

Teixeira Duarte

www.teixeiraduarte.com

Report and Accounts

1st Semester of 2020

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IDENTIFICATION OF THE COMPANY

TEIXEIRA DUARTE, S.A.

PUBLICLY TRADED 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 368 million euros;

Turnover reached 318 million euros;

External Market accounts for 67.4% of turnover;

EBITDA of 44 million euros;

EBITDA margin / Turnover of 13,9%;

Net Results Attributable to Holders of Equity negative, amounting to 5.4 million euros;

Net Group Assets of 1,619 million euros;

Net Financial Debt of 714 million euros;

Financial Autonomy stood at 14.8%;

Teixeira Duarte Group Orders Portfolio for the construction sector of 1,262 billion euros.

Statement of Results during the periods ended on 30 june 2020 and 2019

	1º S 20	1st S 19	Var (%)	2º T 20	2nd Q 19	Var (%)
Operating income	367 703	489 881	(24,9%)	154 602	253 973	(39,1%)
Operating costs	(323 540)	(411 993)	(21,5%)	(133 196)	(215 007)	(38,1%)
EBITDA	44 163	77 888	(43,3%)	21 406	38 966	(45,1%)
Amortizations and depreciations	(25 304)	(28 520)	(11,3%)	(11 941)	(13 761)	(13,2%)
Provisions and impairment losses	(2 607)	239	-	(34)	(1 012)	(96,6%)
EBIT	16 252	49 607	(67,2%)	9 431	24 193	(61,0%)
Financial Results	(18 301)	(35 476)	(48,4%)	(16 362)	(24 356)	(32,8%)
Results before taxes	(2 049)	14 131	-	(6 931)	(163)	s.s.
Income tax	(3 568)	(3 312)	7,7%	(1 322)	2 875	-
Net Income	(5 617)	10 819	-	(8 253)	2 712	-
Attributable to:						
Equity holders	(5 417)	12 285	-	(7 356)	4 264	-
Non-controlling interests	(200)	(1 466)	(86,4%)	(897)	(1 552)	(42,2%)

(VALUES IN THOUSAND EUROS)



Teixeira Duarte

1st Semester of 2020

Interim Management Report

I. INTRODUCTION

Under the terms and for the purposes of the applicable legal and regulatory provisions, TEIXEIRA DUARTE, S.A. ("TD, SA") hereby publishes the Interim Report on the evolution of the Teixeira Duarte Group's activity over the first six 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 Sunday, June 30, 2020 were prepared 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.

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, promoting action 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, successive contingency and prevention measures were taken during the period under analysis in order to follow the guidelines of those entities and to mitigate and contain the public health risk. A balance was also promoted between this goal and the steps necessary to safeguard business continuity and to mitigate its impact on all group stakeholders.

II. ECONOMIC AND FINANCIAL ANALYSIS

Operating income reached 367,703 thousand euros, corresponding to a decrease of 24.9% compared to the same period of the previous year, as a result of the shrinkage of the economy affected by the COVID-19 pandemic situation, as well as the devaluation of the Angolan Kwanza and the Brazilian Real.

An overall analysis can conclude that the effective reduction in activity is 13.7%, of which over half is the result of the decrease seen in Algeria.

In order to gain a better understanding of how the aforementioned circumstantial impacts affected the Group's main markets in different ways, it can be seen that:

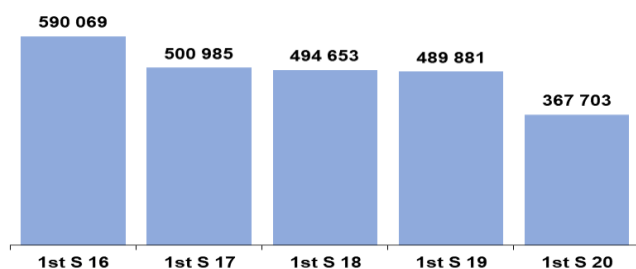
In Portugal the Group managed to grow, achieving 139,310 thousand euros, which translates into an overall increase of 5,479 thousand euros, with the growth in Real Estate offsetting the significant negative impact that the COVID-19 pandemic had on the hotel sector.

In Angola, 76,281 thousand euros were reached; this figure translates into a reduction of 53,506 thousand euros, of which 38,673 thousand euros resulted from the devaluation of the Angolan Kwanza. In other words, had it not been for this effect, the 41.2% reduction would have been 11.4%.

In Algeria, where the Group mainly operates in the public works construction sector, the difficult economic situation was further aggravated by the global situation of the COVID-19 pandemic. The Group achieved 22,506 thousand euros, reflecting a reduction of 38,764 thousand euros, or 63.3% less than in the first six months of 2019.

In Brazil, Teixeira Duarte was driven by the good performance of the real estate market in São Paulo and reached 72,312 thousand euros. This figure reflects a reduction of 10,071 thousand euros and an impact of the devaluation of the Brazilian Real of 16,016 thousand euros. In other words, had it not been for the impact of the currency devaluation, the Group would have posted an increase of 7.2% when compared to June of the previous year, instead of a 12.2% decrease.

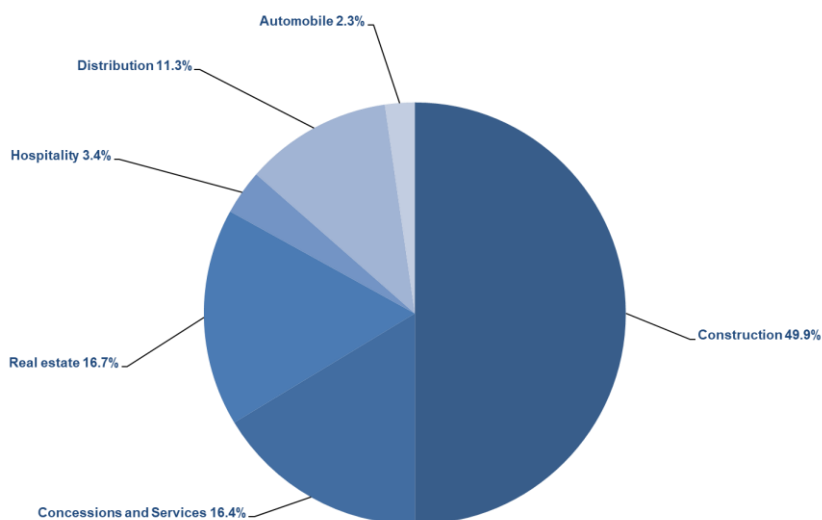
Evolution of Operating Income



(VALUES IN THOUSAND EUROS)

In overall terms of sectors of activity, the good performance of Real Estate did not offset the drop in the remaining sectors of activity, with the distribution of operating income by sector of activity at the end of this first six months being as follows:

Operating Income by Sector of Activity

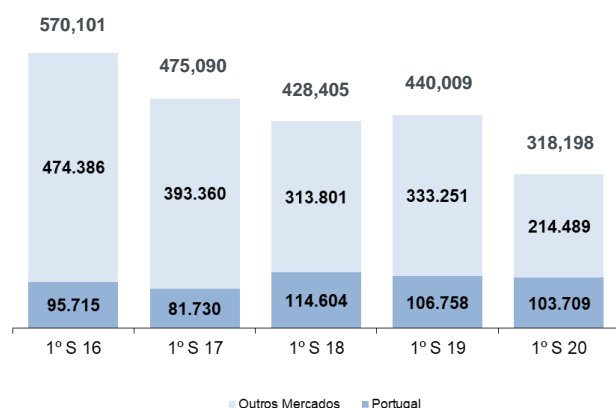


Turnover reached 318,198 thousand euros, representing a decrease of 27.7% compared to June 2019, that is, 121,811 thousand euros less.

A decrease of 2.9% was seen in Portugal in comparison to the first six months of 2019, while other markets decreased overall by 35.6%.

In this context, overseas markets, which accounted for 75.7% of this indicator during the first six months of the previous year, came to represent 67.4% of total turnover of the Teixeira Duarte Group.

Evolution of Turnover by Markets



(VALUES IN THOUSAND EUROS)

The following maps show turnover detailed by country and sector of activity. It can be seen that performance was most affected in markets where the conditioning factors of the pandemic situation were added to by currency devaluations.

Evolution of Turnover by Country

Country	1st S 20		1st S 19		Variation	2nd Q 20		2nd Q 19		Variation
	Value	Contribution	Value	Contribution		Value	Contribution	Value	Contribution	
Portugal	103 709	32,6%	106 758	24,3%	(2,9%)	39 711	32,3%	54 798	23,9%	(27,5%)
Angola	71 193	22,4%	126 197	28,7%	(43,6%)	32 353	26,3%	62 508	27,2%	(48,2%)
Algeria	25 383	8,0%	59 155	13,4%	(57,1%)	15 979	13,0%	28 476	12,4%	(43,9%)
Brazil	71 683	22,5%	81 996	18,6%	(12,6%)	16 795	13,7%	46 376	20,2%	(63,8%)
Spain	20 464	6,4%	19 503	4,4%	4,9%	8 947	7,3%	9 796	4,3%	(8,7%)
Mozambique	8 262	2,6%	15 389	3,5%	(46,3%)	2 789	2,3%	6 501	2,8%	(57,1%)
Venezuela	7 522	2,4%	8 694	2,0%	(13,5%)	2 131	1,7%	4 504	2,0%	(52,7%)
Other	9 982	3,1%	22 317	5,1%	(55,3%)	4 107	3,3%	16 686	7,3%	(75,4%)
	318 198	100,0%	440 009	100,0%	(27,7%)	122 812	100,0%	229 645	100,0%	(46,5%)

(VALUES IN THOUSAND EUROS)

Evolution of Turnover by Sectors of Activity

Activity Sector	1st S 20		1st S 19		Variation	2nd Q 20		2nd Q 19		Variation
	Value	Contribution	Value	Contribution		Value	Contribution	Value	Contribution	
Construction	163 964	51,5%	264 708	60,2%	(38,1%)	71 590	58,3%	141 320	61,5%	(49,3%)
Concessions and Services	57 230	18,0%	60 867	13,8%	(6,0%)	24 598	20,0%	31 546	13,7%	(22,0%)
Estate agent	35 377	11,1%	11 480	2,6%	208,2%	(279)	(0,2%)	4 446	1,9%	(106,3%)
Hospitality	12 551	3,9%	20 979	4,8%	(40,2%)	5 282	4,3%	11 109	4,8%	(52,5%)
Distribution	41 115	12,9%	64 861	14,7%	(36,6%)	18 461	15,0%	32 606	14,2%	(43,4%)
Automotive	7 961	2,5%	17 114	3,9%	(53,5%)	3 160	2,6%	8 618	3,8%	(63,3%)
	318 198	100,0%	440 009	100,0%	(27,7%)	122 812	100,0%	229 645	100,0%	(46,5%)

(VALUES IN THOUSAND EUROS)

Note: The Turnover Calculated For The Second Quarter In The Real Estate Sector Reflects The Devaluation Of The Brazilian Real And The Impact Resulting From The Indicator Being Calculated Based On The Difference With The First Quarter.

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:

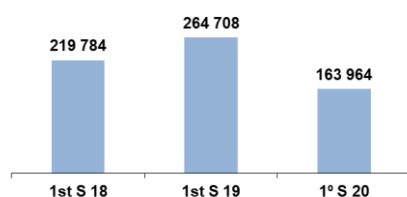
Turnover in the Construction Business decrease by 100,744 thousand euros, corresponding to a 38.1% reduction compared to the same period of 2019.

A decrease of 4.1% was seen in Portugal when compared to the same period of the previous year, as a result of the lower performance in the second quarter, in which activity was already being affected by the pandemic situation.

The overseas market decreased overall by 50.7% when compared to the first six months of 2019, with emphasis on the decreases in Angola and Algeria which together accounted for a reduction of 51,401 thousand euros. The 35% reduction seen in Brazil should also be noted, which was influenced by the devaluation of the Brazilian Real, although the effective reduction was 19.5%.

Therefore, on 30 June 2020, the domestic market came to account for 42.1% of the turnover in Construction, instead of the 27.2% that it represented in the same period of 2019.

Turnover of Construction Services



(VALUES IN THOUSAND EUROS)

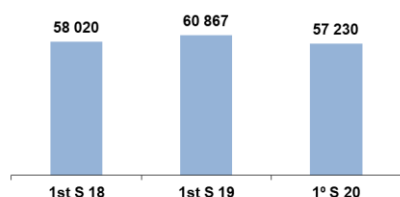
The construction order portfolio stood at 1,261,584 thousand euros on 30 June 2020.

Turnover from Concessions and Services decreased by 6% compared to the same period of the previous year.

The decrease in Portugal was 9.4% and the overall decrease on other markets was 4.4% compared to the same period of 2019.

Emphasis should be placed on increases of 12.8% and 7.4% respective in activity in Angola and Brazil, but with the devaluation of the Angolan Kwanza and the Brazilian Real, the euro relevance of this indicator corresponds to decreases of 25.1% in Angola and 13.3% in Brazil.

Turnover of Concessions and Services



(VALUES IN THOUSAND EUROS)

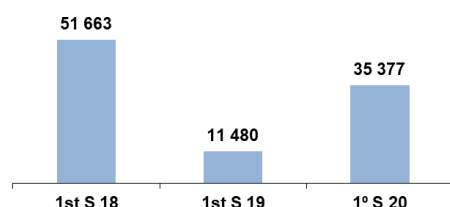
The Group increased its turnover in the real estate sector by 23,897 thousand euros compared to the first six months of 2019.

In Portugal, the good performance of the market allowed for growth of 7,642 thousand euros.

On this market, emphasis should be placed on two developments – “One Living” in Cascais and “Fabrica 1921” (phase 1) in Lisbon – which in 2021 and 2022 are expected to generate total sales of 220,000 thousand euros, of which around 90% had been contracted by 30 June 2020 and down payments worth 70,000 thousand had been received.

In Brazil, there was an increase of 16,845 thousand euros, as a result of the recognition of sales in the "Retrato Pinheiros" venture in São Paulo.

Turnover of Real estate Services

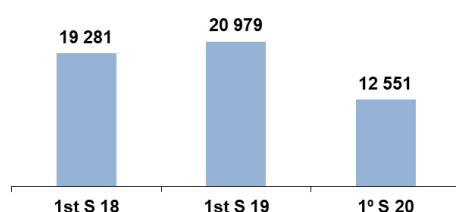


(VALUES IN THOUSAND EUROS)

Turnover in the hospitality business decreased by 40.2% compared to the same period of 2019, with downturns of 62.8% in Portugal, 21.6% in Angola and 57.5% in Mozambique.

This sector of activity is suffering a major impact from the current Covid-19 pandemic and the contingency and prevention measures to mitigate and contain the public health risk, as well as from the devaluation of the Kwanza, which has not allowed the resilience of the Group companies' activities in this sector in Angola to be highlighted in terms of euros.

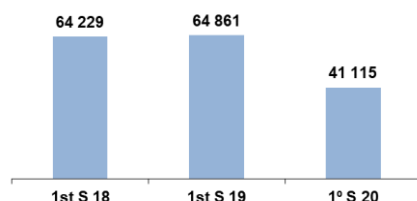
Turnover of Hospitality



(VALUES IN THOUSAND EUROS)

In the **Distribution** sector, Group companies saw a 36.6% decrease in turnover when compared to the same period of last year. They were also penalized by the devaluation of the Kwanza, which in euro terms affected the relevance of the activity, already penalized by the economic situation.

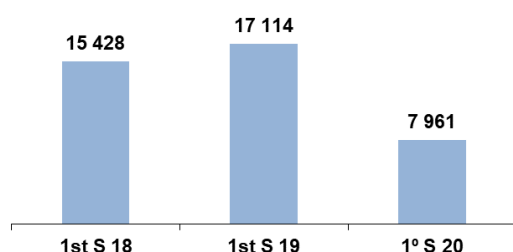
Turnover of Distribution Services



(VALUES IN THOUSAND EUROS)

In the Automotive sector, there was a 53.5% decrease in turnover when compared to June 2019. This value was heavily impact by the devaluation of the Kwanza. Without this effect, this sector would have seen a drop of 27.6%, which is a reflection of the effective contraction of the Angolan market.

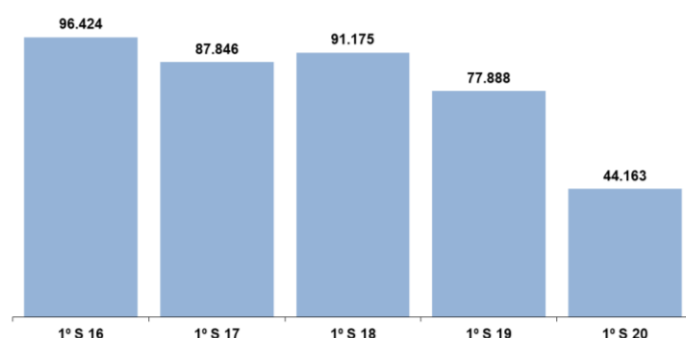
Turnover of the Automotive sector



(VALUES IN THOUSAND EUROS)

EBITDA - Earnings before interest, taxes, depreciation and amortization, decreased by 43.3% compared to June 2019 and stood at EUR 44.163 thousand.

Evolution of EBITDA



(VALUES IN THOUSAND EUROS)

EBITDA by Sectors of Activity

Activity Sector	1st S 20	1st S 19	Var (%)	2nd Q 20	2nd Q 19	Var (%)
Construction	17 618	40 534	(56,5%)	11 046	9 725	13,6%
Concessions and Services	8 277	8 678	(4,6%)	3 049	5 490	(44,5%)
Real estate	12 637	13 058	(3,2%)	4 310	11 453	(62,4%)
Hospitality	2 944	8 520	(65,4%)	952	5 008	(81,0%)
Distribution	3 404	3 284	3,7%	2 008	2 383	(15,7%)
Automotive	1 003	5 587	(82,0%)	292	3 703	(92,1%)
Not included in the segments	(1 744)	(1 730)	0,8%	(233)	1 248	-
Removals	24	(43)	-	(18)	(44)	-Brasil
	44 163	77 888	(43,3%)	21 406	38 966	(45,1%)

(VALUES IN THOUSAND EUROS)

The reduction in EBITDA in the Construction sector was strongly influenced by the negative change of 9,131 thousand euros from operational exchange rate differences - which at the end of the first half of the last year stood at a positive 19,193 thousand euros compared to a 10,052 thousand euros in the green this year -, as well as a major reduction in activity in both Angola and Algeria.

In the Hotel business, EBITDA was penalized by the strong fixed costs component - which for business continuity had to be maintained even in a period in which revenues were significantly affected by the pandemic situation - and in the Automotive sector by the lower commercial performance.

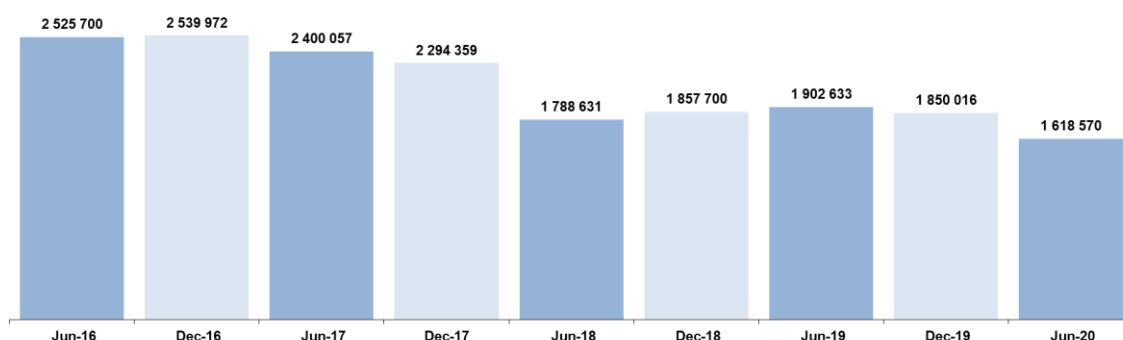
Financial results were negative and stood at 18,301 thousand euros, while in the first half of 2019 they were a negative 35,476 thousand euros. This improvement was mainly due to the ability of Group entities in Angola to reduce foreign currency liabilities, and there was a positive net change in exchange rate differences when compared to the same period of the previous year, amounting to 17,218 thousand euros.

Income tax amounted to 3,568 thousand euros at 30 June 2020, while in the same period of 2019 it stood at 3,312 thousand euros.

Net Results Attributable to Equity Holders were a negative 5,417 thousand euros, compared to the positive results of 12,285 thousand euros posted in June 2019.

Total Net Assets decreased by 12.5% in relation to 31 December 2019, standing at 1,618,570 thousand euros, corresponding to a decrease of 231,446 thousand euros, of which 179,611 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.

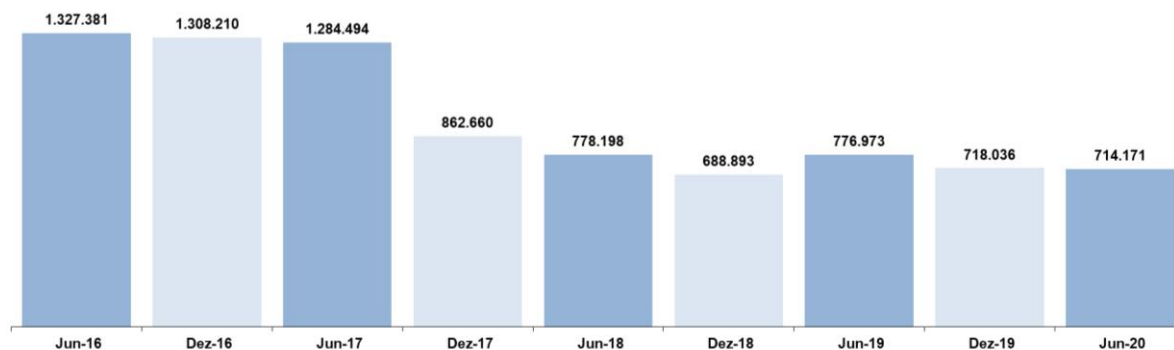
Evolution of Net asset



(VALUES IN THOUSAND EUROS)

In the current context of a pandemic and the implementation of moratoriums, to which the Group subscribed, it should be noted that **Net Financial Debt** decreased by 3,865 thousand euros, to 714,171 thousand euros, penalized by currency devaluations of 7,002 thousand euros. Therefore, without this effect the reduction in net financial debt would have been 10,867 thousand euros. Similarly, the overall amount of **bank loans** reduced by 25,349 thousand euros.

Evolution of Net Financial Debt



(VALUES IN THOUSAND EUROS)

Equity Attributable to Shareholders decreased by 92.547 thousand euros, from 299,939 thousand euros to 207,392 thousand euros, corresponding to a 30.9% decrease when compared to 31 December 2019.

Total Equity decreased by 28.8% to 239,463 thousand euros, mainly influenced by the negative new result of 5,617 thousand euros and by the devaluation of the Brazilian Real and the Angolan Kwanza.

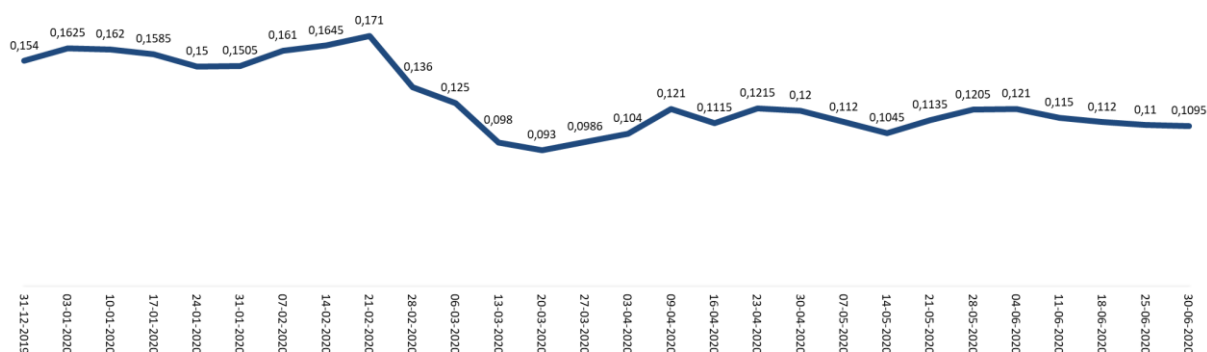
Financial Autonomy shifted from 18.2% as at 31 December 2019 to 14.8% at 30 June, 2020.

The **Average number of workers** on June 30, 2020 was 9,421, an decrease of 17.3% compared to 31 December 2019.

The **price of "Teixeira Duarte, S.A." bonds** increased from EUR 0.154 on 31 December 2019 to EUR 0.1095 on 30 June 2020.

The following graph shows the evolution in listed share prices during the first six 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



72,620,021 shares were traded on the stock exchange during this period, with a total amount of turnover of 9,748,113 euros.

III. FACTS THAT OCCURRED AFTER THE CLOSE OF THE 1ST HALF 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 30 June 2020 and the issue date of this document.

Even so, it should be mentioned that the Board of Directors of TD,S.A, 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*.

V. PROSPECTS

Teixeira Duarte maintains its outlook of continuity of operations in the different sectors and markets in which it has been operating, despite being strongly influenced by the impacts of the COVID-19 global pandemic situation and the fact that the currency devaluations in countries where the Group operates decreased the relevance of operating income from the activities carried out on these markets, in euro terms.

In anticipation that this economic situation will persist, along with the unpredictability of the evolution of the COVID-19 pandemic situation, it is reported that operating profits of less than the 850 million euros previously announced in May are expected to be achieved by the end of the year.

V. ANNEXES TO THE INTERIM MANAGEMENT REPORT

NUMBER OF SECURITIES OF THE MEMBERS OF THE GOVERNING BODIES

In compliance with the duties of information to which it is bound due to several different pieces of current legislation, Teixeira Duarte, S.A. hereby presents a list of securities issued by the Company, and by companies with which it has a controlling or group relationship, held by members of company boards, as well as all acquisitions, encumbrances or transmissions during the first six months of 2020, specifying the amount, the date of the fact and the compensation paid or received:

I - Number of shares held by members of the corporate bodies as of 31 December 2019:

Name	Company	Capacity	Nr. of Shares
José Luciano Vaz Marcos	Teixeira Duarte, S.A.	Chairman of the Board of the General Meeting	-
José Mário Ferreira de Almeida	Teixeira Duarte, S.A.	Deputy Chairman of the Board of the General Meeting	(a) 3.000
José Pedro Poiães Cobra Ferreira	Teixeira Duarte, S.A.	Secretary of the Board of the General Meeting	-
Pedro Maria Calainho Teixeira Duarte	Teixeira Duarte, S.A.	Chairman of the Board of Directors	42 000
Manuel Maria Calainho de Azevedo Teixeira Duarte	Teixeira Duarte, S.A.	Director	5 030 575
Carlos Gomes Baptista	Teixeira Duarte, S.A.	Director	62 671
Maria da Conceição Maia Teixeira Duarte	Teixeira Duarte, S.A.	Director	(a) 3,967,473
Diogo Bebiano Branco de Sá Viana Rebelo	Teixeira Duarte, S.A.	Director	31 160
Óscar Manuel Machado de Figueiredo	Teixeira Duarte, S.A.	Chairman of the Supervisory Board	-
Ana Cristina Louro Ribeiro Doutor Simões	Teixeira Duarte, S.A.	Member of the Supervisory Board	-
João Salvador dos Santos Matias	Teixeira Duarte, S.A.	Member of the Supervisory Board	-
Rui Pedro Ferreira de Almeida	Teixeira Duarte, S.A.	Supervisory Board Alternate of the Supervisory Board	-
Moore Stephens & Associados, SROC, S.A.	Teixeira Duarte, S.A.	Chartered Accountant	-

II. Transactions with shares directly and indirectly held by members of the corporate bodies during the period between 1 January and 30 June 2020:

It is hereby reported, for all due effects, that no share transactions were directly or indirectly performed by members of the Corporate Bodies of "Teixeira Duarte, S.A.".

III - Number of shares held by Members of the Governing Bodies as at 30 June 2020:

Name	Company	Capacity	Nr. of Shares
José Luciano Vaz Marcos	Teixeira Duarte, S.A.	Chairman of the Board of the General Meeting	-
José Mário Ferreira de Almeida	Teixeira Duarte, S.A.	Deputy Chairman of the Board of the General Meeting	3 000
José Pedro Poiães Cobra Ferreira	Teixeira Duarte, S.A.	Secretary of the Board of the General Meeting	-
Pedro Maria Calainho Teixeira Duarte	Teixeira Duarte, S.A.	Chairman of the Board of Directors	42 000
Manuel Maria Calainho de Azevedo Teixeira Duarte	Teixeira Duarte, S.A.	Director	5 030 575
Carlos Gomes Baptista	Teixeira Duarte, S.A.	Director	62 671
Maria da Conceição Maia Teixeira Duarte	Teixeira Duarte, S.A.	Director	3 967 473
Diogo Bebiano Branco de Sá Viana Rebelo	Teixeira Duarte, S.A.	Director	31 160
Óscar Manuel Machado de Figueiredo	Teixeira Duarte, S.A.	Chairman of the Supervisory Board	-
Ana Cristina Louro Ribeiro Doutor Simões	Teixeira Duarte, S.A.	Member of the Supervisory Board	-
João Salvador dos Santos Matias	Teixeira Duarte, S.A.	Member of the Supervisory Board	-
Rui Pedro Ferreira de Almeida	Teixeira Duarte, S.A.	Alternate of the Supervisory Board	-
Moore Stephens & Associados, SROC, S.A.	Teixeira Duarte, S.A.	Chartered Accountant	-

LIST OF HOLDERS OF QUALIFIED HOLDINGS AS AT 30 JUNE 2019

In compliance with applicable legal and regulatory provisions, and based on company records and on information received, TEIXEIRA DUARTE, S.A. hereby discloses the list of holders of qualified shares in its equity on 30 June 2020, indicating the number of shares held and allocated, with the corresponding voting right percentages, calculated under the terms of article 20 of the Securities Code.

Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A.	Nr. shares as at 30.06.2020	Share capital with right to vote
Directly	190 750 000	45,42%
Through the members of the Board of Directors of "Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A." (a)	53 318 164	12,70%
TOTAL ATTRIBUTABLE	244 068 164	58,12%

(a) 3,645,138 shares held by the Director António Carlos Calainho de Azevedo Teixeira Duarte; 1,408,416 shares held directly by the Director Miguel Calainho de Azevedo Teixeira Duarte and 48,264,610 shares held by the Company directly controlled by it "MIDINVEST - Gestão e Investimentos, Sociedade Unipessoal, Lda."

Miguel Calainho de Azevedo Teixeira Duarte	Nr. shares as at 30.06.2020	Share capital with right to vote
Directly	1 408 416	0,34%
Through the company controlled directly by him "MIDINVEST - Gestão e Investimentos, Sociedade Unipessoal, Lda."	48 264 610	11,49%
TOTAL ATTRIBUTABLE	49 673 026	11,83%

IDS, SGPS, S.A.	Nr. shares as at 30.06.2020	Share capital with right to vote
Directly	10 841 947	2,58%
TOTAL ATTRIBUTABLE	10 841 947	2,58%

COMPLIANCE STATEMENT

(UNDER THE TERMS OF LINE C) OF ITEM 1 OF ARTICLE 246 OF THE SECURITIES CODE)

As far as the signatories are aware, the information disclosed in this report and the respective financial statements was drawn up in accordance with applicable accounting standards, giving a true and appropriate impression of the assets and liabilities, the financial situation and results of TEIXEIRA DUARTE, S.A. and the companies included within its perimeter of consolidation. Similarly, the interim management report accurately presents indications of important events that occurred during the first six months of 2020 and their impact on the respective financial statements, and contains a description of the main risks and uncertainties for the forthcoming six months.

Lagoas Park, 28 August 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



Teixeira Duarte

1st Semester of 2020

Consolidated Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DURING THE PERIODS ENDED ON 30 JUNE 2020 AND 2019

(NON AUDITED)

(VALUES IN THOUSAND EUROS)

	Notes	30/06/2020 (Non Audited)	31/12/2019 (Audited)
Non-current assets:			
Goodwill		12 190	12 214
Intangible assets		56 797	60 267
Fixed tangible assets	13	391 511	479 776
Investment Properties	14	199 133	208 478
Usage right		35 160	41 603
Investments in associates and joint-ventures	7 and 15	20 865	22 235
Other financial investments at amortized cost	16	2 846	2 806
Other financial investments at fair value through other comprehensive income	7 and 16	11 931	15 866
Assets for deferred tax	18	151 955	147 993
Customers		19 187	16 458
Other debtors		12 288	12 694
Total of non-current assets		913 863	1 020 390
Current assets:			
Inventories		173 756	202 111
Customers		166 519	236 183
Other debtors		39 586	38 517
Other financial investments at fair value through other comprehensive income	7 and 16	10	10
Cash and cash equivalents	20	109 264	135 380
Other current assets		180 675	182 528
		669 810	794 729
Assets for sale	17	34 897	34 897
Total of current assets		704 707	829 626
TOTAL OF ASSET	7	1 618 570	1 850 016
Equity:			
Capital	21	210 000	210 000
Adjustments of shareholdings in associates and joint-ventures		(394)	(443)
Effect of currency adjustments	26	(535 268)	(444 577)
Reserves and retained income	22	538 471	520 545
Consolidated net result		(5 417)	14 414
Equity attributable to shareholders		207 392	299 939
Non-controlling interests		32 071	36 585
EQUITY TOTAL		239 463	336 524
Non-current liabilities:			
Loans	23	638 210	692 004
Provisions		42 359	45 053
Lease liabilities		31 177	34 594
Liabilities by deferred taxes	18	93 161	111 672
Other Creditors		290	376
Other non-current liabilities		118 312	80 002
Total of non-current liabilities		923 509	963 701
Current liabilities:			
Loans	23	148 344	119 899
Lease liabilities		5 704	6 919
Suppliers		95 662	148 122
Other Creditors		17 060	26 920
Other current liabilities		165 267	224 370
		432 037	526 230
Liabilities for sale	17	23 561	23 561
Total of current liabilities		455 598	549 791
TOTAL OF LIABILITY	7	1 379 107	1 513 492
TOTAL OF LIABILITY AND EQUITY	22	1 618 570	1 850 016

The annex notes forms an integral part of the consolidated statement of the financial position for the quarter ending 30 June 2020.

TEIXEIRA DUARTE

CONSOLIDATED STATEMENT OF RESULTS

DURING THE PERIODS ENDED ON 30 JUNE 2020 AND 2019

(NON AUDITED)

(VALUES IN THOUSAND EUROS)

	Notes	1 st Sem. 20	1 st Sem. 19	2 th Quarter 20	2 th Quarter 19
Operating income:					
Sales and services rendered	7 and 8	318 198	440 009	122 812	229 645
Other operating income	8	49 505	49 872	31 790	24 328
Total of operating income	8	367 703	489 881	154 602	253 973
Operating costs:					
Cost of sales		(84 346)	(115 283)	(21 405)	(56 213)
Production changes		669	697	364	234
External supplies and services		(125 002)	(153 995)	(62 750)	(87 669)
Expenses with staff		(88 522)	(115 512)	(39 049)	(58 838)
Amortizations and depreciations	7	(25 304)	(28 520)	(11 941)	(13 761)
Provisions and impairment losses in depreciable and amortizable asset and Goodwill	7	(2 607)	239	(34)	(1 012)
Other operating costs		(26 339)	(27 900)	(10 356)	(12 521)
Total of operating costs		(351 451)	(440 274)	(145 171)	(229 780)
Operational Income	7	16 252	49 607	9 431	24 193
Costs and financial losses	7 and 9	(74 168)	(62 381)	(51 859)	(45 007)
Income and financial earnings	7 and 9	54 846	25 704	34 991	20 598
Income related to investment activities:					
Income related to affiliates and joint-ventures	7 and 9	89	609	(426)	262
Other	7 and 9	932	592	932	(209)
Financial Results		(18 301)	(35 476)	(16 362)	(24 356)
Results before taxes	7	(2 049)	14 131	(6 931)	(163)
Income tax	10	(3 568)	(3 312)	(1 322)	2 875
Consolidated net result for the period		(5 617)	10 819	(8 253)	2 712
Net results attributable to:					
Equity holders	11	(5 417)	12 285	(7 356)	4 264
Non-controlling interests		(200)	(1 466)	(897)	(1 552)
Income by share:					
Basic (euros)	11	(0,01)	0,03	(0,02)	0,01
Diluted (euros)	11	(0,01)	0,03	(0,02)	0,01

The notes are an integral part of the consolidated statement of results for the period ended on 30 June 2020

CONSOLIDATED STATEMENTS OF OTHER INTEGRAL INCOME

DURING THE PERIODS ENDED ON 30 JUNE 2020 AND 2019

(NON AUDITED)

(VALUES IN THOUSAND EUROS)

	Notes	1st Sem. 20	1st Sem. 19	2th Quarter 20	2th Quarter 19
Consolidated net result for the period		(5 617)	10 819	(8 253)	2 712
Income and expenses that will not be reclassified for results					
Other equity variations		5 583	1 207	268	1 819
Other financial investments at fair value through other comprehensive income, net of taxes	16	(591)	228	25	218
		4 992	1 435	293	2 037
Income and expenses that can be reclassified for results					
Currency conversion adjustments	26	(96 485)	(49 232)	(43 815)	(40 389)
Adjustments of shareholdings in associates and joint-ventures	15	49	827	(121)	645
		(96 436)	(48 405)	(43 936)	(39 744)
Result known directly in equity		(91 444)	(46 970)	(43 643)	(37 707)
Comprehensive income for the financial year		(97 061)	(36 151)	(51 896)	(34 995)
Comprehensive income attributable to:					
Equity holders		(92 547)	(34 976)	(48 494)	(34 011)
Non-controlling interests		(4 514)	(1 175)	(3 402)	(984)

The notes are an integral part of the consolidated statement of the other comprehensive income for the period ended on 30 June 2020.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

DURING THE PERIODS ENDED ON 30 JUNE 2020 AND 2019

(NON AUDITED)

(VALUES IN THOUSAND EUROS)

Notes	Capital	Adjustments of shareholdings in associates and joint-ventures	Reserves and retained income						Consolidated equity Non- shareholders	Total equity attributed to shareholders	Shareholders interests	Total
			Currency conversion adjustments	Legal reserve	Other reserves	Fair value reserve - financial investments	Revaluation reserve - real estate	Retained income				
Balance on January 1 st , 2019	210 000	(673)	(303 790)	42 000	253 326	598	162 085	(7 949)	11 127	387 624	35 736	403 360
Comprehensive income for the financial year:												
Consolidated net result for the period	-	-	-	-	-	-	-	-	12 285	12 285	(1 466)	10 819
Variation in currency conversion adjustments	-	-	(48 408)	-	-	-	-	-	-	(48 408)	(824)	(49 232)
Changes in the fair value of other investments through other comprehensive income, net of taxes	-	-	-	-	-	228	-	-	-	228	-	228
Revaluation surplus, net of tax	-	-	-	-	-	-	(3 226)	3 226	-	-	-	-
Effect of the application of equity method:	-	827	-	-	-	-	-	-	-	-	-	827
Purchase of non-controlling interests	-	-	-	-	-	-	-	(1 641)	-	(1 641)	1 641	-
Other	-	-	-	-	-	-	-	1 733	-	1 733	(526)	1 207
Operations with equity owners for that period:												
Appropriation of the consolidated net income for 2018:	-	-	-	-	4 672	-	-	6 455	(11 127)	-	-	-
Transfer to other reserves and results carried forward	-	-	-	-	-	-	-	2 724	12 285	332 648	34 561	367 209
Balance on June 30 th , 2019	210 000	154	(332 198)	42 000	257 998	826	158 859	2 724	12 285	-	-	-

Notes	Capital	Adjustments of shareholdings in associates and joint-ventures	Reserves and retained income						Consolidated equity Non- shareholders	Total equity attributed to shareholders	Shareholders interests	Total
			Currency conversion adjustments	Legal reserve	Other reserves	Fair value reserve - financial investments	Revaluation reserve - real estate	Retained income				
Balance on January 1 st , 2020	210 000	(443)	(444 577)	42 000	257 998	471	229 797	(9 721)	14 414	299 939	36 585	336 524
Comprehensive income for the financial year:												
Consolidated net result for the period	-	-	-	-	-	-	-	-	(5 417)	(5 417)	(200)	(5 617)
Variation in currency conversion adjustments	-	-	(80 691)	-	-	-	-	-	-	(80 691)	(5 794)	(86 485)
Changes in the fair value of other investments through other comprehensive income, net of taxes	-	-	-	-	-	(591)	-	-	-	(591)	-	(591)
Revaluation surplus, net of tax	-	-	-	-	-	-	(5 372)	5 372	-	-	-	-
Effect of the application of equity method:	-	49	-	-	-	-	-	-	-	49	-	49
Other	-	-	-	-	-	-	-	4 103	-	4 103	1 480	5 583
Operations with equity owners for that period:												
Appropriation of the consolidated net income for 2019:	-	-	-	-	7 879	-	-	6 635	(14 414)	-	-	-
Transfer to other reserves and results carried forward	-	-	-	-	-	-	-	6 289	(5 417)	207 392	32 071	239 463
Balance on June 30 th , 2020	210 000	(394)	(532 268)	42 000	265 877	(120)	224 425	6 289	(5 417)	-	-	-

The notes are an integral part of the consolidated statement of change in equity for the year ended on 30 June 2020

CONSOLIDATED STATEMENTS OF CASH FLOWS

DURING THE PERIODS ENDED ON 30 JUNE 2020 AND 2019

(NON AUDITED)

(VALUES IN THOUSAND EUROS)

	Notes	1 st Sem. 20	1 st Sem. 19	2 th Quarter 20	2 th Quarter 19
OPERATIONAL ACTIVITIES:					
Receipts from customers		385 757	408 210	184 718	200 212
Payment to suppliers		(280 384)	(295 769)	(107 450)	(133 362)
Payment to staff		(85 894)	(112 153)	(39 655)	(57 692)
Cash flow generated by operations		19 479	288	37 613	9 158
Payment/receipt of income tax		(3 704)	(5 837)	(2 210)	(4 208)
Other receipts/payments related to the operational activity		(19 351)	(12 902)	(12 680)	(12 251)
Cash flows of operational activities (1)		(3 576)	(18 451)	22 723	(7 301)
INVESTMENT ACTIVITIES:					
Receipts related to:					
Financial investments	20	-	1 646	-	(101)
Tangible fixed assets and investment properties		23 756	5 369	2 526	5 086
Intangible assets		22	-	22	-
Interests and similar gains		2 265	1 534	1 803	539
Dividends	20	1 114	623	1 114	623
		27 157	9 172	5 465	6 147
Payments related to:					
Financial investments	20	(13)	-	(13)	-
Tangible fixed assets and investment properties		(8 837)	(17 611)	(6 096)	(5 657)
Intangible assets		(823)	(159)	(823)	(81)
		(9 673)	(17 770)	(6 932)	(5 738)
Cash flows from investment activities (2)		17 484	(8 598)	(1 467)	409
FINANCING ACTIVITIES:					
Revenue derived from:					
Obtained loans	23	585 034	634 807	242 662	306 439
Payments related to:					
Obtained loans	23	(604 343)	(643 134)	(253 061)	(311 589)
Lease liabilities		(3 778)	-	(1 712)	-
Interests and similar costs		(3 895)	(13 036)	(932)	(7 933)
		(612 016)	(656 170)	(255 705)	(319 522)
Cash flows from financing activities (3)		(26 982)	(21 363)	(13 043)	(13 083)
Variation of cash and cash-equivalent items (4)=(1)+(2)+(3)		(13 074)	(48 412)	8 213	(19 975)
Exchange rate differences Effect		(13 042)	(7 641)	(5 833)	(4 088)
Cash and cash-equivalent items at the beginning of the period	20	135 380	171 991	106 884	140 001
Cash and cash-equivalent items at the end of the period	20	109 264	115 938	109 264	115 938

The annex forms an integral part of the cash flow statement for the period ending 30 June 2020.

ANNEXES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ON JUNE 30TH, 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).

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

2 - BASIS OF PRESENTATION

The consolidated financial statements at 30 June, 2020 have been prepared 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 30 June 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
<u>INTERNAL MARKET</u>		
CONSTRUCTION		
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%
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CONCESSIONS AND SERVICES

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%
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TDAP - Atividades Portuárias, S.A.	Rua das Pretas, 4 - Fração 4 D - Funchal	100.00%
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TDGI AÇORES - Unipessoal, Lda.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
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TDGI - Tecnologia de Gestão de Imóveis, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
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TDGI Manutenção, ACE	Edifício 2, Lagoas Park - Porto Salvo	100.00%
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REAL ESTATE

FUNDO DE INVESTIMENTO IMOBILIÁRIO FECHADO TDF	Av. Professor Doutor Cavaco Silva, Parque das Tecnologias, Edifício 3 - Porto Salvo	100.00%
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IMOPEDROUÇOS - Sociedade Imobiliária, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
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IMOTD – Sociedade Gestora de Participações Sociais, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
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MALANGA – Investimentos Imobiliários, Unipessoal Lda.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
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QUINTA DE CRAVEL - Imobiliária, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
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TD VIA - Sociedade Imobiliária, S.A.	Edifício 2, Lagoas Park - Porto Salvo	93.75%
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TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
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TEIXEIRA DUARTE REAL ESTATE, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
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TRANSBRITAL - Britas e Empreendimentos Imobiliários, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
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V8 - Gestão Imobiliária, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
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HOSPITALITY

ESTA - Gestão de Hotéis, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
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GO CORP TRAVEL SOLUTIONS – Agência de Viagens, S.A.	Rua Encosta das Lagoas, nº 8 - Porto Salvo	100.00%
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LAGOASFUT - Equipamento Recreativo e Desportivo, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
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LAGOAS HOTEL, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
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SINERAMA - Organizações Turísticas e Hoteleiras, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
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TDH - Sociedade Gestora de Participações Sociais, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
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TDHC - Instalações para Desporto e Saúde, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
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DISTRIBUTION

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%

AUTOMOTIVE

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%

OTHER

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%

EXTERNAL MARKET

SOUTH AFRICA

CONSTRUCTION

Global Net Distributors (Pty) Ltd.	10 Ninth Avenue - Northmead, Gauteng 1501	100.00%
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ANGOLA

CONCESSIONS AND SERVICES

EDUCARE - Atividades Educativas e Culturais (SU), 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%

REAL ESTATE

AFRIMO - Empreendimentos Imobiliários, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	51.00%
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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 (SU), 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 (SU), 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 (SU), 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 (SU), Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
DCG – Distribution e Comércio General (SU), Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
IMO 1 - Empreendimentos Imobiliários (SU), 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 (SU), Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
AUTO COMPETIÇÃO ANGOLA (SU), Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%

AUTO 8 (SU), Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
COMÉRCIO DE AUTOMÓVEIS (SU), Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
TDA - Comércio e Indústria (SU), Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
VAUCO - Automóveis e Equipments (SU), Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
OTHER		
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%
<u>ALGERIA</u>		
CONSTRUCTION		
TEIXEIRA DUARTE ALGERIE, SPA	8 Roeute Ben Aknoun, Rés de Chanssée El Biar - Alger	99.94%
<u>BELGIUM</u>		
CONCESSIONS AND SERVICES		
TDGI, S.A.	Avenue Jean-Monnet, 1, 1348 Louvain-La-Neuve – RPM Bruxelles	100.00%
<u>BRAZIL</u>		
CONSTRUCTION		
EMPA, S.A. - Serviços de Engenharia	AV. das Nações Unidas, 12901, Conj. N-201, sala 07, 2.º andar Torre Norte, Centro Empresarial Nações Unidas, Brooklin São Paulo, CEP 04578-910	100.00%
SOMAFEL – Obras Ferroviárias e Marítimas, Ltda.	AV. das Nações Unidas, 12901, Conj. N-201, sala 04, 2.º andar Torre Norte, Centro Empresarial Nações Unidas, Brooklin São Paulo, CEP 04578-910	67.74%
CONCESSIONS AND SERVICES		
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.	AV. das Nações Unidas, 12901, Conj. N-201, sala 05, 2.º andar Torre Norte, Centro Empresarial Nações Unidas, Brooklin São Paulo, CEP 04578-910	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 – Furnas Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 23 Itaim Bibi - São Paulo	91.00%
OTHER		
EMES – Participações , Ltda.	AV. das Nações Unidas, 12901, Conj. N-201, sala 06, 2.º andar Torre Norte, Centro Empresarial Nações Unidas, Brooklin São Paulo, CEP 04578-910	100.00%
<u>COLOMBIA</u>		
CONSTRUCTION		
TEIXEIRA DUARTE – Engenharia e Construções (Colômbia) S.A.S.	Carrera 11 nº 94 – 02 oficina 201 Centro empresarial Manhattan, Bogotá	100.00%
<u>CYPRUS</u>		
OTHER		
LEVENEL, Limited	Irakli, 2, Egkomi, 2413 Nicosia	100.00%
<u>SPAIN</u>		
CONSTRUCTION		
UTE VIANA	Alberto Alcocer, 24 - 7º Madrid	100.00%
CONCESSIONS AND SERVICES		
RECOLTE, Servicios Y Medioambiente, S.A. Sociedade Unipersonal.	Calle Caleruega 76, piso 1.º, Oficina 1 28033 Madrid	100.00%
TDGI - Mantenimiento y Servicios Integrales, S.L.	Calle Caleruega 76, piso 1.º, Oficina 1 28033 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 period ended 30 June 2020 no changes were made to the consolidation perimeter at 31 December 2019, resulting from acquisitions or divestments of subsidiaries.

It should be noted that the following companies were incorporated during this period:

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 30 June 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 30 June 2020 and 2019:

Currency	Closing exchange rate			Average exchange		
	30/06/2020	31/12/2019	Var.	30/06/2020	30/06/2019	Var
Venezuelan bolivar	237 813,8633	58 228,6642	308,4%	237 813,8633	8 790,0486	2605,5%
Algerian dinar	144,0779	133,4442	8,0%	137,0775	134,5291	1,9%
Kuwaiti Dinar	0,3444	0,3402	1,2%	0,3398	n/a	-
Tunisian Dinar	3,1977	3,1329	2,1%	3,1497	3,3952	(7,2%)
Dirham from Emirates	4,1128	4,1260	(0,3%)	4,0625	4,1629	(2,4%)
Moroccan Dirham	10,8652	10,7442	1,1%	10,7721	10,8879	(1,1%)
American dollars	1,1198	1,1234	(0,3%)	1,1061	1,1334	(2,4%)
Cape Verde Escudo	110,2650	110,2650	-	110,2650	110,2650	-
CFA Franc BEAC	655,9570	n/a	-	655,9570	n/a	-
Angola Kwanza	641,9365	536,2617	19,7%	580,5931	385,2699	50,7%
Mozambican metical	77,9900	68,7000	13,5%	73,0229	70,5443	3,5%
Peruvian Novo Sol	3,9649	3,7196	6,6%	3,7799	3,7741	0,2%
Macanese pataca	8,9392	9,0097	(0,8%)	8,8469	9,1515	(3,3%)
Colombian Peso	4 197,3700	3 690,6300	13,7%	4 060,9729	3 632,1114	11,8%
South Africa Rand	19,4425	15,7773	23,2%	18,2138	16,0630	13,4%
Brazilian real	6,1118	4,5157	35,3%	5,3983	4,3580	23,9%

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 30 June 2020 and 2019, were as follows:

Segment	Sales and services rendered						Operational Income	
	1 st Sem. 20			1 st Sem. 19			1 st Sem. 20	1 st Sem. 19
	External clients	Intersegmental	Total	External clients	Intersegmental	Total		
Construction	163 964	16 774	180 738	264 708	9 815	274 523	3 032	27 756
Concessions and services	57 230	2 319	59 549	60 867	253	61 120	6 547	3 561
Real estate	35 377	3 751	39 128	11 480	5 494	16 974	11 116	13 322
Hospitality	12 551	227	12 778	20 979	290	21 269	(1 072)	4 766
Distribution	41 115	341	41 456	64 861	335	65 196	498	(519)
Automotive	7 961	391	8 352	17 114	1 515	18 629	(2 017)	2 603
Not included in the segments	-	-	-	-	-	-	(1 876)	(1 839)
Removals	-	(23 803)	(23 803)	-	(17 702)	(17 702)	24	(43)
	318 198	-	318 198	440 009	-	440 009	16 252	49 607
Costs and financial losses (Note 9)							(74 168)	(62 381)
Income and financial earnings (Note 9)							54 846	25 704
Income related to investment activities (Note 9)							1 021	1 201
Results before taxes							(2 049)	14 131

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

Other information:

Segment	c		Amortizations and depreciations in results		Provisions and impairment losses	
	1 st Sem. 20	1 st Sem. 19	1st Sem. 20	1st Sem. 19	1st Sem. 20	1st Sem. 19
Construction	7 869	14 620	12 038	12 510	2 548	268
Concessions and services	37	1 636	1 738	2 117	(8)	3 000
Real estate	14 946	8 968	1 413	3 303	108	(3 567)
Hospitality	435	958	4 057	3 707	(41)	47
Distribution	69	1 884	2 906	3 803	-	-
Automotive	21	322	3 020	2 971	-	13
Not allocated to segments	-	43	132	109	-	-
	23 377	28 431	25 304	28 520	2 607	(239)

The assets and liabilities of the segments and their respective reconciliation with the consolidated total, as at 30 June 2020 and 31 December 2019, are as follows:

Segment	30/06/2020				31/12/2019				Liabilities	
	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	30/06/2020	31/12/2019
Construction	2 936	602	1 757 743	1 761 281	2 888	12 836	1 794 661	1 810 385	929 746	988 016
Concessions and services	2 718	116	100 848	103 682	2 338	100	111 932	114 370	40 718	47 349
Real estate	3 715	455	1 135 893	1 140 063	3 378	1 161	1 141 463	1 146 002	484 469	475 343
Hospitality	-	21	211 853	211 874	-	17	243 138	243 155	70 314	79 096
Distribution	-	13	180 413	180 426	-	13	205 431	205 444	103 707	109 739
Automotive	-	8	177 378	177 386	-	9	217 800	217 809	62 638	94 904
Not included in the segments	11 496	10 726	824 606	846 828	13 631	1 740	916 327	931 698	792 649	795 908
Removals	-	-	(2 802 970)	(2 802 970)	-	-	(2 818 847)	(2 818 847)	(1 105 134)	(1 076 863)
	20 865	11 941	1 585 764	1 618 570	22 235	15 876	1 811 905	1 850 016	1 379 107	1 513 492

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 30 June 2020 and 30 and on 31 June 2020 and 31 December 2019, respectively:

Geographic segment	1 st Sem. 20	1 st Sem. 19	30/06/2020	31/12/2019
Portugal	103 709	106 758	255 211	251 642
Angola	71 193	126 197	375 294	462 074
Algeria	25 383	59 155	8 899	14 926
Brazil	71 683	81 996	18 537	26 311
Spain	20 464	19 503	6 993	12 209
Mozambique	8 262	15 389	27 539	32 871
Venezuela	7 522	8 694	64	109
Other	9 982	22 317	2 254	2 196
	318 198	440 009	694 791	802 338

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 30 June 2020 and 2019:

	1 st Sem. 20	1 st Sem. 19	2 th Quarter 20	2 th Quarter 19
Sales and services rendered 2013 2012	318 198	440 009	122 812	229 645
Other operating income:				
Variation in the fair value of income of investment properties a)	17 610	20 296	7 229	14 056
Exchange rate differences	12 518	19 711	10 025	2 295
Reversal of impairment losses in inventories	7 063	63	7 038	(6)
Supplementary income	3 208	4 427	1 936	3 510
Sales of assets (b)	2 051	2 634	826	2 473
Tax refund	1 425	-	1 336	-
Works for the company c)	1 058	1 328	122	821
Reversal of impairment losses in accounts receivable	79	823	10	820
Other operating income	4 493	590	3 268	359
	49 505	49 872	31 790	24 328
	367 703	489 881	154 602	253 973

a) In the period ended 30 June 2020, the change in the fair value of investment properties is the result of the valuation of investment properties in Portugal.

b) In the period ended 30 June 2020, the indicated gains were obtained from the divestment of tangible fixed assets.

In the same period of 2019, in addition to the gains of 2,547 thousand euros obtained from the sale of tangible fixed assets, the Group sold the subsidiary “MMK Cement, Limited Liability Company”, posting a gain of 87 thousand euros.

c) Work for the company essentially involves the improvement of equipment.

9 - FINANCIAL RESULTS

Financial results were as follows for the periods ending 30 June 2020 and 2019:

	1 st Sem. 20	1 st Sem. 19	2 th Quarter 20	2 th Quarter 19
Costs and financial losses				
Supported interests	(10 432)	(10 917)	(5 838)	(7 046)
Unfavourable exchange rate differences	(56 384)	(38 190)	(42 458)	(30 249)
Net Financial Position a)	(6)	-	(3)	-
Other costs and financial losses	(7 346)	(13 274)	(3 560)	(7 712)
	(74 168)	(62 381)	(51 859)	(45 007)
Income and financial earnings:				
Obtained interests	1 357	2 070	865	1 038
Favourable exchange rate differences	52 336	16 924	34 348	13 570
Net Financial Position a)	-	4 852	-	4 556
Other income and financial earnings	1 153	1 858	(222)	1 434
	54 846	25 704	34 991	20 598
Income related to investment activities:				
Earnings from associates and joint works b)	89	609	(426)	262
Dividends c)	1 114	624	1 114	624
OTHER INVESTMENTS d)	(182)	(32)	(182)	(833)
	1 021	1 201	506	53
Financial Results	(18 301)	(35 476)	(16 362)	(24 356)

a) The presented amounts correspond to gains / losses arising from the application of IAS 29.

b) The results relating to associated companies and joint ventures for the periods ended 30 June 2020 and 2019 include the effect of applying the equity method to these investments (Note 15).

c) On 30 June 2020 and 2019, the amounts presented correspond to dividends received from financial assets

d) As of 30 June 2020 and 2019, the "Other Investment" item accounts for gains and losses on the sale of financial assets, as well as impairment losses on these assets.

Net exchange rate differences, recorded during the periods ending 30 June 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.

The Supplementary State Budget Law for 2020 amended the rules for reporting and deducting the aforementioned tax losses, under the following terms:

- The tax losses calculated in the 2020 and 2021 tax periods are subject to reporting for 10 (ten) years;
- Counting of the tax loss reporting period, applicable to losses still in force on the first day of the 2020 tax period, is suspended during this tax period and the following one; and
- The limit for the deduction of tax losses, if the difference results from tax losses calculated in the 2020 and 2021 tax periods, is raised to 80% of taxable income.

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 will not significantly affect the consolidated financial statements as at 30 June 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 30 June 2020 and 2019 are as follows:

	1 st Sem. 20	1 st Sem. 19	2 th Quarter 20	2 th Quarter 19
Current Tax:				
Income tax in Portugal	(3 955)	(6 583)	80	(690)
Income tax in other jurisdictions	(7 579)	(5 593)	(5 071)	(2 624)
Current Tax	(11 534)	(12 176)	(4 991)	(3 314)
Deferred tax (Note 18)	7 966	8 864	3 669	6 189
	(3 568)	(3 312)	(1 322)	2 875

In addition to the amounts of deferred taxes recorded directly in the income statement, deferred taxes amounting to EUR 90 thousand were recorded directly in equity as at 30 June 2020 (EUR 66 thousand as at 30 June 2019) (Note 18).

11 - EARNINGS PER SHARE

Earnings per share for the years ended 30 June 2020 and 2019 were determined based on the following amounts:

	1 st Sem. 20	1 st Sem. 19	2 th Quarter 20	2 th Quarter 19	1 st Quarter 20
Result to estimate the net result by basic share (net result of period)	(5 417)	12 285	(7 356)	4 264	1 939
Weighted average number of shares for the effect of calculating earnings per basic share (thousand)	420 000	420 000	420 000	420 000	420 000
Net result by basic share	(0,01)	0,03	(0,02)	0,01	0,00

Since for the financial years ended on 30 June 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

At the General Meeting of Shareholders held on 22 June 2020, it was decided not to distribute any dividends, taking into consideration the separate financial statements of the Company as at Tuesday, December 31, 2019.

13 - TANGIBLE FIXED ASSETS

During the periods ended on 30 June 2020 and 2019, the movements in tangible fixed assets, as well as in the respective depreciations and accumulated impairment losses, are shown on the following table:

	Land and natural resources	Buildings and other constructions	Basic equipment	Transportation equipment	Tools and Utensils	Administrative equipment	Other tangible fixed assets	Fixed assets ongoing	Advances on account of assets tangible assets	Total
Gross asset:										
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	18	4 287	4 258	1 101	29	975	341	595	7	11 611
Currency conversion adjustments	(931)	(62 248)	(4 985)	(1 803)	108	(1 165)	(379)	(592)	(9)	(72 004)
Additions	-	1 218	9 015	4 805	1 772	394	129	2 472	-	19 805
Transfers and reductions	-	(9 880)	(4 313)	(3 850)	(69)	(486)	(1 905)	(1 179)	-	(21 682)
Sales	(4 605)	(192)	(7 821)	(2 544)	(1 476)	(107)	(6)	-	-	(16 751)
Transferências para Assets for sale	-	-	(5)	-	(1)	(19)	-	-	-	(25)
Balance on June 30th, 2019	21 639	761 393	344 688	70 907	41 590	30 127	9 363	10 288	110	1 290 085
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	(1 352)	(119 117)	(20 938)	(6 506)	(1 918)	(2 303)	(553)	(460)	(4)	(153 151)
Additions	-	130	6 109	799	296	248	70	588	-	8 240
Transfers and reductions	(2 740)	(907)	5 942	(853)	2 047	(360)	(1 271)	(126)	-	1 732
Sales	-	(1 401)	(11 390)	(12 292)	(1 808)	(263)	(2 111)	-	-	(29 265)
Balance on June 30th, 2020	14 345	676 631	293 283	42 667	36 492	23 037	5 239	3 407	70	1 095 171
Depreciation and losses from impairment:										
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	-	2 995	3 855	365	31	933	248	-	-	8 427
Exchange conversion effect	-	(27 349)	(4 380)	(1 520)	43	(1 036)	(198)	-	-	(34 440)
Reinforcements	-	9 694	9 409	1 841	1 354	601	391	-	-	23 290
Transfers and reductions	-	(1 048)	(1 315)	(379)	(66)	(332)	(1)	-	-	(3 141)
Sales	(164)	(94)	(6 221)	(1 962)	(819)	(87)	(3)	-	-	(9 350)
Transferências para Assets for sale	-	-	(5)	-	(1)	(19)	-	-	-	(25)
Balance on June 30th, 2019	-	373 367	299 889	58 366	35 660	27 243	6 735	-	-	801 260
Balance on December 31, 2019	-	400 553	274 808	50 430	33 220	23 154	5 674	-	-	767 839
Exchange conversion effect	-	(57 616)	(13 545)	(4 696)	(957)	(1 918)	(306)	-	-	(79 038)
Stiffeners	-	9 109	6 518	1 429	1 060	497	231	-	-	18 844
Transfers and reductions	-	(407)	1 748	(2 488)	364	(436)	(1 919)	-	-	(3 138)
Sales	-	(692)	(8 243)	(9 124)	(841)	(203)	(1 744)	-	-	(20 847)
Balance on June 30th, 2020	-	350 947	261 286	35 551	32 846	21 094	1 936	-	-	703 660
Net value:										
On June 30 th , 2019	21 639	388 026	44 799	12 541	5 930	2 884	2 628	10 288	110	488 825
On June 30 th , 2020	14 345	325 684	31 997	7 116	3 646	1 943	3 303	3 407	70	381 511

Additions of tangible fixed assets during the period ending 30 June 2020 are essentially related to investments made in installations and equipment.

14 - INVESTMENT PROPERTIES

During the years ended on 30 June 2020 and 2019, the movement in investment properties was as follows:

	2020	2019
Balance on January 1	208 478	194 091
Currency conversion adjustments	(13 114)	(7 073)
Increases / (sales)	931	(163)
Variation in fair value	2 838	7 168
Balance on June 30th	199 133	194 023

During the periods ending Sunday, June 30, 2020 and 2019, the fair value of investment properties by geographical area changed as follows:

	1 st Sem. 20	1 st Sem. 19	2 th Quarter 20	2 th Quarter 19
Portugal	2 838	7 168	(673)	6 901
	2 838	7 168	(673)	6 901

Income from investment property amounted to 1,488 thousand euros for the period ended Tuesday, June 30, 2020 (2,338 thousand euros at Sunday, June 30, 2019). For the financial year ended on 30 June 2020, direct operating costs related to investment properties reached EUR 609 thousand (EUR 588 thousand as at 30 June 2019).

15 - INVESTMENTS IN ASSOCIATES AND JOINT-VENTURES

The following associates and joint-ventures were recorded through the equity method as at 30 June 2020:

Corporate name	Head Office	% effective participation
ADOQUINES VARGAS, (ADOQUINVAR), C.A.	Instalaciones de Bolivariana de Puertos Puerto de La Guaria – Parroquia Maiquetia Municipio Vargas del Estado Vargas	49,00%
ALVORADA PETRÓLEO, S.A.	Rua Paraiba, nº 1000, sala 1518 15º andar – Bairro Funcionário Belo Horizonte - Minas Gerais - Brasil	43,21%
ALSOMA, GEIE.	3 Av André Malraux - Levallois Peret - França	30,48%
AK10 - Empreendimentos e Participações SPE Ltda.	Alameda Santos, nº 960, 19º andar, Edifício CYK Cerqueira César – São Paulo	25,00%
CAIS DE CRUZEIROS 2ª FASE, ACE	Rua da Tapada da Quinta de Cima - Linho – Sintra	16,94%
CONBATE, ACE	Edifício 2, Lagoas Park - Porto Salvo	20,00%
Consórcio Puente Daule Guayaquil	Av. Francisco de Orellana, Kilometro uno e medio y Juan Tanca Marengo, Edificio Cofin, piso seis (6) Guayaquil, Ecuador	20,00%
Consortio Minero Luso Vargas C.A. (CONLUVAR)	Av. Venezuela com Calle Mohedano, Torre JWM Piso 5, Of. 5-2, Urb El Rosal – Caracas – Venezuela	49,00%
CONSORCIO OPSUT 2010	Calle 4, Casa nº 4, Urbanizacion Los Laureles Valle de la Pascoa - Venezuela	51,00%
DOURO LITORAL, ACE	Tower Plaza, Rotunda Edgar Cardoso, nº 23, 12º andar, sala F - Vila Nova de Gaia	40,00%
D.L.O.E.A.C.E. – Douro Litoral Obras Especiais, ACE	Edifício 2, Lagoas Park - Porto Salvo	40,00%
FERROVIAL/TEIXEIRA DUARTE – Obras Hidráulicas do Alqueva, ACE	Edifício Central Park Rua Alexandre Herculano, Edifício 1 - 4º Piso, Fração B e C - Linda-a-Velha	50,00%
IMOC - Empreendimentos Imobiliários, S.A.	Av. Julius Nyerere, 130 - Maputo	49,92%
METROLIGEIRO - Construção de Infraestruturas, ACE	Rua Abranches Ferrão, nº 10 – 5º F - Lisboa	26,80%
MESOFER, ACE	Rua Mário Dionísio, nº 2 , 2799-557 Linda-a-Velha	24,73%
NOVA ESTAÇÃO, ACE	Edifício 6 – Piso 1, Lagoas Park - Porto Salvo	25,00%
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	Edifício 2, Lagoas Park - Porto Salvo	57,30%
TDE - Empreendimentos Imobiliários, S.A.	Edifício 2, Lagoas Park - Porto Salvo	50,00%
TDGISERV Services, LLC (a)	PO Box 7098, Doha - Qatar	49,00%
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	50,00%

The investments in associates and joint-ventures showed the following movements in the years ended on 30 June 2020 and 2019:

	Equity holdings	Goodwill	Total
Balance on January 1st, 2019	16 821	-	16 821
Effects of the application of the equity method:			
- Effect on the result of the period (Nota 9)	609	-	609
- Effect in equity	827	-	827
Sales	(24)	-	(24)
Currency conversion adjustments	257	-	257
Other	(501)	-	(501)
Balance on June 30th, 2019	17 989	-	17 989
Balance on January 1st, 2020	22 235	-	22 235
Effects of the application of the equity method:			
- Effect on the result of the period (Nota 9)	89	-	89
- Effect in equity	49	-	49
Currency conversion adjustments	(1 616)	-	(1 616)
Other	108	-	108
Balance on June 30th, 2020	20 865	-	20 865

Investments in associated companies and joint-ventures as at 30 June 2020 and 31 December 2019 are broken down as follows:

	30/06/2020		31/12/2019		
Affiliates and joint-ventures	Equity holdings	Goodwill	Equity holdings	Goodwill	Value of financial position
IMOC - Empreendimentos Imobiliários, S.A.R.L.	11 497	-	13 631	-	13 631
TDE - Empreendimentos Imobiliários, S.A.	3 506	-	3 378	-	3 378
TDGISERV Services, LLC (a)	2 718	-	2 338	-	2 338
Consórcio Puente Daule Guayaquil	1 061	-	1 024	-	1 024
Other	2 083	-	1 864	-	1 864
	20 865	-	22 235	-	22 235

These shares are stated using the equity method, which, in the years ended on 30 June 2020 and 2019, had the following impacts:

1 st Sem. 20			
Affiliates and joint-ventures	Income and losses in affiliates and joint-ventures (Note 9)	Adjustments of capital shares	Total
Alvorada Petróleo, S.A.	(1)	234	233
Consórcio Puente Daule Guayaquil	34	-	34
IMOC - Empreendimentos Imobiliários, S.A.R.L.	(247)	(263)	(510)
TDE - Empreendimentos Imobiliários, S.A.	(9)	-	(9)
TDGISERV Services, LLC (a)	395	(15)	380
Other	(83)	93	10
	89	49	138

1 st Sem. 19			
Affiliates and joint-ventures	Income and losses in affiliates and joint-ventures (Note 9)	Adjustments of capital shares	Total
Alvorada Petróleo, S.A.	(76)	-	(76)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	(47)	826	779
TDGISERV Services, LLC (a)	861	(1)	860
Other	(129)	2	(127)
	609	827	1 436

16 - OTHER FINANCIAL INVESTMENTS

On Sunday, June 30, 2020 and 31 December 2019, the details of other financial investments were as follows:

	30/06/2020		31/12/2019	
	Non-current	Current	Non-current	Current
Financial assets at fair value through other comprehensive income				
Aginyo Inversiones Y Gestiones Inmobiliarias S.L.	9 221	-	12 213	-
EIA - Ensino, Investigação e Administração, S.A.	624	-	624	-
Banco Comercial Português, S.A.	598	-	1 352	-
KUIKILA Investments, Lda.	463	-	526	-
MATADOURO DE MACAU, S.A.R.L.	317	-	317	-
Macau CPM Holdings	150	-	150	-
COLT Resources Inc.	148	-	156	-
ILTA - Urbanizadora da Ilha de Tavira, S.A.	78	-	256	-
Other	332	10	272	10
	11 931	10	15 866	10
Financial assets at amortized cost				
Government Debt Security of the People's Republic of Angola Government	2 846	-	2 806	-
	2 846	-	2 806	-
	14 777	10	18 672	10

During the periods 30 June 2020 and 2019, the following movements occurred in other financial investments:

	30/06/2020		30/06/2019	
	Non-current	Current	Non-current	Current
Initial balance	18 672	10	21 149	14 665
Increases	13	-	-	-
Reductions	-	-	-	(1 643)
Variation of fair value	(762)	-	294	-
Currency Variation	(3 015)	-	155	4
Other variations	(131)	-	(5)	-
Closing balance	14 777	10	21 593	13 026

17 - FINANCIAL ASSETS FOR SALE

On 30 June 2020 and 31 December 2019, the assets and liabilities held for sale are detailed as follows:

	30/06/2020	31/12/2019
Assets for sale		
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
Total assets for sale	34 897	34 897
Liabilities for sale:		
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
Total liabilities for sale	23 561	23 561
Total Net	11 336	11 336

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 June 31st, 2020 and 2019 was as follows:

	Assets for deferred tax		Liabilities for deferred tax	
	2020	2019	2020	2019
Balance on January 1st	147 993	149 435	111 672	112 548
Constitution / Reversal				
Net income (Note 10)	6 309	6 922	(1 657)	(1 942)
Equity	171	(66)	81	-
Exchange conversion effect and adjustments	(2 518)	4 515	(16 935)	(8 821)
Balance on June 30th	151 955	160 806	93 161	101 785

Deferred tax assets are only recorded to the extent that it is considered probable that taxable profits will exist in future tax periods, that can 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. Balances and transactions between the Group and associated

companies, joint ventures, related entities and individuals with significant voting power with own companies are detailed below.

The terms or conditions entered into between these related entities are substantially identical as those that would normally be contracted, accepted and entered into between independent entities in comparable transactions.

The main balances with related parties as at 30 June 2020 and 31 December 2019 can be broken down as follows:

Entities	Balance Receivable		Balance Payable		Granted loans		Other balances	
	30/06/2020	31/12/2019	30/06/2020	31/12/2019	30/06/2020	31/12/2019	30/06/2020	31/12/2019
AEBT - Auto Estradas do Baixo Tejo, S.A.	8	-	-	-	115	115	-	-
BONAPARTE - Imóveis Comerciais e Participações, S.A.	21	70	-	-	422	-	717	725
CINTEL - Construção Interceptor Esgotos, S.A.	47	47	-	-	4	5	-	-
CONBATE, ACE	17	-	1	1	-	-	-	-
Consórcio Puente Daule - Guayaquil	63	168	-	-	-	-	-	-
DOURO LITORAL, ACE	-	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.	496	419	44	95	-	-	(1 435)	(1 630)
MESOFR, ACE	1 641	-	-	-	-	-	-	-
METROLIGEIRO - Construção de Infraestruturas, ACE	32	32	-	-	11	11	-	-
NOVA ESTAÇÃO, ACE	267	213	88	88	7	13	-	-
Promociones Imobiliárias 3003, C.A.	-	-	-	-	-	-	468	466
TDE - Empreendimentos Imobiliários, S.A.	239	252	-	1	5 150	4 900	230	-
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)	167	121	-	-	464	463	-	-
TDHOSP - Gestão de Edifício Hospitalar, S.A.	194	479	-	-	-	-	(10)	-
	3 208	1 836	204	256	6 173	5 507	(33)	(442)

The main transactions carried out with related parties during the periods ended on 30 June 2020 and 2019 were as follows:

Entities	Sales and services rendered		Purchases and Services Obtained	
	1 st Sem. 20	1 st Sem. 19	1 st Sem. 20	1 st Sem. 19
AEBT - Auto Estradas do Baixo Tejo, S.A.	35	12	-	-
BONAPARTE - Imóveis Comerciais e Participações, S.A.	256	-	-	-
CONBATE, ACE	60	45	-	-
Consórcio Puente Daule - Guayaquil	247	-	-	-
DOURO LITORAL, ACE	49	17	-	2
IMOC - Empreendimentos Imobiliários, S.A.R.L.	59	408	122	67
MESOFR, ACE	4 853	-	4	-
METROLIGEIRO - Construção de Infraestruturas, ACE	32	-	-	-
TDE - Empreendimentos Imobiliários, S.A.	49	-	-	-
TDGISERV Services, LLC (a)	44	40	-	-
TDHOSP - Gestão de Edifício Hospitalar, S.A.	1 559	1 853	134	124
	7 243	2 375	260	193

The remunerations of the members of TD,S.A. governing bodies for the periods ended on 30 June 2020 and 2019 were as follows:

	1 st Sem. 20	1 st Sem. 19	2 nd Quarter 20	2 nd Quarter 19	1 st Quarter 20
Executive Directors:					
Short-term benefits	312	294	176	146	136
Supervisory Board:					
Short-term benefits	33	33	16	16	17
Chartered accountant:					
Short-term benefits	30	30	15	15	15
	375	357	207	177	168

The remunerations of the members of TD,S.A. administration for the periods ended on 30 June 2020 and 2019 were as follows:

	1 st Sem. 20	1 st Sem. 19	2 nd Quarter 20	2 nd Quarter 19	1 st Quarter 20
Senior management:					
Short-term benefits	3 471	2 509	2 327	1 117	1 144
	3 471	2 509	2 327	1 117	1 144

20 - NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

CASH AND CASH EQUIVALENT

This item had the following composition at 30 June 2020 and 31 December 2019:

	30/06/2020	31/12/2019
Bank deposits	79 437	108 255
Time deposits	16 343	20 335
Other treasury applications	11 859	5 068
Cash	1 625	1 722
	109 264	135 380

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

Payments related to financial investments in the periods ended 30 June 2020 and 2019 relate to:

	1 st Sem. 20	1 st Sem. 19	2 th Quarter 20	2 th Quarter 19
Built Colab - Colaborative Laboratory For The Future Built Environment	13	-	13	-
	13	-	13	-

Receipts from financial investments in the periods ended 30 June 2020 and 2019 relate to:

	1 st Sem. 20	1 st Sem. 19	2 th Quarter 20	2 th Quarter 19
Government Debt Security of the People's Republic of Angola Government	-	1 612	-	(135)
Other	-	34	-	34
	-	1 646	-	(101)

The dividends received in the periods ended 30 June 2020 and 2019 relate to:

	1 st Sem. 20	1 st Sem. 19	2 th Quarter 20	2 th Quarter 19
Macau CPM Holdings	1 114	303	1 114	303
AEBT - Vias do Baixo Tejo, S.A.	-	310	-	310
Other	-	10	-	10
	1 114	623	1 114	623

21 - SHARE CAPITAL

As at 30 June 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 30 June 2020, TEIXEIRA DUARTE – Sociedade Gestora de Participações Sociais, S.A. directly held 190,750,000 shares representing the capital of Teixeira Duarte, S.A., 45.42% of which corresponds to the respective share capital (202,160,000 shares representing the capital of Teixeira Duarte, S.A, corresponding to 48.13% of the respective share capital on 30 June 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: These reserves are available for distribution, under the terms and subject to the limits stated in the Code of Commercial Companies.

23 - LOANS

As at 30 June 2020 and 31 December 2019, the loans received were as follows:

	30/06/2020	31/12/2019
Non-current liabilities:		
Bank loans a)	314 460	319 604
Commercial role b)	323 750	367 300
Debentures loans c)	-	5 100
	638 210	692 004
Current liabilities:		
Bank loans a)	104 744	113 299
Commercial role b)	38 500	1 500
Debentures loans c)	5 100	5 100
	148 344	119 899
	786 554	811 903

a) Bank loans

As at 30 June 2020, the internal bank loans, bank overdrafts and escrow accounts earned interest at the weighted annual average rate of 2.18% (2.26% as at 30 June 2019).

As at 30 June 2020, the most significant bank loans contracted by the Group essentially correspond to:

Geography	Bank	Type of Financing	Contract Date	Due Date	Currency	Amount	Currency	Amount (€)
Portugal	Novo Banco	Factoring with recourse	02/05/2004	31/12/2033	EUR	1 752		1 752
Angola	BCGA - Banco Caixa Geral Angola (Angola)	Loan	23/01/2014	30/04/2021	AON	277 778		433
Portugal	Bench BIC	Loan	27/01/2014	02/01/2024	EUR	5 000		5 000
Portugal	Caixa Geral de Depósitos	Loan	22/09/2014	30/11/2021	EUR	2 272		2 272
Portugal	Caixa Geral de Depósitos	Loan	22/09/2014	01/06/2022	EUR	3 050		3 050
Portugal	Caixa Geral de Depósitos	Loan	22/09/2014	15/06/2023	EUR	9 960		9 960
Portugal	Caixa Geral de Depósitos	Loan	22/09/2014	01/06/2034	EUR	68 925		68 925
Portugal	Novo Banco	Loan	30/12/2015	01/06/2022	EUR	31 081		31 081
Portugal	Banco BPI	Loan	05/07/2016	05/11/2021	EUR	6 009		6 009
Portugal	Banco BAI Europa	Loan	22/09/2016	30/03/2021	USD	796		711
Portugal	Caixa Económica Montepio Geral	Factoring with recourse	17/01/2017	31/12/2020	EUR	2 065		2 065
Spain	Banco Santander	Loan	16/06/2017	20/07/2021	EUR	573		573
Spain	Banco Santander	Loan	22/11/2017	22/11/2022	EUR	329		329
Portugal	Banco Comercial Português	Loan	27/11/2017	31/12/2033	EUR	31 673		31 673
Portugal	Banco Comercial Português	Loan	16/01/2018	31/12/2033	EUR	2 953		2 953
Portugal	Caixa Geral de Depósitos	Loan	30/01/2018	30/11/2021	EUR	2 643		2 643
Portugal	Banco Comercial Português	Loan	30/01/2018	30/11/2021	EUR	12 759		12 759
Portugal	Banco Comercial Português	Loan	23/10/2018	30/12/2033	EUR	9 166		9 166
Portugal	Caixa Geral de Depósitos	Loan	23/10/2018	30/12/2033	EUR	6 523		6 523
Portugal	Novo Banco	Loan	24/10/2018	30/12/2033	EUR	8 800		8 800
Portugal	Banco Comercial Português	Loan	13/12/2018	01/06/2034	EUR	143 338		143 338
Portugal	Caixa Geral de Depósitos	Loan	15/12/2018	30/11/2020	EUR	1 583		1 583
Portugal	Caixa Geral de Depósitos	Loan	15/12/2018	01/06/2021	EUR	2 570		2 570
Brazil	Banco Mercedes Benz	Loan	21/02/2019	24/10/2022	BRL	6 160		1 008
Brazil	Banco Bradesco	Loan	24/07/2019	26/07/2021	BRL	26 152		4 279
Portugal	Caixa Geral de Depósitos	Loan	25/07/2019	23/07/2020	EUR	4 429		4 429
Brazil	Sandvik Credit	Loan	19/10/2019	19/09/2023	EUR	4 358		4 358
Portugal	Novo Banco	Loan	09/03/2020	14/08/2020	EUR	7 119		7 119
Portugal	Sandvik Credit	Loan	06/04/2020	30/11/2024	EUR	1 300		1 300

As at 30 June 2020 and 31 December 2019, the bank loans also include the pledged accounts of the value of EUR 37,920 thousand and EUR 50,153 thousand, respectively.

b) Commercial role

As at 30 June 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	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

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 5,100 thousand euros (500 thousand euros from TEIXEIRA DUARTE – Engenharia e Construções S.A. and 4,600 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 in a final installment on 2 April 2021.

As at 30 June 2020 and 31 December 2019, the repayment of the non-current bank loans is defined as follows:

	30/06/2020	31/12/2019
2021	35 934	89 947
2022	51 070	40 237
2023	39 817	38 885
2024	39 144	37 812
2025 and the following	472 245	485 123
	638 210	692 004

As at 30 June 2020 and 31 December 2019, financing agreements in foreign currency were expressed in the following currencies:

Currency	30/06/2020		31/12/2019	
	Currency	Euros	Currency	Euros
American dollars	796	711	918	817
Angola Kwanza	5 713 055	8 900	5 554 361	10 358
Colombian Peso	-	-	8 957	2
Brazilian real	56 280	9 208	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 Tuesday, June 30, 2020 and 2019 we presented the reconciliation of changes in liabilities arising from the financing activity:

1 st Sem. 2020	Initial balance	Increases	Reductions	Currency effect	Closing balance
Loans	811 903	585 034	(604 343)	(6 040)	786 554
	811 903	585 034	(604 343)	(6 040)	786 554

1 st Sem. 2019	Initial balance	Increases	Reductions	Currency effect	Closing balance
Loans	854 276	634 807	(643 134)	(1 083)	844 866
	854 276	634 807	(643 134)	(1 083)	844 866

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 delivery of the aforementioned legal actions, "TD, SA" was notified of a change in understanding by AT and, as of the reporting date of 30 June 2020, new settlement statements were issued disregarding this correction.

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

	30/06/2020	31/12/2019
Granted bank guarantees	269 719	288 958
Guarantee insurance	137 337	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 30 June 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;
- Several bank guarantees were issued for the purpose of suspending tax enforcement proceedings brought against “TD, S.A.” related to corporation tax (IRC) debt calculated under the scope of the Special Taxation Regime for Company Groups (RETGS) for the periods 2013 to 2016. As a consequence of the deferral obtained under the scope of article 90 of the Corporation Tax (IRC) Code, some of the bank guarantees provided were reduced and/or canceled. Details of the amounts with reference to 31 march 2020 and 30 June 2020 are shown below:

Financial year	Amount da warranty	
	31/03/2020	30/06/2020
2013	1 125	-
2014	1 528	-
2015	898	125
2016	1 482	594
	5 033	719

As at June 30, 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	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	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 Matamoras + 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	Banco BIC Português	Loan	27/01/2014	02/01/2024	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	30/11/2021	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	22/09/2014	01/06/2022	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	15/06/2023	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	01/06/2034	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	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	Loan	30/12/2015	01/06/2022	Penhor 2,006,396 Actions BCP + 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	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	07/06/2016	31/03/2021	Respective Equipment
Portugal	Caterpillar	Loan	07/07/2016	31/03/2021	Respective Equipment
Portugal	Caterpillar	Loan	07/08/2016	31/03/2021	Respective Equipment
Portugal	Caterpillar	Loan	12/12/2016	31/03/2021	Respective Equipment
Portugal	Banco BAI Europa	Loan	22/09/2016	30/03/2021	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	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
Portugal	Banco Comercial Português	Loan	30/01/2018	30/11/2021	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	30/11/2021	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
Spain	RCI Banque (Spain)	Loan	30/01/2018	25/07/2021	Respective Equipment
Portugal	Banco Comercial Português	Overdraft	24/04/2018	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	23/10/2018	30/12/2033	Mortgage on the developments of Magnólia and Coia + 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	23/10/2018	30/12/2033	Mortgage on the developments of Magnólia and Coia + 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	24/10/2018	30/12/2033	Mortgage on the developments of Magnólia and Coia + 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	15/12/2018	30/11/2020	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	15/12/2018	01/06/2021	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	Novo Banco	Overdraft	24/04/2019	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
Brazil	Banco Itaú	Loan	13/05/2019	31/12/2021	Quartier Brooklyn 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 30 June 2020 and 31 December 2019, the letters of comfort provided by TEIXEIRA DUARTE, S.A. and its subsidiaries reached EUR 315,891 thousand and EUR 337,686 thousand, respectively.

As at 30 June 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 1,238 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 30 June 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.

Categoria	Item	Level 1	Level 2	Level 3
Assets:				
Other financial investments at fair value through other comprehensive income	Actions	676	9 221	2 044
Investment Properties	Buildings and land	-	199 133	-

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 Sunday, June 30, 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 st Sem. 20	1 st Sem. 19	2 th Quarter 20	2 th Quarter 19	1 st Quarter 20
Angola	(40 161)	(37 514)	(29 229)	(33 943)	(10 932)
Algeria	(2 688)	(2 403)	(2 060)	387	(628)
Brazil	(41 286)	2 698	(6 205)	1 230	(35 081)
Mozambique	(7 681)	305	(3 698)	1 053	(3 983)
Venezuela	(4 548)	(12 509)	(2 201)	(9 018)	(2 347)
Other Markets	(121)	191	(422)	(98)	301
	(96 485)	(49 232)	(43 815)	(40 389)	(52 670)

27 - APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements for the period that ended on 30 June 2020 were approved by the Board of Directors on 28 August 2020.

28 - 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 30 June 2020 and the issue date of this document.

