commercial Paper	14/01/2016	31/12/2033	1,55%	EUR	16 700
Portugal	Banco BPI	Commercial Paper	30/01/2018	30/01/2021	2,90%	EUR	4 500
							<b>364 750</b>

#### c) Debentures loans

A TEIXEIRA DUARTE – Engenharia e Construções S.A. and TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A. entered into a contract with Banco Comercial Português, S.A. for the Provision of Assistance and Placement Services for a Private Bond Issue Offer, as well as a Paying Agent Contract related to the Grouped Issue of Bonds by Private Subscription, amounting to 10,200 thousand euros (1,000 thousand euros from TEIXEIRA DUARTE – Engenharia e Construções S.A. and 9,200 thousand euros from TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A.) known as “TEIXEIRA DUARTE - Engenharia e Construções, S.A. / TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A. – 2014/2021”. Interest is paid quarterly at a rate of 4.57% and repayment will be made at par value in two installments of equal amounts to be paid on 2 April 2020 and 2 April 2021.

As at 31 March 2020 and 31 December 2019, the repayment of the non-current bank loans is defined as follows:

	31/03/2020	31/12/2019
2021	51.759	89.947
2022	40.238	40.237
2023	38.775	38.885
2024	37.812	37.812
2025 e seguintes	470.001	485.123
	<b>638.585</b>	<b>692.004</b>



As at 31 March 2020 and 31 December 2019, financing agreements in foreign currency were expressed in the following currencies:

Currency	31/03/2020		31/12/2019	
	Currency	Euros	Currency	Euros
American dollars	800	731	918	817
Angola Kwanza	5 391 111	9 585	5 554 361	10 358
Colombian Peso	-	-	8 957	2
Brazilian real	83 220	14 600	74 995	16 608

The loans denominated in foreign currency earn interest at market rates and were converted into Euro based on the exchange rate on the reporting date.

On 31 March 2020 and 2019 we presented the reconciliation of changes in liabilities arising from the financing activity:

1 <sup>st</sup> Quarter 2020	Initial balance	Increases	Reductions	Currency effect	Closing balance
Loans	811 903	342 372	(351 282)	(3 913)	799 080
	811 903	342 372	(351 282)	(3 913)	799 080

1 <sup>st</sup> Quarter 2019	Initial balance	Increases	Reductions	Currency effect	Closing balance
Loans	854 276	328 368	(331 545)	91	851 190
	854 276	328 368	(331 545)	91	851 190

#### 24 - CONTINGENT LIABILITIES, GUARANTEES AND COMMITMENTS

Following several inspections carried out by the Tax and Customs Authority (TA) for the financial years 2008 to 2013, TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, SA, a company directly owned at 100% of its share capital by "TD, SA", the following adjustments were made to the tax losses initially determined by this investee:

Financial year	Calculated tax loss	AT correction
2008	36 573	45 938
2009	46 203	24 807
2010	5 123	6 467
2011	12 779	3 213
2012	13 294	2 299
2013	26 221	5 000

The nature of corrections made is presented below:

##### 1. Financial costs not accepted

With the exception of the situations listed in the following points, the corrections result from the fact that the financial charges incurred due to the investment made in owned companies, under the form of ancillary payments subject to the supplementary provisions regime, have been disregarded as a taxable expense.

Given that TEIXEIRA DUARTE– Gestão de Participações e Investimentos Imobiliários, S.A. pays corporation tax (IRC) according to the Special Taxation Regime for Groups of Companies (article 69 onwards of the Corporate Income Tax Code), the corrections to tax losses over the financial years from 2008 to 2011 were subject to Corporate Income Tax settlement statements and compensatory interest issued to the parent company during these financial years - TEIXEIRA DUARTE – Engenharia e Construções, S.A.. This company contested the corrections made by AT to the periods from 2008 to 2011.

The correction related to the 2012 financial year was subject to an additional settlement by the parent company from that financial year, "TD, S.A.", which has contested it within the legal periods.

With reference to this correction, and based on fundamentally identical supporting arguments on the part of AT, it is reported that TEIXEIRA DUARTE - Engenharia e Construções, S.A. obtained a favorable outcome in the context of the 2007 corporation tax, following a decision by the Supreme Administrative Court; an identical outcome is expected for the remaining years subject to dispute.

2. Application of article 51 of the corporation tax (IRC) code

The correction to the tax loss calculated in 2013 is related in full to the incorrect application, according to the AT, of article 51 of the IRC (Corporation Tax) Code. This correction was subject to a legal challenge by "TD, S.A." in its capacity as the parent company.

3. Elimination of economic double taxation - revenue distributed by the TDF Fund

The correction to the 2008 tax loss includes the amount of 611 thousand euros relating to, according to AT, the improper application of item 10 of article 22 of the Tax Benefits Statute (EBF) to the distribution of revenue by the Real Estate Investment Fund TDF.

TEIXEIRA DUARTE – Engenharia e Construções, S.A., in its capacity as parent company during the 2008 financial year, contested this correction under the terms of the law.

As a result of an inspection carried out by AT of the accounting elements of the subsidiary company TEIXEIRA DUARTE - Engenharia e Construções, S.A. in 2008, the respective taxable profit ascertained on that date was corrected, amounting to 35,467 thousand euros.

As regards this correction, the subsidiary TEIXEIRA DUARTE - Engenharia e Construções, S.A., in its capacity as the controlling company of the group of companies in force at the time, contested 32,595 thousand euros, related to tax credit, the capital gains tax reinvestment regime and the application of article 22(10) of the EBF (Tax Benefits Statute).

Following an inspection of the subsidiary TDO - Investimento e Gestão, S.A. for the financial year 2014, AT also settled a Regional Surtax amounting to 102 thousand euros.

Given that this subsidiary was covered, in 2014, by the regime provided for in article 36 of the Tax Benefits Statute, this correction was challenged in court.

Following several inspections carried out by the AT of the calculation of corporation tax for the years 2013, 2014, 2015 and 2016, owed by the group of companies taxed under the Special Taxation Regime for Company Groups (RETGS) of which "TD, SA" is the parent company, the following corrections were made:

1. Application of article 90 of the corporation tax (IRC) code

Financial year	Corrected tax
2013	811
2014	1 097
2015	559
2016	653

These corrections resulted from AT having a different understanding as to the use of the deductions provided for in article 90 of the Corporation Tax Code in the Municipal and State Surtax, calculated under the scope of application of the RETGS, and were contested in court by "TD,SA", in its capacity as parent company.

Following the filing of the aforementioned legal proceedings "TD, SA" was notified of a change in understanding by AT in the 2016 proceedings. It received an identical notification for the years from 2013 to 2015 after the 31 March reporting date.

2. Net Financing Costs (article 67 of the Corporation Tax Code)

During the 2018 financial year, "TD, SA" was notified of the Report on Conclusions on the inspection carried out by the AT on corporate income tax payable by the RETGS in 2015, having determined a correction to the tax base, calculated as amounting to 22,710 thousand euros.

This correction, related to the use, in 2015, of the "break" calculated in previous years under the scope of article 67 of the Corporation Tax Code, was challenged by "TD,SA" in its capacity as parent company.

Guarantees:

As at 31 March 2020 and 31 December 2019, the companies included in the consolidation perimeter had provided the following guarantees to third parties:

	31/03/2020	31/12/2019
Granted bank guarantees	277 164	288 958
Guarantee insurance	142 030	150 404

The bank guarantees were essentially provided for the effect of tenders, advances received and as a completion bonds for works.

TEIXEIRA DUARTE - Engenharia e Construções, S.A., EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A., SOMAFEL BRASIL - Obras Ferroviárias e Marítimas, LTDA, RECOLTE, Servicios y Medioambiente, S.A.U., EMPA, Serviços de Engenharia, S.A., and TEIXEIRA DUARTE - Engenharia e Construções (Colombia) S.A.S. have bond insurance provided as a performance guarantee for the execution of works and the provision of services.

For the purposes of suspending a tax enforcement procedure instigated against the subsidiary TEIXEIRA DUARTE – Engenharia e Construções, S.A. relating to corporation tax (IRC) debt from 2010, “TD, S.A.” submitted a guarantee, amounting to 10,139 thousand euros, which was accepted by the Tax Authority (AT).

The amount of the bank guarantees included in the above summary table includes guarantees provided to suspend several tax enforcement proceedings, the details of which are shown below:

- For the purposes of suspending the tax enforcement proceedings brought against the subsidiary TEIXEIRA DUARTE – Engenharia e Construções, S.A. relating to corporation tax (IRC) debt from 2008, bank guarantees were issued in favor of AT, with a value of 16,887 thousand euros at 31 March 2020;
- For the purposes of suspending tax enforcement proceedings filed against the subsidiary TDO - Investimento e Gestão, S.A. relating to corporation tax (IRC) debt from 2014, a bank guarantee was issued in favor of AT with a value of 181 thousand euros;
- For the purposes of suspending tax enforcement proceedings filed against “TD, S.A.” relating to corporation tax (IRC) debt calculated under the scope of the Special Taxation Regime for Company Groups (RETGS) for several periods, bank guarantees were issued with the details shown on the following table:

Financial year	bank guarantee Amount
2013	1 125
2014	1 528
2015	898
2016	1 482
	<b>5 033</b>

It is expected that the aforementioned guarantees will be reduced by AT, following the deferral of different processes related to the application of article 90 of the corporation tax (IRC) code.

As of Sunday, March 31, 2020, the Group's collateral broke down as follows:

Geography	Bank	Type of Financing	Contract Date	Due Date	Collateral
Portugal	Novo Banco	Commercial Paper	16/12/2005	15/12/2023	Pledge 4,760,000 BCP shares + Pledge of all shares: Shares Automóvel Angola + Soc. Distribuição Angola + Pledge TDSP Brasil + TD Angola, Lda. + Mortgage on Angola Hotels: Alvalade and Baía + Mortgage on Mozambique Hotels: Avenida and Tivoli Beira
Portugal	Novo Banco	Overdraft	01/02/2007	31/12/2033	Pledge on all shares: Shares Automóvel Angola + Soc. Distribuição Angola + Pledge TDSP Brasil + TD Angola, Lda. + Mortgage on Angola Hotels: Alvalade and Baía + Mortgage on Mozambique Hotels: Avenida and Tivoli Beira
Portugal	Banco Comercial Português	Loan	05/01/2009	15/12/2033	Pledge on all shares: Shares Automóvel Angola + Soc. Distribuição Angola + Pledge TDSP Brasil + TD Angola, Lda. + Mortgage on Angola Hotels: Alvalade and Baía + Mortgage on Mozambique Hotels: Avenida and Tivoli Beira
Portugal	Caixa Geral de Depósitos	Commercial Paper	07/07/2010	31/12/2033	Pledge 4,675,000 Participation Units TDF Fund + Pledge of all Shares: Shares Automóvel Angola + Soc. Distribuição Angola + Pledge TDSP Brasil + TD Angola, Lda. + Mortgage on Angola Hotels: Alvalade and Baía + Mortgage on Mozambique Hotels: Avenida and Tivoli Beira
Portugal	Caixa Geral de Depósitos	Escrow account	07/07/2010	31/12/2033	Pledge 4,675,000 Participation Units TDF Fund + Pledge of all Shares: Shares Automóvel Angola + Soc. Distribuição Angola + Pledge TDSP Brasil + TD Angola, Lda. + Mortgage on Angola Hotels: Alvalade and Baía + Mortgage on Mozambique Hotels: Avenida and Tivoli Beira
Portugal	Novo Banco	Commercial Paper	30/12/2013	31/12/2033	Pledge of 12,500,000 EPOS Shares and 200,000,000 C+PA Shares + Pledge of 1,325,000 Shares in the TDF Fund + Mortgage on the TD Montijo Operations Center + Mortgage on 9 Lots in Mafamude + Mortgage on 10 Lots of the Santa Marinha Design District Development - Santa Marinha + Pledge of all shares: Shares Automóvel Angola + Soc. Distribuição Angola + Pledge TDSP Brasil + TD Angola, Lda. + Mortgage on Angola Hotels: Alvalade and Baía + Mortgage on Mozambique Hotels: Avenida and Tivoli Beira
Angola	BCGA - Banco Caixa Geral Angola (Angola)	Loan	23/01/2014	30/04/2021	Mortgage on Hotel Trópico (Building no. 1826) - Ingombotas
Portugal	Caixa Geral de Depósitos	Loan	27/01/2014	15/12/2020	Pledge on all shares: Shares Automóvel Angola + Soc. Distribuição Angola + Pledge TDSP Brasil + TD Angola, Lda. + Mortgage on Angola Hotels: Alvalade and Baía + Mortgage on Mozambique Hotels: Avenida and Tivoli Beira
Portugal	Caixa Geral de Depósitos	Loan	22/09/2014	15/12/2033	Pledge on all shares: Shares Automóvel Angola + Soc. Distribuição Angola + Pledge TDSP Brasil + TD Angola, Lda. + Mortgage on Angola Hotels: Alvalade and Baía + Mortgage on Mozambique Hotels: Avenida and Tivoli Beira
Portugal	Novo Banco	Loan	26/01/2015	15/12/2021	Penhor 2,006,396 Ações BCP e Pledge on all shares: Shares Automóvel Angola + Soc. Distribuição Angola + Pledge TDSP Brasil + TD Angola, Lda. + Mortgage on Angola Hotels: Alvalade and Baía + Mortgage on Mozambique Hotels: Avenida and Tivoli Beira
Portugal	Banco BIC Português	Escrow account	06/08/2015	05/08/2019	GB from BIC AO (€23M) to BIC PT / Mortgage on Building no. 2254 - Shopping Complex and Offices Vehicle Centre - Talatona
Portugal	Novo Banco	Commercial Paper	28/12/2015	15/06/2027	Pledge 1,045,610 Shares in Recolte Espanha + Pledge of 50% of TDE Shares + Pledge of all Shares: Shares Automóvel Angola + Soc. Distribuição Angola + Pledge TDSP Brasil + TD Angola, Lda. + Mortgage on Angola Hotels: Alvalade and Baía + Mortgage on Mozambique Hotels: Avenida and Tivoli Beira
Portugal	Novo Banco	Commercial Paper	14/01/2016	31/12/2033	Pledge 1,000,000 TDGI shares + Pledge of all shares: Shares Automóvel Angola + Soc. Distribuição Angola + Pledge TDSP Brasil + TD Angola, Lda. + Mortgage on Angola Hotels: Alvalade and Baía + Mortgage on Mozambique Hotels: Avenida and Tivoli Beira
Portugal	Caterpillar	Loan	02/06/2016	07/06/2020	Respective Equipment
Portugal	Caterpillar	Loan	11/07/2016	07/07/2020	Respective Equipment
Portugal	Caterpillar	Loan	19/07/2016	07/08/2020	Respective Equipment
Portugal	Banco Comercial Português	Loan	12/08/2016	31/12/2033	Mortgage on the developments of Magnólia and Coína + Vale Figueira, Lezíria Park 2, Villa Rio, Jardins da Póvoa and Póvoa Logistics Park + Pledge of all shares: Shares Automóvel Angola + Soc. Distribuição Angola + Pledge TDSP Brasil + TD Angola, Lda. + Mortgage on Angola Hotels: Alvalade and Baía + Mortgage on Mozambique Hotels: Avenida and Tivoli Beira
Portugal	Caixa Geral de Depósitos	Loan	12/08/2016	31/12/2033	Mortgage on the developments of Magnólia and Coína + Vale Figueira, Lezíria Park 2, Villa Rio, Jardins da Póvoa and Póvoa Logistics Park + Pledge of all shares: Shares Automóvel Angola + Soc. Distribuição Angola + Pledge TDSP Brasil + TD Angola, Lda. + Mortgage on Angola Hotels: Alvalade and Baía + Mortgage on Mozambique Hotels: Avenida and Tivoli Beira
Portugal	Novo Banco	Loan	12/08/2016	31/12/2033	Mortgage on the developments of Magnólia and Coína + Vale Figueira, Lezíria Park 2, Villa Rio, Jardins da Póvoa and Póvoa Logistics Park + Pledge of all shares: Shares Automóvel Angola + Soc. Distribuição Angola + Pledge TDSP Brasil + TD Angola, Lda. + Mortgage on Angola Hotels: Alvalade and Baía + Mortgage on Mozambique Hotels: Avenida and Tivoli Beira
Portugal	Caterpillar	Loan	12/12/2016	22/12/2020	Respective Equipment
Portugal	Banco Comercial Português	Loan	27/11/2017	31/12/2033	Pledge on all shares: Shares Automóvel Angola + Soc. Distribuição Angola + Pledge TDSP Brasil + TD Angola, Lda. + Mortgage on Angola Hotels: Alvalade and Baía + Mortgage on Mozambique Hotels: Avenida and Tivoli Beira
Spain	RCI Banque (Spain)	Loan	20/12/2017	20/06/2021	Respective Equipment
Spain	RCI Banque (Spain)	Loan	30/01/2018	25/07/2021	Respective Equipment
Portugal	Banco Comercial Português	Loan	30/01/2018	15/06/2021	Pledge on all shares: Shares Automóvel Angola + Soc. Distribuição Angola + Pledge TDSP Brasil + TD Angola, Lda. + Mortgage on Angola Hotels: Alvalade and Baía + Mortgage on Mozambique Hotels: Avenida and Tivoli Beira
Portugal	Caixa Geral de Depósitos	Loan	30/01/2018	15/06/2021	Pledge on all shares: Shares Automóvel Angola + Soc. Distribuição Angola + Pledge TDSP Brasil + TD Angola, Lda. + Mortgage on Angola Hotels: Alvalade and Baía + Mortgage on Mozambique Hotels: Avenida and Tivoli Beira
Brazil	Banco Itaú	Loan	13/05/2019	31/12/2021	Quartier Brooklin Condominium Real Estate Development - São Paulo / Brazil (108 Independent Units)
Brazil	Banco Itaú	Loan	15/05/2019	31/12/2020	Real Estate Development Condominium Verissimo Mooca - São Paulo / Brazil (42 Independent Units)

#### Financial commitments:

As at 31 March 2020 and 31 December 2019, the letters of comfort provided by TEIXEIRA DUARTE, S.A. and its subsidiaries reached EUR 325,447 thousand and EUR 337,686 thousand, respectively.

As at 31 March 2020 and 31 December 2019, factoring contracts without right of recourse were in force, which were recorded as reductions in accounts receivable of the value of EUR 6,729 thousand and EUR 4,865 thousand, respectively. According to the contractual conditions, the Group's liability is essentially restricted to the guaranteed acceptance of the invoices object of the factoring on the part of the customers.

## 25 - MEASUREMENTS AT FAIR VALUE

### Fair value estimate - assets and liabilities measured at fair value

The following table shows the Group's assets and liabilities measured at fair value at 31 March 2020 according to the following fair value levels:

- Level 1: the fair value of financial instruments is based on prices ruling on active, liquid markets at the date of the statement of financial position;

- Level 2: the fair value of financial instruments is not determined based on active market prices but according to valuation models;

- Level 3: the fair value of financial instruments is not determined based on active market prices but according to valuation models, the main inputs of which are not observable on the market.

Category	Item	Level 1	Level 2	Level 3
<b>Assets:</b>				
Other financial investments at fair value through other comprehensive income	Actions	714	9 832	2 142
Investment Properties	Buildings and land	-	203 524	-

Except with respect to non-current loans, most financial assets and liabilities mature in the short term, hence it is considered that their fair value is identical to the respective book values.

Regarding loans, most loans are taken out at variable interest rates. It is considered that their book value (amortised cost) does not differ significantly from corresponding market value.

## 26 - EXCHANGE RATE ADJUSTMENTS

During the periods ending 31 March 2020 and 2019, exchange rate adjustments calculated during the conversion of the financial statements of companies denominated in foreign currencies, for each geographical area, were as follows:

	1 <sup>st</sup> Quarter 20	1 <sup>st</sup> Quarter 19
Angola	(10 932)	(3 571)
Algeria	(628)	(2 790)
Brazil	(35 081)	1 468
Mozambique	(3 983)	(748)
Venezuela	(2 347)	(3 491)
Other Markets	301	289
	<b>(52 670)</b>	<b>(8 843)</b>

## 28 - APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements for the year that ended on 31 December 2020 were approved by the Board of Directors on 29 May 2020.

## 29 - SUBSEQUENT EVENTS

Teixeira Duarte Group companies continued their activity in the different markets on which they operate, and there are no relevant facts to highlight that occurred after 31 March 2020 and the issue date of this document.

