



**REPORT
AND ACCOUNTS**

2020

Cover photo



"ONE LIVING" VENTURE

A residential complex venture developed by Teixeira Duarte, located in Cascais, aimed at the high end of the residential market, which is almost fully sold.

REPORT AND ACCOUNTS

2020

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Identification of the company

Teixeira Duarte, S.A.

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

Share capital: € 210,000,000

Single Legal Person and Registration number 509 234 526 at
Cascais (Oeiras) Commercial Register 500 234 526

INTRODUCTION

The Consolidated Management Report

The Board of Directors of "Teixeira Duarte, S.A." (TD SA), in compliance with the legal and regulatory provisions governing companies with capital open to public investment, presents its Management Report for the 2020 financial year.

This Report will analyse in a consolidated manner the activity carried out by the subsidiaries of TD,SA and will also address some aspects of the Company on an individual basis, specifically regarding the proposed distribution of results, thus applying the option provided for in Article 508-C(6) of the Commercial Companies Code, to submit a single report.

Since each of these units has its own management bodies, which report on their individual activities, this document will provide only some observations for the purpose of allowing for a perspective of the Group as a whole.

Under the terms of the applicable legislation, attached to this document can be found maps with a range of information relating to stakes in the capital of TD,SA (specifically according to the provisions of article 447 of the Commercial Companies Code and in CMVM regulation no. 5/2008, in its version amended by Regulation no. 7/2018).

Non-Financial Information Report

In compliance with applicable legislation (Decree-Law No. 89/2017, of July 28), a separate chapter has been included in the Management Report to provide a "Non-Financial Information" report, which this year has been drawn up in accordance with the "GRI: essential option" standards. The Non-Financial Information Reporting Template issued by the Securities and Exchange Commission has also been taken into account.

Corporate Governance Report

Also submitted in this set of documents is a detailed report on the corporate governance structure and practices in 2020 (drawn up in accordance with article 245-A of the Securities Code and with Securities and Exchange Commission (CMVM) Regulation no. 4/2013), taking as a basis the 2018 Corporate Governance Code of the Portuguese Corporate Governance Institute (IPCG), in its current 2020 version.

Individual and Consolidated Financial Statements

Moreover, this report also includes the individual and consolidated financial statements with the respective notes, where the former were prepared in accordance with the Accounting Standardisation System (SNC) and the latter pursuant to the International Financial Reporting Standards as adopted in the European Union, as well as the respective Reports and Opinions of the Audit Bodies, the Legal Certification of Accounts and the Audit Report produced by an auditor registered at the Portuguese Securities Market Commission (CMVM).

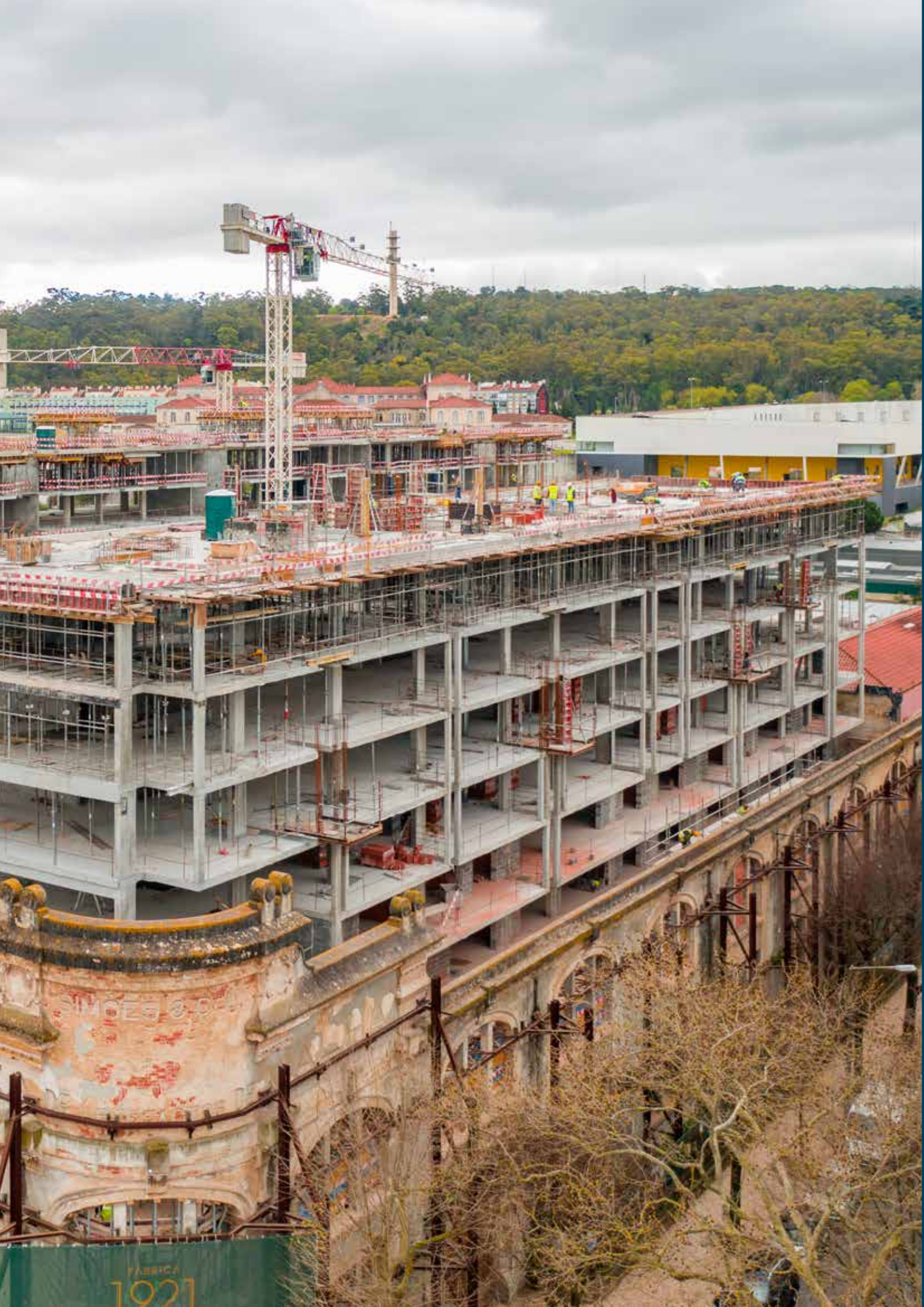
Compliance Statement

Under the terms and for the purposes of subparagraph c) of paragraph 1 of Article 245 of the Securities Market Code, the undersigned state that, to the best of their knowledge, the Management Report, the annual accounts, and all other documents presenting the accounts were prepared in accordance with the applicable accounting standards, conveying a true and fair view of the assets and liabilities, the financial position and results of TD, S.A. and of the companies included in its consolidation perimeter, and also faithfully reflect the business development, performance and position of each company, containing a description of the main risks and uncertainties they face.

As a supplement to this declaration, and specifically to the contents of the final paragraph, it should be noted that both the Board of Directors of TD,SA and the boards of the other Teixeira Duarte Group entities are monitoring the development of the COVID-19 pandemic situation and are acting in accordance with recommendations issued by the World Health Organization and public entities responsible for health in the respective countries where Group companies operate.

Within this framework, contingency and preventive measures have been taken to follow the guidelines of these entities and to mitigate and contain the public health risk, to achieve this design and promote the steps necessary to safeguard the continuity of the business and the impact of the situation on all of its *stakeholders*.

Finally, it should be noted in this regard that due to the direct and indirect nature of the possible impacts of this situation, as well as the unpredictability of its magnitude and duration, the Board of Directors considers it necessary to take into account the greater uncertainty that the combination of all of the risks entails.



Teixeira Duarte

Reports and Accounts 2020

Management Report of the Board of Directors 2020

I. THE TEIXEIRA DUARTE GROUP IN 2020

A CENTURY-OLD PORTUGUESE GROUP FOUNDED IN AN ENGINEERING COMPANY

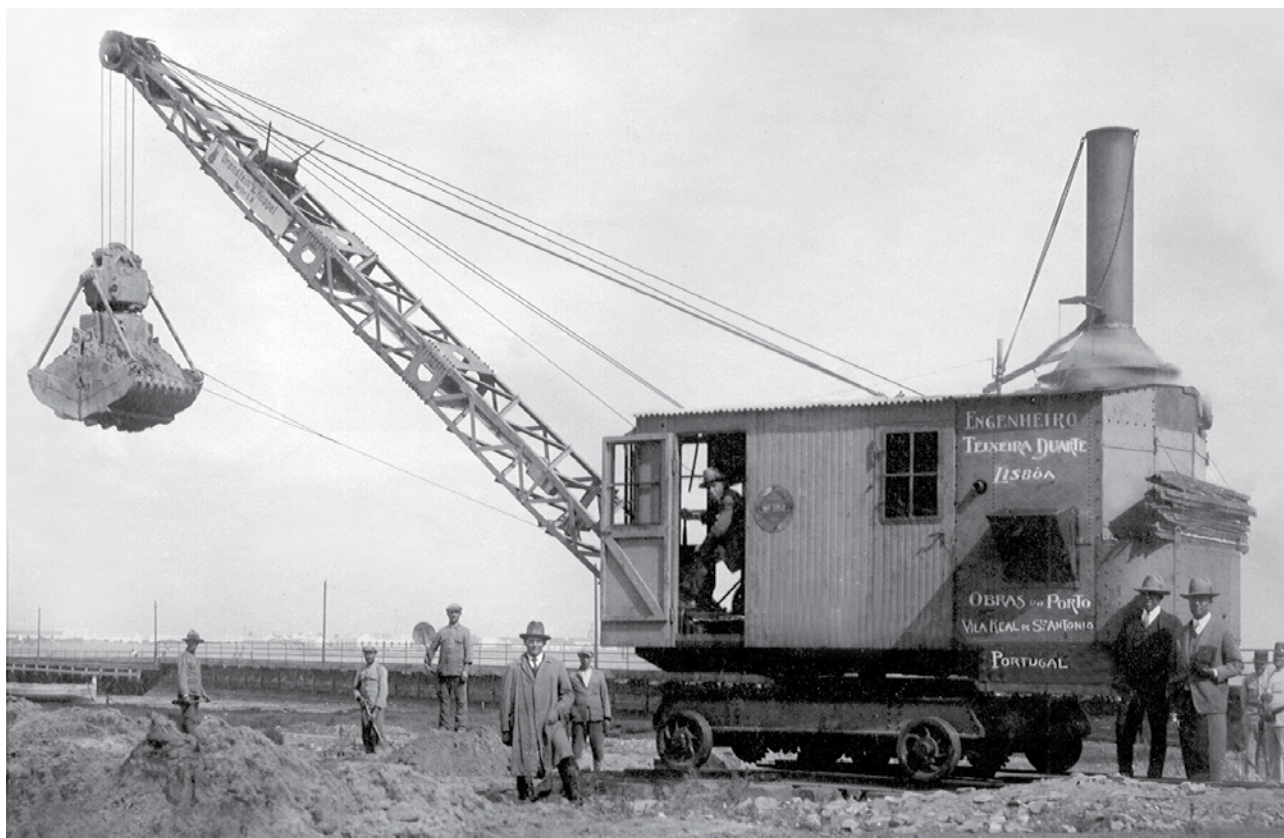
Teixeira Duarte is the identity of a business Group that presents itself through its brand image: a Portuguese Group originally founded as an engineering company. Its engineering roots came from its founder who, with an entrepreneurial spirit and with support from its human resources and technical equipment, several decades ago expanded the company's activities to other sectors and markets, with a marked identity upheld by all involved over one hundred years of business.

Dating back to the start of activities of its founder, Ricardo Esquivel Teixeira Duarte, in 1921, Teixeira Duarte expanded its activity from water collection and artesian well drilling, to Geotechnics, Foundations and Buildings, as well as subsequently

to Infrastructure and all other areas of Construction. A few decades later the group's business included the Concessions and Services, Real Estate, Hotel, Distribution and Automotive sectors.

Today, after 100 years, this Portuguese economic group comprises more than 175 entities operating in 22 countries with the commitment and dedication of 9600 employees.

A track record based on Ingenuity, Truth and Commitment, that fills us with pride, that teaches us and inspires us to continue to "Doing, contributing to the construction of a better world"!



I.1 PROFILE

**9,600
EMPLOYEES**

**OVER
175 ENTITIES**

SECTOR

CONSTRUCTION
SINCE 1921

**CONCESSIONS
AND SERVICES**
SINCE 1984

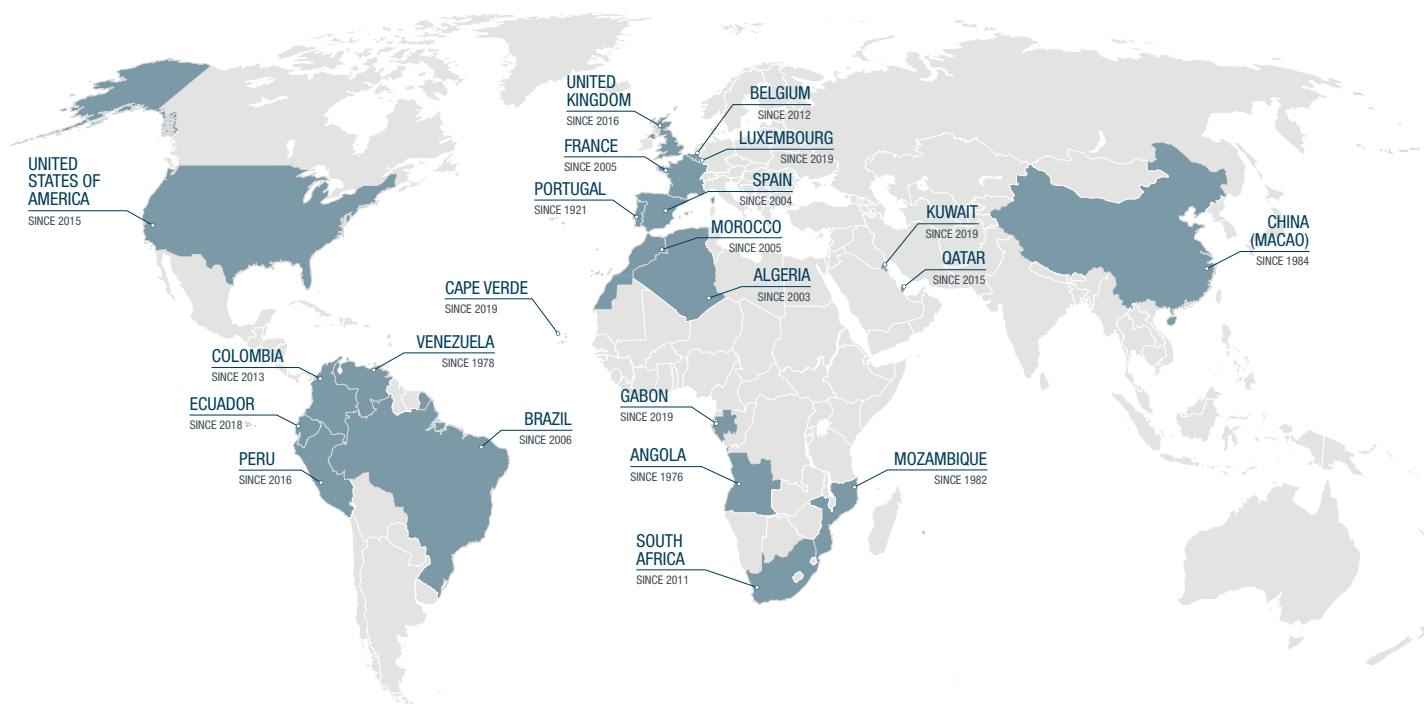
REAL ESTATE
SINCE 1973

HOSPITALITY
SINCE 1992

DISTRIBUTION
SINCE 1996

AUTOMOTIVE
SINCE 1991

**22 COUNTRIES
4 CONTINENTS**

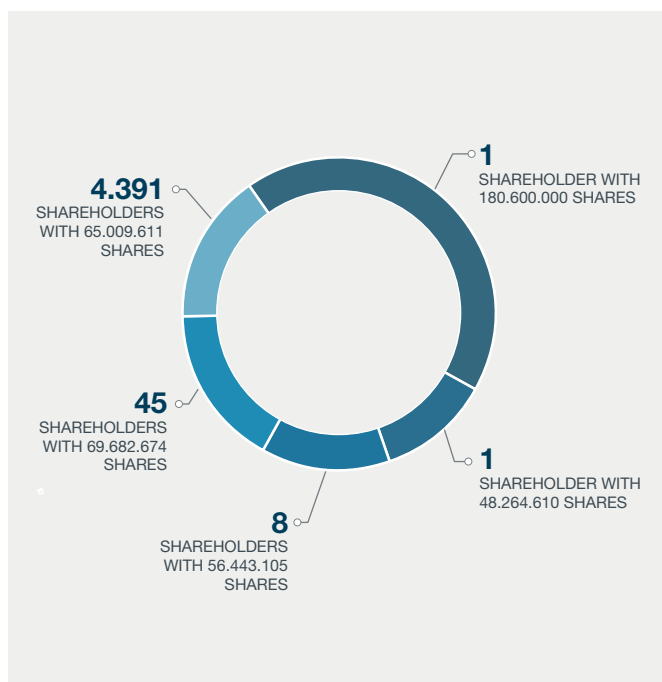




Contract for Reinforced Concrete Structure above Ground Floor, Special Installations, Finishings and Exterior Works of CUF Tejo Hospital Building
LISBON - PORTUGAL

SHAREHOLDERS

Teixeira Duarte is the leading listed company of the Teixeira Duarte Group, in which the majority of the shareholder position is held by the Teixeira Duarte family, directly and through family companies. At 31 December 2020 its share capital was distributed among 4446 shareholders as follows:



Distribution of shares representing the share capital of TD, SA at the end of the 2020 financial year, distributed to a total of 4,446 shareholders.

CORPORATE MODEL

A Teixeira Duarte, S.A. follows the corporate model commonly known as the one-tier model: it has a single management body (the Board of Directors), currently with five members and two supervisory bodies: An Audit Committee (with three members) and an official accounts auditor company.

At its General Meeting and in compliance with the provisions of Article 245-A(1)(r) of the Securities Code, Teixeira Duarte, S.A. approved its "Diversity Policy applied by the company to its management and supervisory bodies".

Within this framework, the corporate bodies of "Teixeira Duarte, S.A." and respective members are as follows:

Presiding Board of the Shareholder's Meeting:

Chairman

José Luciano Vaz Marcos

Vice-Chairman

José Mário Ferreira de Almeida

Secretary

José Pedro Poiars Cobra Ferreira

Board of Directors:

Chairman:

Pedro Maria Calainho Teixeira Duarte

Directors

Manuel Maria Calainho de Azevedo Teixeira Duarte

Carlos Gomes Baptista

Maria da Conceição Maia Teixeira Duarte

Diogo Bebiano Branco de Sá Viana Rebelo

Supervisory Board:

Chairman:

Óscar Manuel Machado de Figueiredo

Member

Ana Cristina Louro Ribeiro Doutor Simões

João Salvador dos Santos Matias

Deputy:

Rui Pedro Ferreira de Almeida

Chartered Accountant:

"Moore Stephens & Associados, SROC S.A."

represented by Dr. António Gonçalves Monteiro

Secretary of the Company:

Permanent

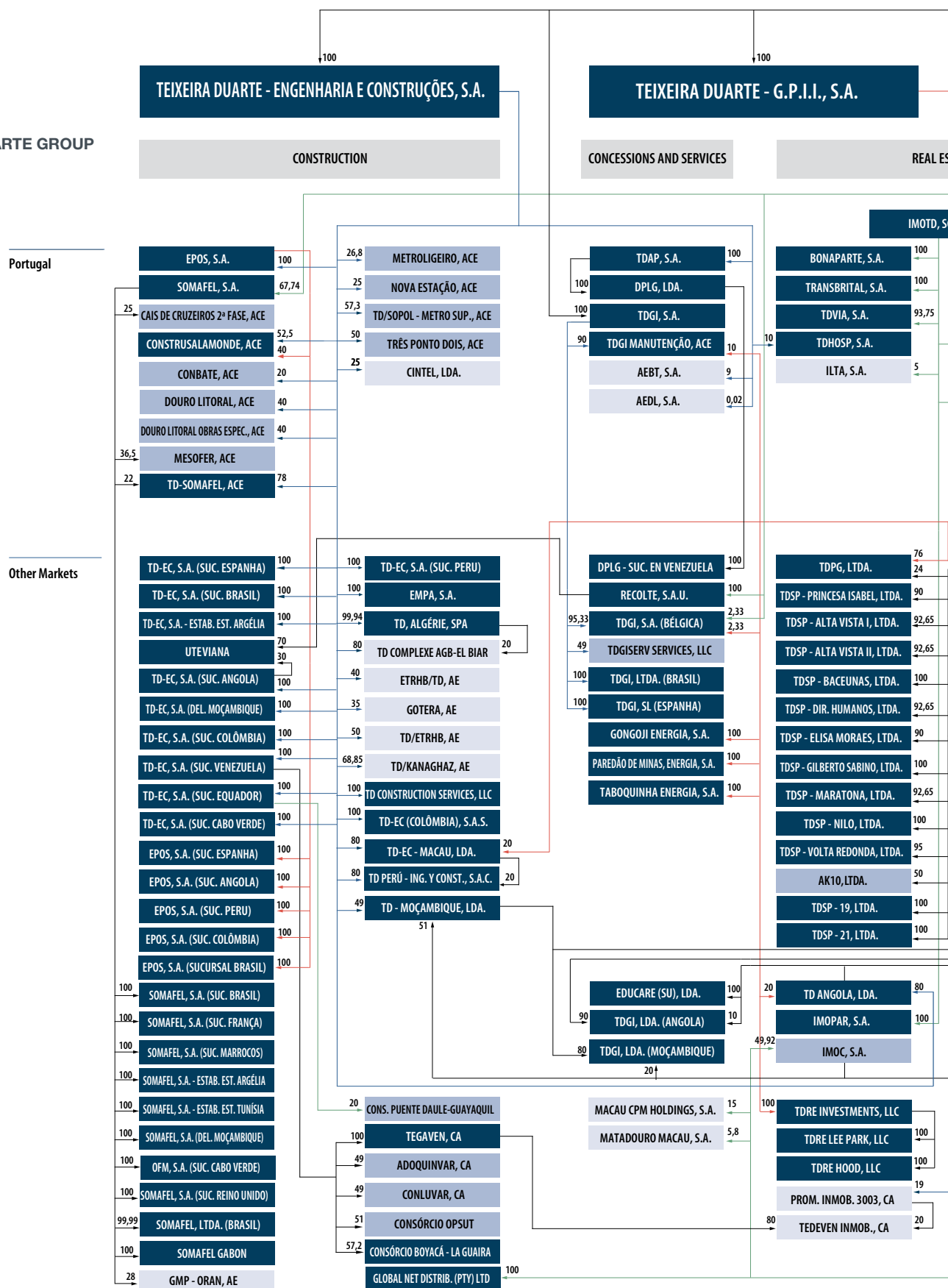
José Pedro Poiars Cobra Ferreira

Alternate

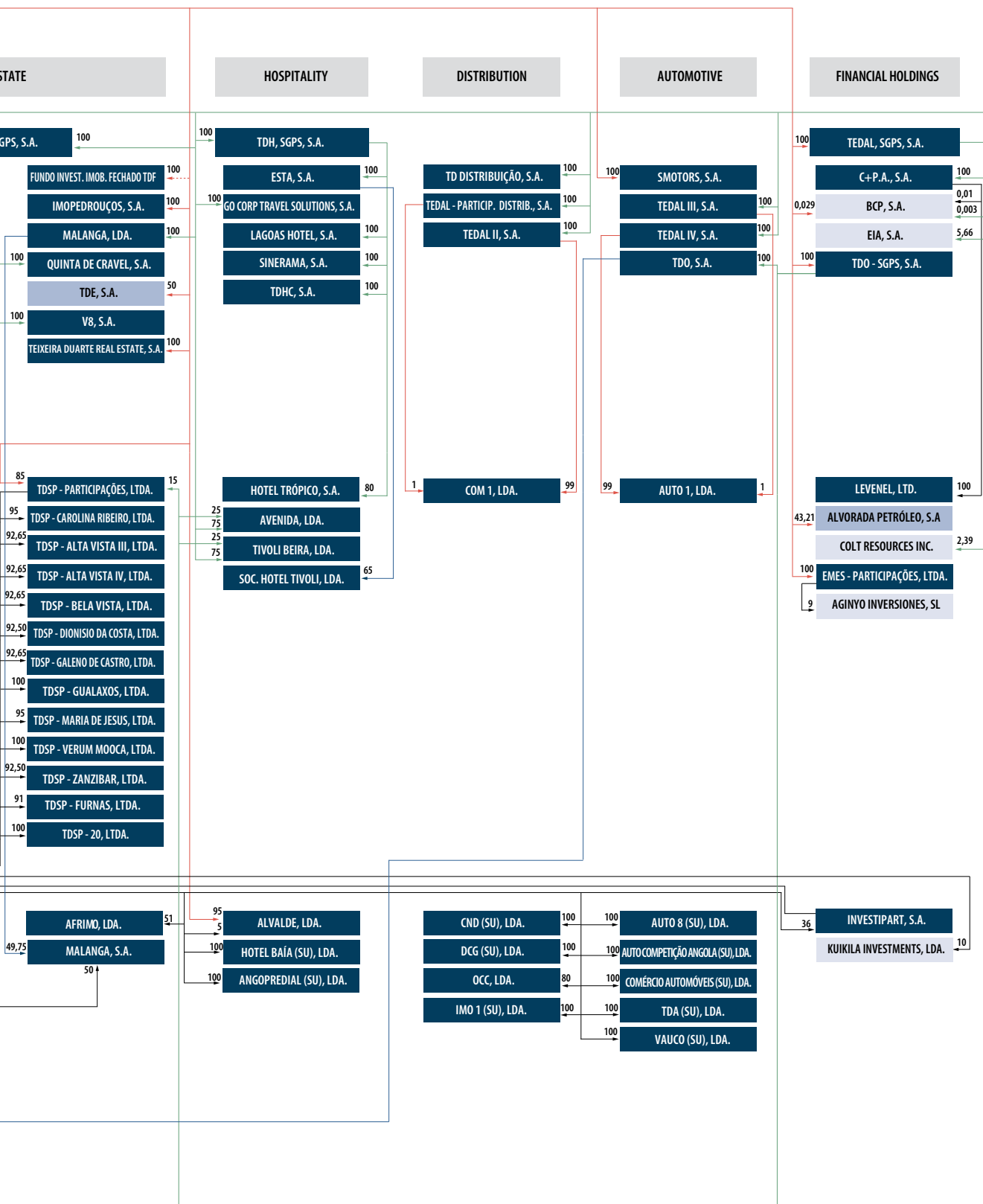
Filipe Manuel Cavaco Bismarck

The Market Relations Representative:

José Pedro Poiars Cobra Ferreira

**TEIXEIRA DUARTE GROUP
2020**


TEIXEIRA DUARTE, S.A.



Caption: ■ COMPANIES INCLUDED IN THE CONSOLIDATION
■ COMPANIES INCLUDED IN THE CONSOLIDATION BY THE EQUITY METHOD
■ COMPANIES EXCLUDED FROM CONSOLIDATION
→ Amounts as % of capital

ORGANIZATIONAL MODEL

In addition to the corporate bodies of "Teixeira Duarte, S.A." emphasis should be placed on the Boards of Directors of "Teixeira Duarte - Engenharia e Construções, S.A." and "Teixeira Duarte – Gestão de Participações e Investimentos Imobiliários, S.A.", the former operating in the construction sector and the latter in the Concessions and Services, Real Estate, Hospitality, Distribution and Automotive sectors.

Following on from these are the management bodies of the other entities that form part of the consolidation perimeter of "Teixeira Duarte, S.A." and the organizational structure of "Teixeira Duarte - Engenharia e Construções, S.A." which, as the company that gave rise to the Group, carries out its activity in different business areas of the construction sector that all share production resources and are essential for management staff training and career monitoring. This subsidiary also has a group of construction sector specific support structures, particularly the areas of Formwork and Pre-Stressing, Equipment Management, Bid Logistics and a Materials Laboratory.

"Teixeira Duarte – Engenharia e Construções, S.A." also includes another two structures that, although more focused on the construction activity, also support other Group sectors in the area of Management and Technology Systems and Supplies.

In addition to all of the structures that are most directly linked to the Group's Sectors of Activity, there is a set of structures with special responsibilities for providing intra-group support for all of the actions that are carried out. These structures are known as the Corporate Area.

Thus, there are several outstanding qualified employees within the different entities that make up the Teixeira Duarte Group, forming part of the Senior Management, who are responsible for different companies, sectors, business area and other organizational structures, identified on the following organizational chart below:

TEIXEIRA DUARTE ORGANISATIONAL CHART

CORPORATE AREA

Internal Audit

Mário Faria

Accounting

Alexandre de Jesus
Sérgio Castro

Finance

Sérgio Pereira

Legal

Maria António Ambrósio

Human Resources

Isabel Amador

Corporate Affairs

José Pedro Cobra Ferreira

Sustainability

Erica Torres Silva

Information Technologies

Rui Pedroso
Rui Miranda

ACTIVITY SECTORS

Construction

Geotechnics and Rehabilitation

Marine Works

Hélder Matos
João Pedro Lopes
António Diniz
Pinto Guedes

Projects

Laura Esteves

Buildings

Carlos Timóteo
Fernando Martins
Luís Mendonça
Luís Santos
Carlos Guedes
Luís Carreira
Pedro Nunes
Pedro Ferreira

Teixeira Duarte - Engenharia e Construções, S.A.

Board of Directors

Manuel Maria Teixeira Duarte
Pedro Costa
Sérgio Pereira
Paulo Serradas

Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A.

Board of Directors

Manuel Maria Teixeira Duarte
Diogo Rebelo
Luís Vicente
Sérgio Pereira
Rogério Fonseca

Infrastructures
Rosa Saraiva
Gustavo Lebreiro
Amílcar Teresinho

Metalworking
Henrique Nicolau

Underground Works
Dias de Carvalho
Carlos Russo

Railway Works
Rui Costa

Shuttering and Pre-Stressing
Caetano Machado

Supplies
Rosa Almeida

Equipment Management
Rodrigo Ouro

Management Systems
Innovation

Ivo Rosa
Rita Moura

Proposal's Logistics
Mário Baptista

Concessions and Services

Facilities Management
Rodolfo Valentim
Mariana Coimbra

Education
Diogo Rebelo

Real Estate

Alfredo Silva
Guilherme Silva

Hospitality

Luís Vicente
Cláudia Bazílio

Distribution

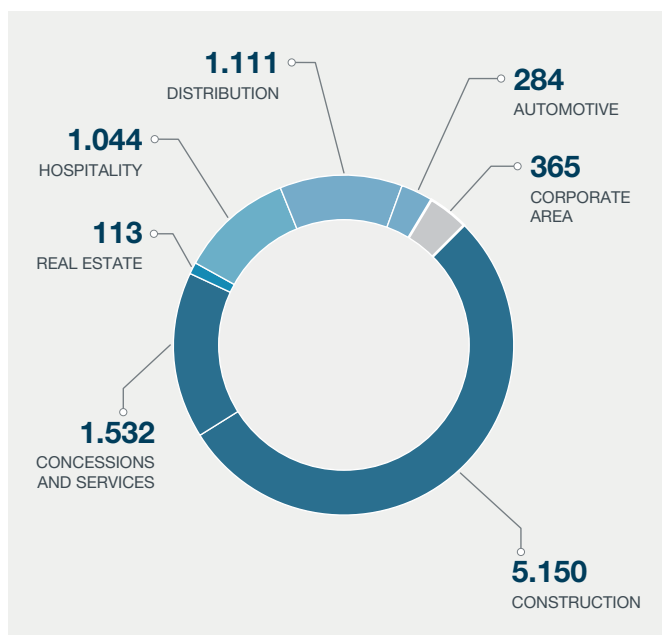
Diogo Rebelo
João Cordeiro

Automotive

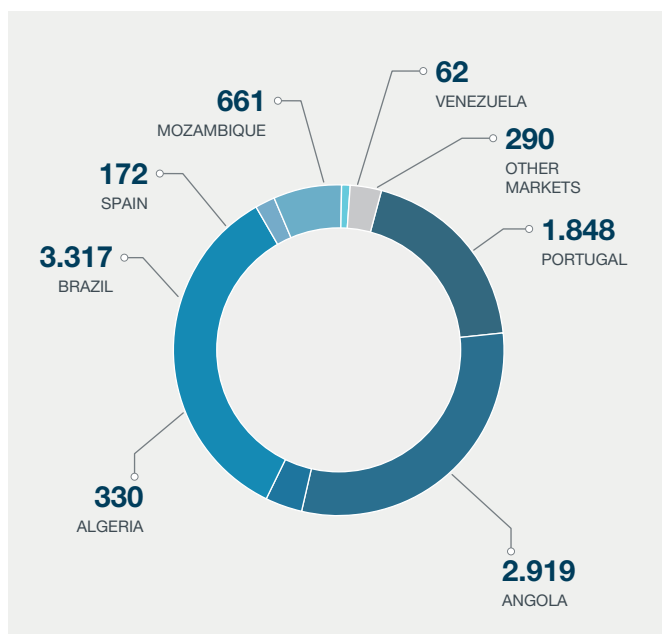
Pedro Medo

EMPLOYEES

Employees embody the Teixeira Duarte Group and are its greatest asset. As of 31 December 2020, the 9,599 employees were distributed across the following sectors and markets:



Distribution of Employees by Sector



Employees distribution by Market

MISSION AND VALUES

Over nearly one hundred years of history, the conduct of employees of Teixeira Duarte Group companies has been guided by ethics that are a source of pride and an incentive for the growth of the company. At the central core of this ethic lie its mission and values, which are set out below:

THE MISSION

EXECUTE, CONTRIBUTING TOWARDS THE CONSTRUCTION OF A BETTER WORLD

Defines what drives its employees day-by-day, and establishes the objective shared by all regardless of their area of operation, geography or work team.

“Execute”, because it is always intended to make it happen.

“Contributing”, because we must understand that no one does anything alone.

For the “Construction”, of which we are part.

Of “a better world”, which is the objective that we all share, within and outside of Teixeira Duarte.

THE VALUES

The Values are the way we must act to reach that objective and characterise the Company’s relationship with all of related parties. They are:

INGENUITY

Value based on the origin and purpose of the Company: “A House of Engineering,” where, from the research and domination of the principles of science, it innovates and develop the knowledge and techniques to apply, with efficiency and the minimum of waste, in the resolution of practical issues, forming, encouraging and relying to the “in-house” people.

TRUTH

It consists in the straight appreciation of the facts, exposing the things as they are, with good faith and with great accuracy, assuming the mistakes and limitations, as well as the successes and capabilities, and always reporting in a transparent and adequate the Company areas of performance and responsibilities.

COMMITMENT

Corresponds to a responsible and committed way of accepting challenges and responsibilities, on the importance of the "given word" and on the fulfilment of all obligations, with others as well as on the loyalty and complicity with their own colleagues and the Company itself, with respect for others, for the dignity of every human person and for the sustainability of the community.

TEIXEIRA DUARTE GROUP CODE OF ETHICS AND CONDUCT

"Teixeira Duarte, S.A." has implemented a "Teixeira Duarte Group Code of Ethics and Conduct", which has been adopted by the entities that form part of the Group and compliance with which is mandatory by all employees.

This document enshrines and sets out Teixeira Duarte's values and mission, defines the group's ethics and conduct, defines its scope of application and sets out the mandatory (I) General Rules of Conduct aimed at legal compliance, respect for fellow human beings and for the community, respect for the environment and compliance with internal standards; (II) rules of conduct that apply to the relationship between employees and the company; and (III) rules of contact between employees and third parties, specifically public authorities, customers and suppliers and the competition. Its final chapter covers subjects such as independence and cooperation with public authorities, and measures to prevent money laundering, terrorist financing, conflicts of interest and corruption.

In addition to the system for monitoring compliance with the aforementioned Code, there is a *compliance* system at the Group level aimed at safeguarding compliance with regulations that apply to the activity of Teixeira Duarte Group companies, including the aforementioned Code of Ethics.

I.2 HIGHLIGHTS

It was deemed appropriate to highlight the most significant facts related to the 2020 financial year at the start of the Management Report:

BUSINESS CONTINUITY IN DIFFERENT SECTORS AND MARKETS



Teixeira Duarte's activity on all markets was affected by the COVID-19 pandemic situation, albeit with different circumstances and scopes according to the sectors and areas of activity, countries and official measures implemented in different regions, as well as measures implemented by *stakeholders*,

The Board of Directors has supervised this situation from the outset and has taken measures, specifically with the management bodies of the other Group entities, to ensure that they act in accordance with the recommendations issued by the World Health Organization and public bodies responsible for health in the respective countries where Teixeira Duarte operates. It has also implemented multiple contingency and prevention measures to comply with the guidelines of these entities and to mitigate and contain the public health risk, achieving this intention and taking the steps necessary to safeguard business continuity and the impact that all of the above has on its *stakeholders*.

This effort and cooperation of all those involved, especially the employees themselves, allowed contingency and prevention measures to be created to comply with the guidelines of the authorities and to mitigate and contain the public health risk, balancing this design with the necessary steps to safeguard business continuity and the impact that all of the above has on its *stakeholders*.

Overall, Teixeira Duarte's performance is considered to be positive, reflecting the different exposures to markets and sectors in which the Group's companies operate. The real estate business performed very well in Portugal and Brazil as a result of the development phases of ongoing projects, whereas the hotel business achieved good performance in Angola. These situations contributed to improvements in the financial results.

REINFORCEMENT OF FOUNDATIONS AND STRUCTURES FOR A PLATFORM, NEXT TO TERREIRO DO PAÇO, LISBON



In 2020, emphasis should be placed on the execution of an emblematic project, for the Lisbon Tourism Association (ATL), consisting of the “Strengthening of the Foundations and Structures of the Platform (anti-seismic safety)” next to Terreiro do Paço, in Lisbon, with a value of 3.8 million euros. The aim of the contract was to strengthen the foundations and structures for the execution of the platform and west wall, near the South and Southeast Riverboat Station on the Tagus River, underground structures for the Lisbon Metro and Metro Station and the East Tower at Terreiro do Paço. The work included the execution of vertical reinforced concrete piles with a diameter of 1,200 mm, preceded by the implementation of an instrumentation and observation plan of the surrounding structures.

MERS-EL-KEBIR NAVAL BASE IN ALGERIA



In 2020, work continued on a major multi-year maritime project at the Mers-EL-Kebir naval base, with a total contract value of 136 million euros, which also featured the significant involvement of other areas of the Company's activities in the construction sector, such as Geotechnics and Foundations, metalworking, the formwork and pre-stressing center and railway works.

The design/construction contract aims to provide the Naval Base with modern infrastructure dedicated to the maintenance and repair of vessels up to 9000 tonnes, and will include the areas for the implementation of the ship elevator and transfer (with a length of close to 135 m), 4 parking lanes and a track for operating two 40-ton cranes.

CUF TEJO HOSPITAL, PORTUGAL



The conclusion of the contract for the execution of structures, special installations, finishings and exterior arrangements for the CUF Tejo Hospital in Alcântara, Lisbon, for "IMOHEALTH - Investimentos Imobiliários Unipessoal, Lda", a José de Mello Group entity. With a final contract value of 68.6 Million euros, this makes the undertaking one of the largest and most complex projects of the buildings constructed in Portugal in recent years.

The delivery of the projected in November make it possible to bring a new hospital into service to bolster the National Health System, in a situation with a lot of demand. A new state-of-the-art health unit entered service with 10 operating rooms, 213 inpatient beds, 14 PICU beds, 65 examination rooms and 800 parking spaces, corresponding to a gross constructed area of 75,000 m².

UNIT OF EXECUTION OF THE EASTERN ENTRANCE OF CASCAIS



In continuation of the contract signed in 2019 for works involving urban development, demolitions, excavation, peripheral retainment, foundations and structure of lots 1, 2, 3 and 4 of the Eastern Entrance of Cascais, for GRAND BAY RESIDENCES - SICAFI, S. A. and AUCHAN RETAIL PORTUGAL, S. A., the first and second amendments to the contract were concluded in July and October 2020, with a value of 11.3 million euros, corresponding to the adaptation of the current hypermarket and finishings and special installations of Lots 2 and 4 of the Commercial Project.

With the contract focused on the area corresponding to the new hypermarket and respective underground car park, the work covers a total of 32,600m², subdivided into 18,900m² for parking and technical areas and 13,700m² for the hypermarket, offices and *food-court*.

The project, forming part of the Execution Unit for the East Entrance of Cascais, aims to revamp this zone and give it the sort of quality and dignity required of the main entrance to one of the country's most important tourist destination cities.

PAPUDA PENITENTIARY COMPLEX, IN BRAZIL



In May 2020, the subsidiary "EMPA - Serviços de Engenharia, SA." concluded the expansion of the Papuda Penitentiary Complex, in the administrative region of São Sebastião, in the Federal District, alongside the highway that connects the federal capital, Brasília, to the mining district of Unai.

This undertaking, carried out at a total cost of 84 million BRL for the "Federal District Office of the Secretary of State for Public Safety", created a structure that can house a total of 3,200 inmates, thereby reducing overcrowding in the Brazilian capital's prison system.

The purpose of the contract was the execution of the remainder of the construction work for four Temporary Detention Centers, emphasis should be placed on the construction of two reception and inspection modules, two administration modules, two health modules, sixteen housing modules and five barracks.

BRASILIA CATHEDRAL



Continuation of the execution of Phase 2 of the Brasília Cathedral Building, for the "Universal Church of the Kingdom of God", involving work on the foundations, structure, roofs, masonry, cladding and underground installations. Its completion is scheduled for October 2021 and emphasis should be placed on the use of pre-fabricated slabs at the floor level, giving the undertaking a high rate of construction despite the inherent difficulty of the building's circular configuration. The total value of this contract amounted to 237 million BRL.

“FEIRA DA MADRUGADA” POPULAR SHOPPING CENTER



In September 2020, the contract for "Circuito de Compras São Paulo S.A.", in the district of Brás, in São Paulo, began, for the construction of "Phase 4 of Feira da Madrugada", including the execution of the finishings, façades and technical installations of the "Feira da Madrugada" Popular Shopping Center, for a total value of 225 million BRL.

After completion of the construction work, scheduled for November 2021, the building will have three levels for commerce and food, with capacity for 4,000 boxes, 1,000 stores and a *food-court* with more than 1,200 spaces, as well as a parking area with 315 spaces for buses and more than 2,200 spaces for vehicles. Feira da Madrugada will be the largest Popular Shopping Center in Latin America.

BOLHÃO MARKET ACCESS, PORTO, PORTUGAL



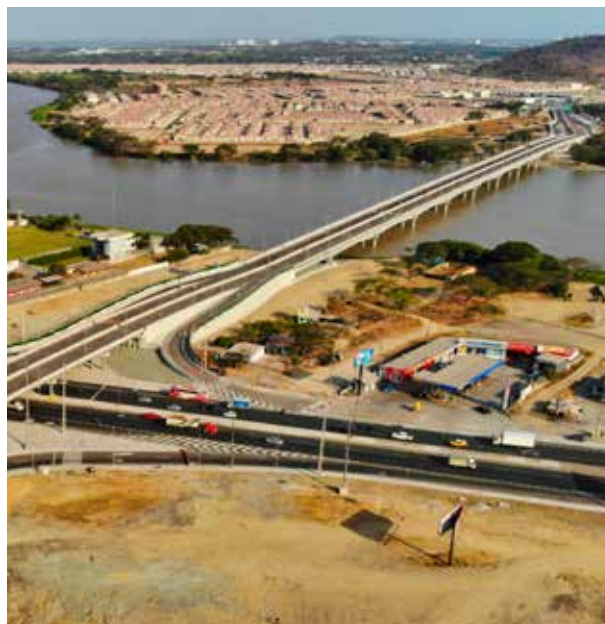
Work continued in 2020 on the Bolhão market access tunnel, for GOPorto (Porto City Government Management and Works Municipal Company), a project worth about 5 million euros and with an execution period of 19 months. This undertaking, located in a dense urban environment in the heart of the city of Porto, includes the construction of a tunnel connecting Rua Ateneu Comercial do Porto to Rua Alexandre Braga, with an approximate length of 120 meters, the partial refurbishment of three buildings on Rua Formosa and the construction of three new buildings, two floors above the base of the tunnel, on Rua do Ateneu Comercial do Porto and on Rua de António Pedro, to replace the existing ones demolished under the scope of this contract.

ITABIRUÇU DAM, IN THE MUNICIPALITY OF ITABIRA MINAS GERAIS



For VALE do Rio Doce, S.A., the execution of civil works was continued for raising the height of the body of the Itabiruçu dam to 850 m, in the municipality of Itabira/MG. The elevation works were highly complex in engineering terms, as they involved geotechnical, hydraulic and structural aspects relating to projects already carried out for previous raising operations, which had to be made compatible with the new execution project and their foundation and filter conditions had to be inspected. This contract has a main wall with a final height of around 42 m and an axis with a length of 1100 m. The project is expected to be completed in 2021, with a currently estimated value of 26.3 million euros.

DAULE-GUAYAQUIL BRIDGE, ECUADOR



The consortium led by Teixeira Duarte - Engenharia e Construções, S.A. has completed, in fulfillment of the contract signed with the "Decentralized Autonomous Municipal Governments of Guayaquil and Daule", the contract entitled "Construction of the Daule-Guayaquil Bridge, including accesses and overpasses on Av. Leon Febres Cordero and on Av. Narcisa de Jesus Martillo Morán". The bridge over the Daule River is 540 meters long, consisting of 9 spans of 60 meters and has a width of 26.6, with a mixed structure. It has a metal deck and pre-stressed reinforced concrete slabs that support four lanes, a pedestrian walkway and a bicycle path.

The success of this work reinforces and expands the activities of Teixeira Duarte - Engenharia e Construções, S.A. on the Latin American market, where commercial prospecting continues with expectations of increased activity in the various areas in which Teixeira Duarte operates.

CONSOLIDATION OF MINING ACTIVITY IN BRAZIL



Its 100% owned subsidiary EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A., has successfully completed a five-year contract for an important mining project at Cuiabá Mine in Belo Horizonte for "Anglo Gold Ashanti, Córrego do Sítio - Mineração, S/A, the world's third largest gold producer. The company has expressed its satisfaction with the work which, along with the market's recognition, foreshadows the possible conclusion of new contracts in this sector in Brazil and other Latin American markets.

BEIRA ALTA LINE, BETWEEN GUARDA AND CERDEIRA



Teixeira Duarte - Engenharia e Construções, S.A. also collaborated with the completion of the contract works on the section of the Beira Alta line between Guarda and Cerdeira, for Infraestruturas de Portugal, SA (IP, SA). With a 13 month execution period, this project comprises Phase 1 of subsection 3.1 of the Implementation Project for the Modernization of the Beira Alta Railway Line, with a length of about 14 km, which supports mixed traffic with different characteristics and conventional rolling stock (passengers and freight). ITR (integral track renewal) work was performed to improve the railway operation conditions and reduce infrastructure maintenance costs.

RENEWAL OF CONTRACTS IN THE FACILITIES MANAGEMENT AREA



It should be highlighted that 2020 was a contract renewal year on several markets and TDGI's customers continued to commit to the group. The contracts with Millennium BCP and TAP in Portugal, the Sidra Medical & Research Center in Qatar, and the Moriah and Edmundo Vasconcelos Hospitals in Brazil are noteworthy examples of this renewed confidence of customers.

LARGE SCALE AND COMMERCIALY SUCCESSFUL REAL ESTATE DEVELOPMENTS IN PORTUGAL



Emphasis should be placed on developments of the residential complexes Fábrica 1921, in Lisbon, and One Living, in Cascais - highly visible projects with a positive impact on the surrounding urban fabric, which are almost fully sold.

INCREASING DYNAMISM OF LOCAL PRODUCTION, IN THE DISTRIBUTION SECTOR IN ANGOLA



Emphasis should be placed on the increasing dynamism of local production, with intense development in the agricultural and industrial sectors decreasing dependence on imported products over time and creating the conditions for retail operators to work with a wide range of nationally manufactured goods.

COMMERCIAL AND CUSTOMER LOYALTY ACTIVITIES IN THE AUTOMOTIVE SECTOR IN ANGOLA



The intensification of commercial activity with the corporate sector should be highlighted, boosting the loyalty of customers through personalized service and technical assistance of recognized quality, along with the regularization of a large part of foreign payment processes.

ANNUAL GENERAL MEETING



In the situation experienced in 2020, the General Meeting Board of the Board of Directors took on the task of defining procedures for holding the Annual General Meeting that would balance efficiency in terms of guaranteeing the effective rights of shareholders, with compliance with current public health measures. This shareholders' meeting was held on 22 June, under the scope of the possibility granted exceptionally this year by Decree-Law no. 10-A/2020, of 13 March.

The intention was for the General Meeting to be held in person to provide the best possible guarantee of allowing shareholders to exercise their rights. An appropriate set of measures were implemented for the day of the meeting, along with others that allowed voting rights to be exercised by post and to give shareholders the opportunity to remotely monitor the work of the General Meeting, through an Internet video and audio link.

It was the first Company General meeting to be chaired by Dr. José Luciano Vaz Marcos, with Dr. José Mário Ferreira de Almeida as vice-chairman. Both were elected last year to hold these positions during the team ending in 2022.

Also present were the holders of other corporate positions, including the members of the Board of Directors and the supervisory bodies, for whom a vote of confidence was unanimously approved, as well as a vote of praise for the way in which they performed their duties over the last financial year.

As disclosed by a notification published on the same day of the meeting, this General Meeting also unanimously approved:

- The Consolidated Management Report, which includes a chapter on non-financial information, and both the individual and consolidated Accounts for the 2019 financial year, as well as the Corporate Governance Report for the 2019 financial year, all of which include the respective annexes, as well as the Report and Opinion of the Supervisory Board and the Legal Accounts Certificates and Audit Reports presented by the Statutory Audit Firm;
- The proposal for the distribution of Profits presented by the Board of Directors, in the sense that the net profits for 2019, amounting to 7,878,767.21 euros (seven million, eight hundred and seventy-eight thousand, seven hundred and sixty-seven euros and twenty-one cents) were retained to increase the other reserves;
- The acquisition and disposal of own shares under the terms of the presented proposal.

Also approved, with 99.92% of votes in favor, was the statement issued by the Remuneration Committee on the remuneration policy for members of the Management and Supervisory Bodies.

SHARE PRICE EVOLUTION



Evolution of the Share Price of Teixeira Duarte, S.A. between 31 December 2019 and 31 December 2020

During 2020, shares suffered a devaluation of 41.55%, falling from €0.154 at 31 December 2019, to €0.0904 at 30 December 2020. In terms of liquidity and volume of trades executed during this financial year, 114,114,602 shares were traded on the Stock Exchange, with a trading volume amounting to €13,836,243. In 2019, 169,397,259 shares were traded, with a trading volume of €22,424,301.

The graph shows the evolution of the stock market share prices during 2020: As at 31 December 2020, the share price stood at EUR 0.0904 and, today, 13 April 2021 it is EUR 0.0916.

TODOS DAMOS PROGRAM



Created in 2015 under the scope of the Teixeira Duarte Group's Social Responsibility policy, the TODOS DAMOS (Well all give) program is a project prepared for the companies of this Group allowing them to increase donations that their employees wish to make to social charity projects and institutions in the countries where the Group operates. The amounts of financial support granted by the Group over the year are concentrated in this Program.

Teixeira Duarte provides an annual amount for this purpose, and employees choose the institutions they want to support. Companies donate twice the amount donated by employees, thus tripling the value of the donation received by the institutions.

Although this topic will be described in greater detail in the "Reporting of Non-Financial Information" chapter, emphasis should be placed on the fact that the 2020 edition saw an increase in the number of applications and supported institutions, with the overall value of the support granted (by employees and companies) reaching €77,885.00, distributed among entities operating in different countries.

COMPANY DAY



Teixeira Duarte celebrated its Company Day on October 15. This date symbolically coincides with the birth of its founder, the engineer Ricardo Esquível Teixeira Duarte.

On this occasion, a dinner is usually held in which the Board of Directors and members of the Senior Management of the Company receive the Shareholders attending the General Meeting of "Teixeira Duarte, S.A." that same year, all of whom pay tribute to any colleagues completing 30 years of work for Teixeira Duarte.

This time it was impossible to hold the celebrations in the same way as previous years, due to the COVID-19 pandemic situation, but tribute was paid on this date to all of these 36 colleagues by releasing their names and stories about their respective careers over three decades of work in the Teixeira Duarte universe, in several companies and geographical areas. Each person was publicly congratulated for their achievements in different areas and countries where they work, and they were also thanked for the choices they made over the years to stay with Teixeira Duarte.

The mass that was celebrated on the morning of October 15 in the Church of São Joaquim & Santa Ana, at São João Paulo II Square, in Porto Salvo, was also celebrated to give thanks for the life of Teixeira Duarte and also for Ricardo Esquível Teixeira Duarte and his employees, particularly those who died over the last year.

I.3. MAIN INDICATORS

**OPERATING
INCOME**

€723 M

TURNOVER

€608 M

EBITDA
17% Margin

€100 M

NET RESULT

€4 M

Attributable to
equity holders

**NET
DEBT**

Net Debt

/ EBITDA ratio of 6.9x

€694 M

**FINANCIAL
AUTONOMY**

15%

**ORDER
PORTFOLIO**

For the Construction Sector

€1,348 M

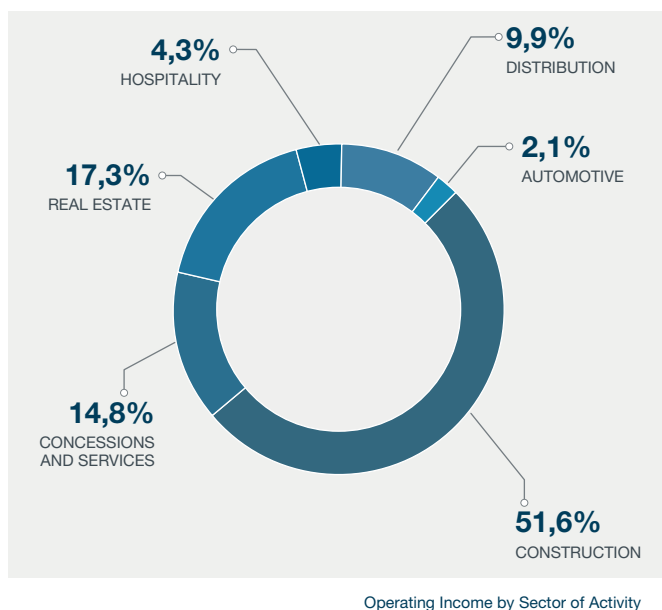
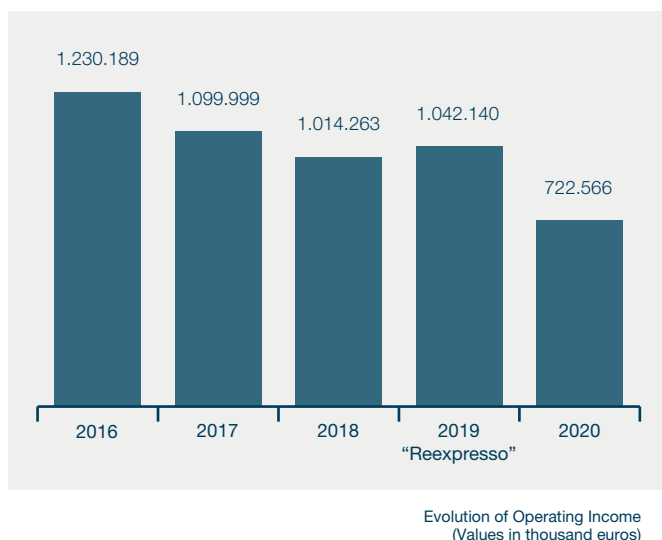
	2020	2019 "Restate- ment"	Var (%)
Operating income	722,566	1,042,140	(30.7%)
Operating expenses	(622,072)	(852,105)	(27.0%)
EBITDA	100,494	190,035	(47.1%)
Amortizations and depreciations	(46,312)	(57,713)	(19.8%)
Provisions and impairment losses	(1,758)	(1,872)	(6.1%)
EBIT	52,424	130,450	(59.8%)
Financial Results	(39,240)	(86,488)	(54.6%)
Earnings before tax	13,184	43,962	(70.0%)
Income tax	(10,233)	(27,292)	(62.5%)
Consolidated net result	2,951	16,670	(82.3%)
Attributable to:			
Shareholders	3,558	14,414	(75.3%)
Non-controlling interests	(607)	2,256	-

(Values in thousand euros)





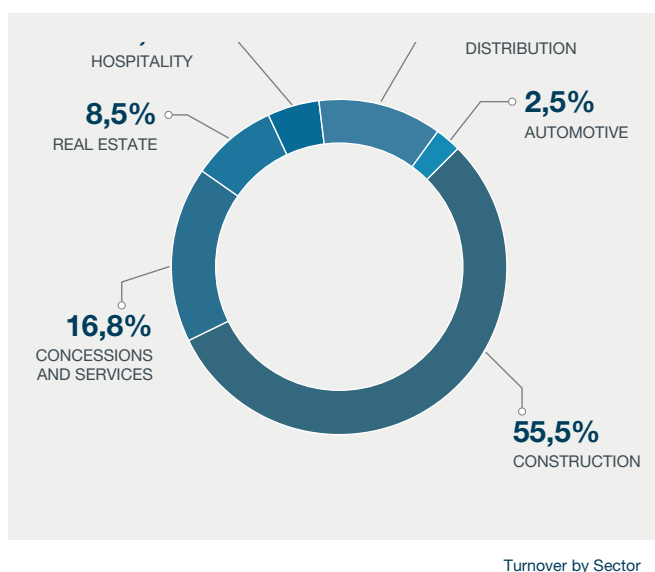
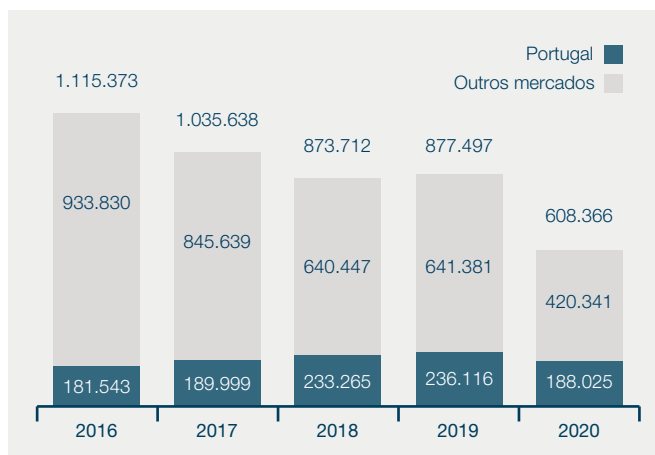
ECONOMIC AND FINANCIAL ANALYSIS



Operating Income decreased by 30.7% compared to 2019, reaching the amount of 722,566 thousand euros in 2020, corresponding to a reduction of 319,574 thousand euros.

This decrease is essentially the result of the economic downturn due to the COVID-19 pandemic situation, specifically in Angola and Brazil. Although the devaluation of the Angolan Kwanza and the Brazilian Real goes hand-in-hand with inflation in these countries, with effects on Operating Income, if we exclude the exchange rate devaluations the Group's operating income would have only decreased by 165,947 thousand euros instead of the recorded 319,574 thousand euros.

Portugal recorded a 15.2% decrease and overseas markets dropped by 37.2% overall compared to the same period of the previous year, with Portugal coming to represent 36.4% of the Group's total operating income in 2020.

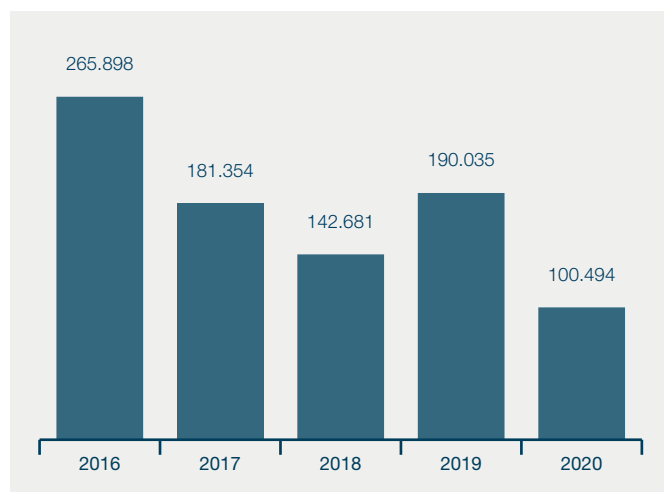


Turnover reached 608,366 thousand euros, representing a decrease of 30.7% compared to 2019, i.e. minus 269,131 thousand euros.

Portugal and foreign markets posted decreases in Turnover of 20.4% and 34.5%, respectively. The overseas markets that contributed most to this last change were Angola, with 41%, and Brazil, with 27.6%.

In this context, foreign markets that accounted for 73.1% of the Group's Turnover in 2019 came to account for 69.1% in 2020.

It should also be noted that the Turnover was globally affected in all sectors by the current economic situation and by the currency devaluation; emphasis should be placed on the good performance of the Real Estate sector.



Evolution of EBITDA
(Values in thousand euros)

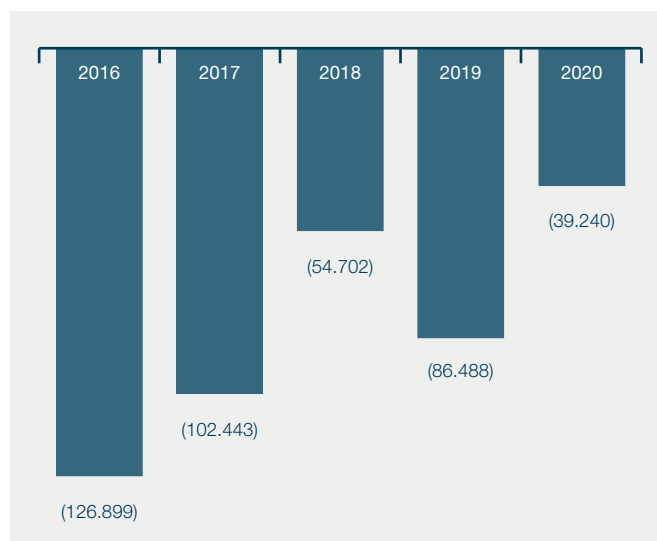
EBITDA by Activity	2020	2019	Var (%)
Construction	30,607	91,705	(66.6%)
Concessions and Services	11,849	7,321	61.8%
Estate agent	41,303	56,356	(26.7%)
Hospitality	12,618	15,492	(18.6%)
Distribution	5,866	12,432	(52.8%)
Automotive	1,256	10,375	(87.9%)
Not allocated to segments	(3,043)	(3,636)	16.3%
Removals	38	(10)	s.s.
	100,494	190,035	(47.1%)

(Values in thousand euros)

A decrease in **EBITDA** was recorded in comparison to the previous year, reaching the amount of 100,494 thousand euros.

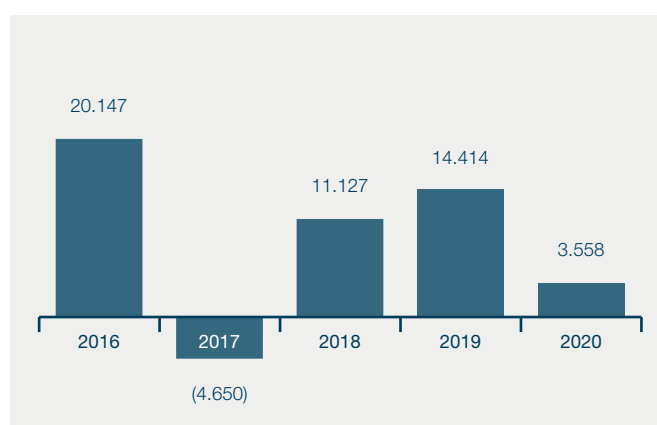
The 89,541 thousand euro decrease of this indicator can essentially be justified by a 37,248 thousand euro change in exchange rate differences (18,130 thousand euros in 2020, compared to 55,378 thousand euros in 2019), due to the sale of 50% of the subsidiary "TDE - Empreendimentos Imobiliários", with gains of 22,196 thousand euros in 2019, as well as the widespread reduction in activity on the markets where the Group operates due to the impact of the COVID-19 pandemic and currency devaluations.

A decrease was seen in the **EBITDA / Turnover Margin** when compared to the previous year, dropping from 21.7% to 16.5% in 2020.



Evolution of Financial Results
(Values in thousand euros)

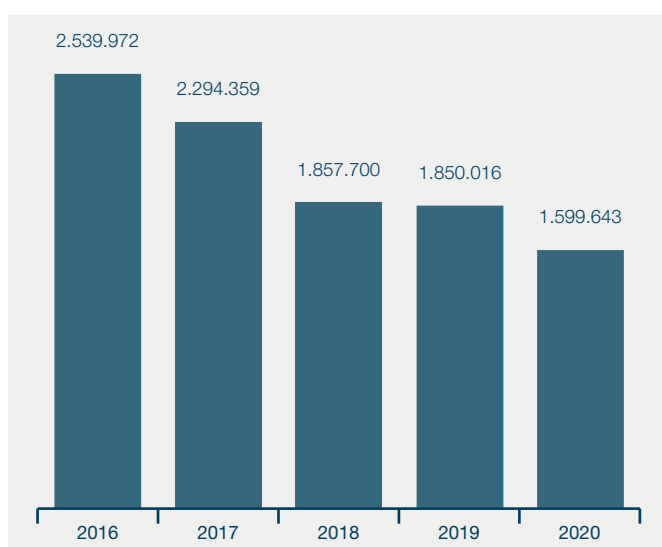
Financial Results stood at a negative 39,240 thousand euros, compared to the negative 86,488 thousand euros in 2019. This improvement was essentially due to the reduction in foreign currency liabilities operated by Group entities in Angola.



Development of the Net Result
(Values in thousand euros)

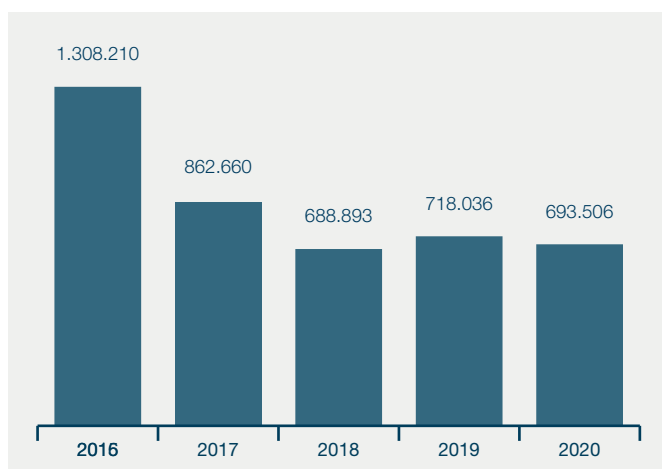
The **Net Results Attributable to Equity Holders** were positive, standing at 3,558 thousand euros, reflecting a 75.3% decrease compared to the same period of the previous year.

Total Assets decreased by 13.5% compared to December 31, 2019, standing at 1,599,643 thousand euros, negatively impacted by 316,720 thousand euros of exchange rate effect in the year, essentially as a result of the devaluation of the Angolan Kwanza and the Brazilian Real, as well as the revaluation of tangible fixed assets of €74,657 thousand, which accounts for much of the 250,373 thousand euro decrease.



Evolution of Net Assets
(Values in thousand euros)

Net Financial Debt stood at 693,506 thousand euros at the end of 2020, which translates into a reduction of 24,530 thousand euros compared to last year.



Evolution of Net Financial Debt
(Values in thousand euros)

(*) – Includes the item of cash and cash equivalents, amounting to 116,215 thousand euros.

(**) – Includes the amount of lease liabilities of 35,330 thousand euros.

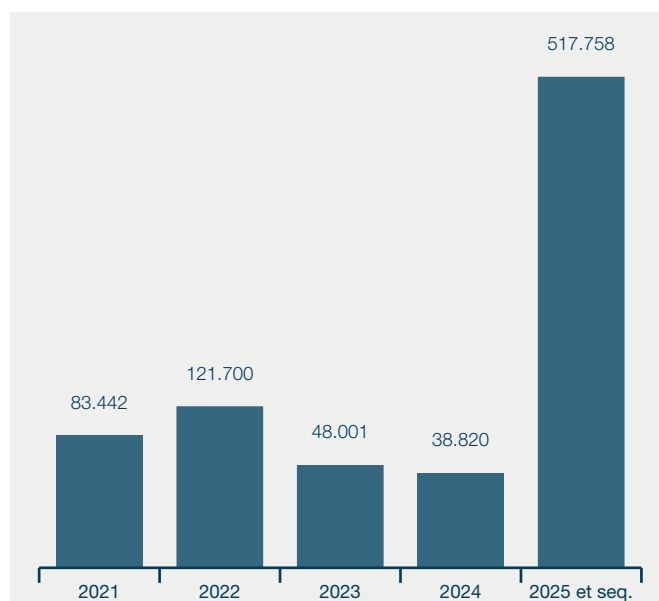
(***) – Does not include the net financial debt of assets held for sale.

It should be noted that **Net Financial Debt** was penalized by 12,202 thousand euros due to exchange rate devaluations (cash was penalized by 20,502 thousand euros and financing by 8,300 thousand euros). In this regard, emphasis should be placed on the fact that net financial debt only reduced by 36,732 thousand euros.

Gross Bank Financing decreased by 37,512 thousand euros compared to the end of 2019, of which 8,300 thousand euros resulted from currency devaluation, as previously mentioned.

The Group has adhered to the statutory moratorium on principal and interest for all outstanding credit operations under the COVID-19 pandemic statutory credit protection regime.

The **Maturity of the Group's Financial Debt** at 31 December 2020 is as follows:



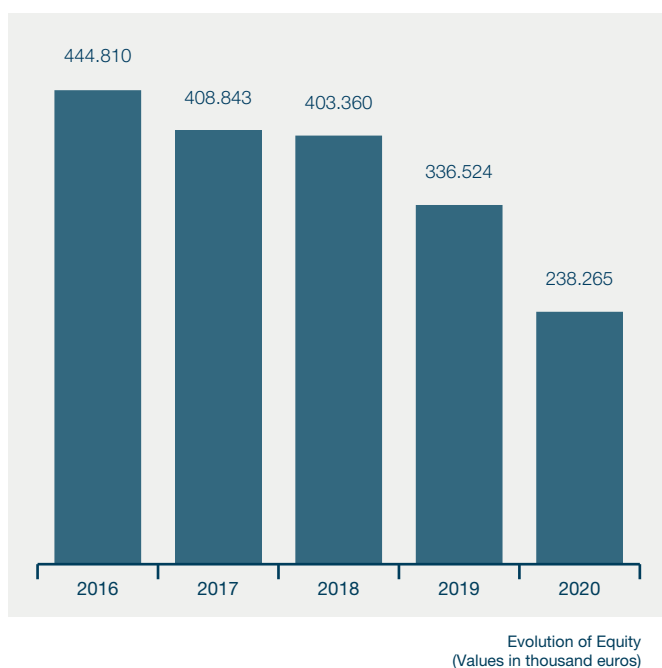
Financial Debt Maturity
(Values in thousand euros)

The **Net Financial Debt/EBITDA** ratio stood at 6.9x at the end of 2020.

Equity saw a decrease of 29.2% compared to 31 December 2019, standing at 238,265 thousand euros.

The reduction in **Equity** by the amount of 98,259 thousand euros, is positively influenced by the Net Result of 2,951 thousand euros and 55,814 thousand euros for the revaluation of property, plant and equipment. It is negatively affected by the effects of currency conversions arising from the devaluation of currencies

in countries where the Group operates, amounting to 175,897 thousand euros.



Financial Autonomy stood at 14.9% as of 31 December 2020, a decrease of 3.3 p.p. compared to the end of 2019.

II. SECTOR REVIEW

Next, an account will be made of the activity carried out by Teixeira Duarte Group companies in the different sectors, using a similar structure for all of them, that is, starting by contextualizing the respective sector within the Teixeira Duarte Group, then presenting the Turnover and Consolidated EBITDA, the contribution of this business area to the Group and concluding with an exposition about the performance during 2020, accompanied by non-consolidated indicators that allow an analysis and perspective on the total of the activity and not only its final contribution to the consolidated figures.





II.1. CONSTRUCTION

Construction is the core business and the *raison d'être* of the Teixeira Duarte Group companies that operate in this sector in the areas of Geotechnics and Foundations, Refurbishment, Maritime Works, Construction, Infrastructure, Metalwork, Underground Works and Railway Works. These operational areas are supported by an Operational Formwork and Pre-Stressing Centre and a group of Support Structures in the areas of Equipment Management, Management and Technology Systems, Supplies and Bid Logistics, as well as an Operations Centre and a Materials Laboratory, in Montijo, with a surface area of over 100,000 m², representing huge added value for the activity and the services that it provides to customers.

Its founder, Engineer Ricardo Esquível Teixeira Duarte, who concluded the first course of Civil Engineering administered at the Higher Technical Institute and acted as the president of the Order of Engineers, he was always recognised by his contemporaries for his technical merit and innovation.

Teixeira Duarte continued its operation marked by that hallmark, always considering itself a true House of Engineering. From large infrastructures like bridges, dams, highways and other public works, as well as hospitals and large buildings considered historic landmarks, Teixeira Duarte is recognized as a synonym of knowledge and experience, being a constant presence in the construction market.

In addition to "Teixeira Duarte - Engenharia e Construções, S.A." - which is the Group's parent company - there are also other subsidiary companies operating in specific areas of Construction, particularly Underground and Railway works, as well as several Additional Company Groups and other similar structures related to specific projects.

In 2020, the Teixeira Duarte Group companies working in this Construction sector operated in the markets of Portugal, Angola, Algeria, Brazil, Cape Verde, Colombia, Ecuador, Spain, Gabon, Kuwait, Mozambique and Peru and maintained commercial activities on the French, Moroccan and British markets.

Teixeira Duarte's activities on all of these markets were affected by the situation of the COVID-19 pandemic, although with different circumstances and scope according to the country, the official measures implemented in different countries and the measures taken by other *stakeholders*, specifically customers, suppliers and partners.

Since the beginning of this situation, in all projects that were able to proceed, Teixeira Duarte implemented a wide range of



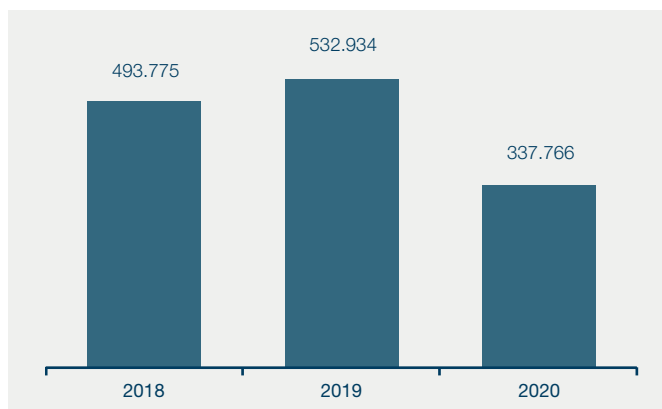


Decentralized Autonomous Municipal Governments of Guayaquil and Daule - Construction of the Daule-Guayaquil Bridge, including accesses and overpasses
GUAYAQUIL - ECUADOR

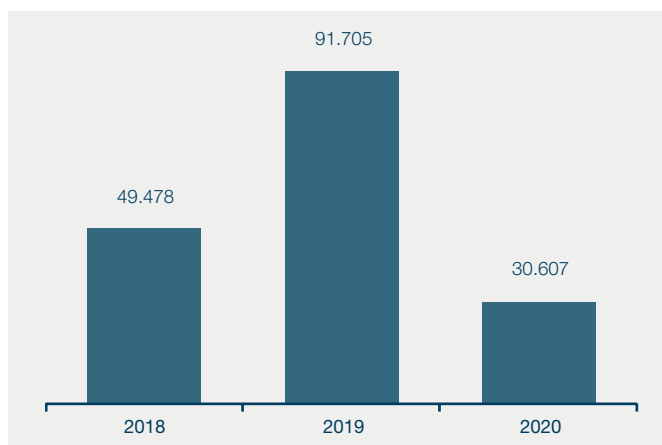
measures that varied according to the markets and customers, such as providing more bathrooms and canteens, taking temperature measurements, protective equipment, logistics to avoid contact with potentially contaminated areas, regular procedures for sanitizing the sites, rules on the use and capacity of spaces and entering and exiting the sites, in many cases in specific coordination with the health authorities and other project entities (project owner, supervisory bodies and the authorities).

This effort and cooperation of all those involved, especially the employees themselves, allowed contingency and prevention measures to be created to comply with the guidelines of the authorities and to mitigate and contain the public health risk, to achieve this design and to take the necessary steps to safeguard business continuity and the impact that all of the above has on its *stakeholders*.

CONTRIBUTION OF THIS SECTOR TO THE GROUP



Evolution of Construction Turnover
(Values in thousand euros)



Evolution of Construction Turnover
(Values in thousand euros)

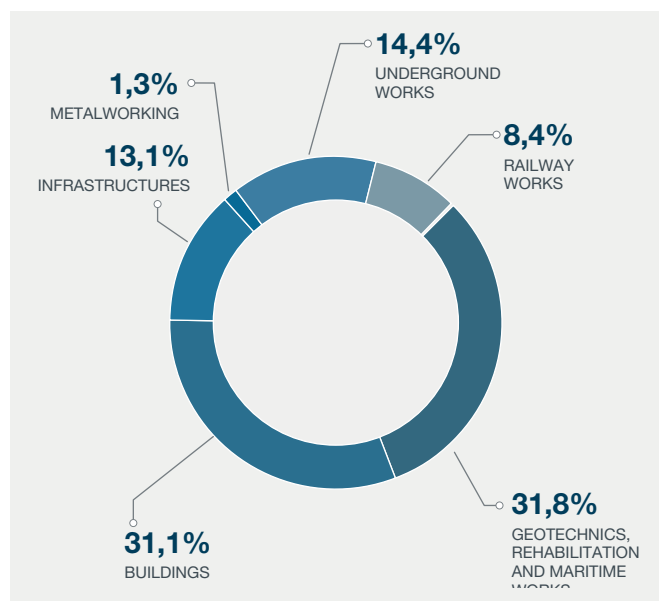
Overall Construction **Turnover** decreased by 36.6% compared to the same period in 2019.

Portugal saw a 21.5% decrease when compared to 2019, due primarily to the difficult economic situation resulting from the crippling effect of the COVID-19 pandemic.

Overseas markets were also affected by both this event and by the currency devaluation on certain markets, which translated into a 43.4% downturn when compared to the previous year. In this regard, we would like to highlight the reductions seen in Angola, of 76.3%, Algeria of 33.8%, Brazil of 42.1% and Mozambique of 52.7%.

The activity carried out on overseas markets therefore represented 61.7% of turnover in Construction, compared to the 69.1% that it represented in 2019.

In terms of the different business areas in which Teixeira Duarte Group companies operated in 2020, it should be noted that the contributions, in consolidated terms, of each company were as follows:



Weight of Areas of Activity in Construction Turnover

Construction **EBITDA** saw a decrease of 66.6% compared to the previous year, reaching 30,607 thousand euros in 2020.

The reduction in EBITDA was heavily influenced by the negative change of 42,318 thousand Euros of operating exchange rate differences, as well as by the significant reduction in activity in Angola, Algeria and Brazil, partly affected by the COVID-19 pandemic.



Administração dos Portos de Douro, Leixões e Viana do Castelo, S.A. - Contract works for the repair and strengthening of the north breakwater of the Port of Viana do Castelo
VIANA DO CASTELO - PORTUGAL

ACTIVITY IN 2020

In non-consolidated terms and in order to gain a perspective on total activity in 2020, it is hereby reported that the operating revenues achieved by Group companies in the Construction sector reached an overall value of 450,233 thousand euros, a decrease of 34.7% compared to 2019.

GEOTECHNICS AND FOUNDATIONS, REFURBISHMENT AND MARITIME WORKS

Designed and carried out in the area of **Geotechnics and Foundations** are Technical Solutions of Engineering and Foundations, Geological Studies, Mining Prospection, Pile Walls, Stakes, Micro Stakes, Nailings, Anchors, Consolidations, Injections, Jet-Grouting, Projected Concrete, among other special works.

Carried out in the area of **Rehabilitation** are specialised works in the domains of Rehabilitation of Structures and Conservation of Monuments and Built Architectural Heritage, as well as Structure Inspection and Diagnostics.

In the area of **Maritime Works**, different types of port infrastructure projects are executed, such as commercial and fishing ports and marinas for recreational use; the construction and refurbishment of coastal protections, such as piers, groins, artificial beaches and related defence works, land creation and outfalls, as well as dredging and other work in the maritime and river sectors.

In the **Projectarea**, Engineering Studies and Technical Projects were developed for the entire Teixeira Duarte Group. These were of great importance for the reasoned technical presentation of bids and projects. This Department is also responsible for coordinating and implementing BIM (Building Information Modeling) throughout the entire Teixeira Duarte Group, by consolidating internal and external training, developing projects with this technology and creation of internal procedures.

Overall, an increase in Turnover was seen in 2020 from activities carried out in the areas of Geotechnics and Refurbishment, as well as in the Maritime Works area, when compared to 2019.

In effect, turnover increased in Portugal, Angola, Algeria and Cape Verde and decreased in Brazil, Mozambique and Colombia. 109

million euros were achieved overall, corresponding to a 12.5% increase in comparison to the same period of the previous year.

In **Portugal**, turnover grew by 19% compared to 2019, reaching the value of 18 million euros, contributing 16.4% to the Global Turnover of this area of activity.

In 2020, emphasis should be placed on the execution of an emblematic project, for the Lisbon Tourism Association (ATL), consisting of the “Strengthening of the Foundations and Structures of the Platform (anti-seismic safety)” next to Terreiro do Paço, in Lisbon, with a value €3.8M. The aim of the contract was to strengthen the foundations and structures for the execution of the platform and west wall, near the South and Southeast Riverboat Station on the Tagus River, underground structures for the Lisbon Metro and Metro Station and the East Tower at Terreiro do Paço. The work included the execution of vertical reinforced concrete piles with a diameter of 1,200 mm, preceded by the implementation of an instrumentation and observation plan of the surrounding structures.

In **Angola** the portfolio of projects won allowed for continuous activity throughout the year, with a 12.5% increase in Turnover to 4 million euros.

Emphasis should be placed on the contract for “Foundations and Reinforced Concrete for Silos and Milling Factory”, to be carried out for “INDUVE – Industrias Alimentares” and the contract for “Foundations and Reinforced Concrete for Silos and Milling Factory”, to be carried out for “HIGITEC”. Also worthy of note is the major multidisciplinary project of “Special Foundations and Embankments for the Luanda Refinery” for the Customer CCESCC- China Chemical Engineering Second Construction Corporation and the continuation of other major contracts, specifically Drilling and injection for waterproofing and drilling for drainage of the “Laúca Hydroelectric Power Station”, for “Odebrecht Engenharia e Construções” and indirect foundations for the “Laúca Transmission Lines”, for “Omatapalo - Engenharia & Construção, S.A.”, Catete-Laúca section.

The expectations of previous years were confirmed in **Algeria**, i.e. 2020 was a year in which the activity underwent a significant increase in comparison to the previous year's period, with Turnover increasing 81% when compared to the previous year - 63.9 million euros, contributing 59% to the Turnover achieved in this area of activity.

This growth resulted from the execution of works as part of a major multi-year maritime project awarded to Teixeira Duarte Group companies: “l'Étude, la réalisation des aires de travail e de transfert, les infrastructures maritimes et génie-civil, les fournitures et l'installation d'un complexe élévateur à bateaux

d'une capacité de levage égale ou supérieure à 9000 tonnes et la formation de techniciens”, para o E.C.R.N. “l'Établissement de Construction et de Réparation Navales” (integrated into the Algerian Ministry of Defense), headquartered at the Mers-EL-Kebir naval base.

The work includes areas for the installation of a ship lift and transfer facility (around 135m long), 4 parking lanes and a track for the operation of 2 40 tonne cranes. The work to be executed will be carried out by teams from different areas of the Teixeira Duarte Group in the construction sector.

In **Brazil**, turnover reached 11.3 million euros, corresponding to a 54% reduction when compared to the previous year. This reduction is essentially due to the completion of the contract entitled “Structural Recovery and Restoration Services for the Hercílio Luz Bridge”, in Florianópolis, for SIE - Department of Infrastructure of the Government of Santa Catarina, at the end of the first quarter of the year, as well as the market downturn due to the current situation.

Providing continuity to its presence in the State of Santa Catarina, a 3.2 million euro contract was signed for “Retainment services for 25 points of the SC 390 highway in Serra do Rio do Rastro”, for the Government's Department of Infrastructure.

The contract consisted of carrying out a range of retainment works, particularly the installation of metal nets, dynamic barriers and posts, among other elements, along the 35 km of this road, which is a tourist attraction due to its landscape and numerous waterfalls. Its completion is expected during the second half of 2021.

Two contracts were signed for the mining company VALE - an major client of Teixeira Duarte: one for “Civil Works and Electromechanical Assembly for the Refurbishment of Reinforced Concrete Structures of the Access Bridge, Pier and Terminal Installations of Guaíba Island” in Mangaratiba, Rio de Janeiro, for an amount corresponding to 9.2 million euros and, in the state of Minas Gerais, the “Replacement of the EFVM Cuieté Bridge”, in Conselheiro Pena, with a value of 3.6 million euros.

The “Large Diameter Pile Foundations in the Access Wing to the Rio-Niterói Bridge” works were completed for “Itinera Construções”, in Rio de Janeiro, and work started under the “Large Diameter Deep Pile Foundations” contract, on Line 1 of Section III of the Salvador Metro, in the State of Bahia, for “Camargo Correa Infraestruturas”.

In **Cape Verde**, the situation of the COVID-19 pandemic had a significant impact on the course of maritime works in progress at the port of Ilha de Maio, causing several work suspension periods and other constraints, which affected the normal



Ministry of Transport and Communications of Mozambique - Construction of Port Facilities at the Port of Nacala
MOZAMBIQUE

development of the contract. Even so, a turnover of 1.4 million euros was achieved.

In **Colombia**, despite a long period of work restrictions due to the situation of the COVID-19 pandemic, business volume reached a the value of 3.2 million euros, corresponding to a decrease of 14% when compared to the previous year.

The continuation of contracts started in 2019 allowed for ongoing activity and a fairly satisfactory equipment occupancy rate throughout the year.

A turnover of 7.2 million euros was achieved in **Mozambique**, representing a 50% reduction when compared to the same period of the previous year. This was the result of the interruption of the work on the “Construction of Port Facilities for Nacala Port Development Project Phase I & II”, carried out as part of the subcontract for the Japanese Consortium “Penta Ocean/Toa”, Construction of Nacala Port, Phases I and II, for the Mozambican Ministry of Transport and Communications, between March and November 2020, due to the COVID-19 pandemic situation.

BUILDINGS

Significant activity has still been maintained in the BUILDING sector with the construction and refurbishment of all building types, specifically large scale and highly complex public and private buildings, as well as buildings designed for a wide range of uses. In 2020, the Group operated in this area in Portugal, Angola, Algeria, Brazil, Mozambique and Kuwait.

Overall, in 2020 we saw a significant reduction in turnover compared to that recorded in 2019, and the same happened for the main economic indicators, specifically EBITDA and EBIT. Portugal was the only market that maintained a similar level of activity to 2019, albeit with a decrease in revenue of 10%, becoming the main market in the area of Buildings and contributing around two-thirds of the total turnover. On other markets, with the exception of Algeria where the only project in progress was completed, much lower performance than expected was recorded, largely due to the constraints that the COVID-19 pandemic placed on the construction activity.

In **Portugal**, the level of activity in construction fell short of forecasts, with revenue in 2020 lower than in the previous year,

interrupting the trend, which began in 2017, of growth in work volume. Throughout the year the COVID-19 pandemic situation affected the development of some works, delayed contract awards and postponed the launching of tenders. However, taking into account the current portfolio and the forecast economic growth, strong growth in activity is expected for 2021 compared to 2020, supported essentially by the private real estate market for new residential construction and office building. Possible growth of activity in the public works area is also expected, resulting from the implementation of the Recovery and Resilience Plan designed for the coming years.

On this market, in addition to the significant contracts implemented for the Teixeira Duarte Group's real estate company - the residential and commercial developments "One Living", in Cascais and the 1st phase of "Fábrica 1921", in Benfica, Lisbon - emphasis should be placed on the previously described projects of CUF Tejo, in Alcântara, Lisbon, for IMOHEALTH - Investimentos Imobiliários Unipessoal, Lda., a José de Mello Group entity, and Lots 1, 2, 3 and 4 of the East Entrance to Cascais, for GRAND BAY RESIDENCES - SICAFI, S. A. and AUCHAN RETAIL PORTUGAL, S. A.

The year 2020 will also be marked by the completion of the Angelina Vidal development, in Lisbon, for OCM Capital

Partners, with a value of 9.5 million euros, featuring a residential complex in the heart of the Graça district with a total of 46 apartments of types T1 to T4, along with the continuation of the Berlin I and II developments in Lisbon for the same customer, with a total of 155 apartments and an contract value of 24 million euros, as well as the start of the Villa Unika project in Cascais, with a value of 14 million euros, also of a residential nature, with 16 apartments.

Also in 2020, work continued on the High Lapa development, in Lisbon, for the real estate developer Reformosa, with a value of 15.3 million euros, as well as the start, for the same customer, of Structural work for the Legacy development in Cascais, with a value of 2.9 million euros. The first phase of this development will be a residential complex with 28 apartments and a five star. In 2021 a works contract was signed for the second phase, corresponding to finishing work, special installations and exterior arrangements, with a value of 21.5 million euros.

Also in the residential area, work continued on the Amoreiras Garden development, contracted in 2019 with EMGI for 11.4 million euros and which has a total of 55 apartments.

In different areas of activity, the contract for the Penafiel Industrial Building for ATEPELI - Ateliers de Ponte de Lima



Gulf Bank Algeria - Construction of the new Gulf Bank Algeria headquarters
EL BIAR, ALGIERS - ALGERIA

Unipessoal, Lda, with a value of 8 million Euros, was also completed in 2020, along with the contract for the CUF Sintra Hospital for Simplygreen - the José de Mello Group's real estate investment branch, with a value of 19.3 million euros.

Brazil saw a significant decrease in activity in 2020 when compared to 2019. The situation of the COVID-19 pandemic worsened Brazil's already difficult economic situation, further restricting the initiative of public and private investors, with immediate consequences on Teixeira Duarte's work to attract new projects throughout 2020. The scarcity of such projects mean that it was not possible to maintain the levels of activity achieved in 2019.

During the course of the year, in addition to the projects already highlighted in relation to the Papuda Penitentiary Complex, in the administrative region of São Sebastião, in the Federal District for the State Department for Public Safety of the Federal District, Brasília Cathedral for the Universal Church of the Kingdom of God, and Feira da Madrugada for Circuito de Compras São Paulo S.A., mention should also be made of the commencement of the pre-construction phase of the Mormon Temple in Salvador, the value of which is expected to be approximately 180 million BRL.

A slight increase in activity is expected for 2021, mainly as a result of the completion of the "Feira da Madrugada" contract and the construction contract for Phase 2 of "Brasília Cathedral", which may still increase as a result of the expected growth in private investment resulting from the economic stimulus promoted by the central government.

In Angola, the restrictions imposed due to the public health situation significantly affected the execution of the works in progress, and even led to the postponement of the start of the contract for the Refurbishment of the 2nd phase of the Soyo Municipal Hospital. Similarly, for the fifth consecutive year running, 2020 saw a contraction in GDP, a sharp depreciation of the national currency, a significant increase in inflation and a major reduction in net international monetary reserves. Naturally, this adverse situation has had severe impacts on the construction activity, where public and private investments have reached historic lows.

However, for 2021 and given the projects in the portfolio, a moderate increase in turnover is expected in the Buildings area. However, the level of activity continues to be far below that achieved in the recent past, as well as far below the potential of this market and Teixeira Duarte's capacity and track record on it.

In Algeria, turnover was within the expected value for 2020 following the completion of the AGB (*Gulf Bank Algeria*) contract, and no new building contracts are expected on this market.

In Kuwait, Teixeira Duarte is currently constructing the Umm Al Hayman Wastewater Treatment Plant for WTE Wassertechnik GmbH - Kuwait Branch, with a corresponding value of close to 166 million Euros. The execution of this contract was significantly affected in 2020, specifically due to the measures taken by the authorities as a reaction to the COVID-19 pandemic situation, leading to a level of activity much lower than expected.

During the second quarter of 2021 it is admitted that there will be a reduction in the restrictions imposed due to the pandemic, which will allow for a significant increase in production levels on this contract and its resulting invoicing.

Activity levels in Mozambique remained in line with those seen during the previous year, significantly affected by the difficult economic and financial situation seen in the country in recent years, made worse in 2020 by the situation of the COVID-19 pandemic.

Given this scenario, in addition to the significant instability in the north of the country resulting from the ongoing armed conflict, the outlook for next year, particularly in terms of private initiative, is that of continued low levels of investment associated with low levels of activity in the construction sector.

INFRASTRUCTURE

In the infrastructure area, the Teixeira Duarte Group companies have a vast and diverse range of executed projects under their collective belt, including highways and motorways, bridges and viaducts, dams, tunnels, railways, railway stations and junctions, port works and environmental construction, as well as water and natural gas infrastructure.

The activity developed in this area has accompanied the cyclical variations of the main markets in which the Group companies operate.

In 2020, the Group operated in this area in Portugal, Algeria, Brazil, Ecuador and Venezuela. It also continued its technical and commercial activities in some countries in Latin America, Africa and Europe, meaning that it is envisaged that some contracts will be awarded in these geographical areas in the short or medium term.

Turnover achieved by the Group in this area of activity decreased by 65% when compared to the previous year, standing at 44.4 million euros. It was strongly influenced by the suspension of some projects as a result of the COVID-19 pandemic, as well as

the fact that some project had come to an end. This value was sustained by the slight reduction in activity in Portugal and Brazil, after being significantly penalized by the major slowdown in activity in Algeria which, in addition to the effect of COVID-19, has suffered from financial constraints and currency devaluations.

Activity in **Portugal** saw a decrease in turnover of 15.9% in this area of activity, when compared to the previous period, reaching a value of 12.2 million euros, with emphasis on the following:

- the completion of work on the Guarda - Cerdeira section of the Beira Alta Line, for Infraestruturas de Portugal, SA (IP, SA). With a 13 month execution period, this project comprises Phase 1 of sub-section 3.1 of the Implementation Project for the Modernization of the Beira Alta Railway Line, with a length of about 14 km, which supports mixed traffic with different characteristics and conventional rolling stock (passengers and freight). ITR (integral track renewal) work was performed to improve the railway operation conditions and reduce infrastructure maintenance costs, through the following work: Refurbishment of the main line superstructure, changing the existing 54E1 track and concrete twin block sleepers to 60E1 track and multi-purpose single block concrete sleepers; treatment/stabilization of cutting and embankment slopes; platform treatments; improvement and refurbishment of the drainage system; adaptation of the catenary system to the changes that were made; implementation of a new traction return system; adaptation of existing signaling and telecommunications infrastructure to the needs arising from the modernization of the section;
- the conclusion of several works for "SOMINCOR - Sociedade Mineira de Neves Corvo, S.A.", at the mine located in this area, in Castro Verde district;
- the completion of the upgrading of the Sines Port railway branchline for APS Administração dos Portos de Sines e do Algarve, S.A). With a 9-month execution period, this work formed part of the expansion of the capacity of the reception / shipping siding by giving the aforementioned branch line a greater capacity and performance, allowing consists with a length of up to 750 meters to operate. The main activities carried out were the readjustment of the west side of the receiving/shipping area, with a particular focus on Line I, the length of which was made compatible with the 750 m long consists; the creation of a 4th line in the current reception / shipping siding, parallel to Line III, with capacity for consists of the same length; the creation of the necessary infrastructure to allow the construction of a 5th line in the future; the creation of a new access line which will branch off the first and allow a connection to be made with a new loading/unloading area in the existing terminal;

the creation of a connection between the eastern end of the reception siding and the new access line; the creation of a new reversing siding to replace the current one; the creation of a new stabling siding for parking rolling stock; as well as the installation of a transverse double crossover to allow for a connection between the (stabling / reception siding), the future access lines and the reversing line, as well as the stabling line. As a curiosity, 9,000 m of drainage were executed, about 2,200 m of new 54E rail track were supplied, and about 12,000 m of existing rail track were regularized;

- continuation of work on the Bolhão market access tunnel, for GOPorto (Porto City Government Management and Works Municipal Company), a project worth about 5 million euros and with an execution period of 19 months. This undertaking, located in a dense urban environment in the heart of the city of Porto, includes the construction of a tunnel connecting Rua Ateneu Comercial do Porto to Rua Alexandre Braga, with an approximate length of 120 meters, the partial refurbishment of three buildings on Rua Formosa and the construction of three new buildings, two floors above the base of the tunnel, on Rua do Ateneu Comercial do Porto and on Rua de António Pedro, to replace the existing ones demolished under the scope of this contract.

For the Group's real estate company, infrastructure work has already begun for the urban development to split up into lots the "Vila Rio" development, in Póvoa Santa Iria.

In **Algeria**, in addition to the suspension of all works for a long period of time after the closure of the Algerian Borders, ordered on 19 March 2020 - a situation that persists to date -, the political and economic situation has affected the development of the activity and has led to a significant decrease in turnover, which dropped to a value of 1.4 million euros.

Brazil was significantly affected by the COVID-19 pandemic situation, which worsened the adverse political and economic situation. This was also associated with the devaluation of the real, which had an impact on the corresponding euro values of the activity. However, it was possible to conclude contracts with two new customers, expand and increase some of the contracts with customers and to ensure very positive production levels. Turnover decreased by 37% year-on-year to 32.6 million euros.

During the course of the 2020 financial year, a contract was completed for the execution of infrastructure works for the SALOBO III project, located in the Tapirapé-Aquiri National Forest, in the Municipality of Marabá/PA, for SALOBO METAIS S.A., a subsidiary of the VALE S.A. Group. In addition, adaptation work on the BR-440/MG highway in Juiz de Fora, in the State of Minas Gerais, was designed and executed.

During the year, work continued on the contract for the design and execution of dual carriageway works on the BR-101/BA highway, with a length of 84 km, in the State of Bahia, for the DNIT - National Transport Infrastructure Department. The completion of this project is scheduled for the first half of 2021 and it stands out due to the fact that it is the first highway project of its size to be executed with a rigid pavement.

Work continued for the same entity on the design and execution of dual carriageway works for the BR-116/BA highway - Lot 06, with a length of 40 km, in the State of Bahia. This is a dual carriageway project on one of Brazil's most important highways, in a State with a notable lack of infrastructure, where the economy has grown at a faster pace than the highways. Significant progress was made with this project in 2020, allowing the first 9km to be opened to traffic.

For VALE do Rio Doce, S.A., the execution of civil works was continued for raising the height of the body of the Itabiruçu dam to 850 m, in the municipality of Itabira/MG. The elevation works were highly complex in engineering terms, as they involved geotechnical, hydraulic and structural aspects relating to projects already carried out for previous raising operations, which had to be made compatible with the new execution project and their foundation and filter conditions had to be

inspected. This contract has a main wall with a final height of around 42.00m and an axis with a length of 1,100.00m. The project is expected to be completed in 2021, with a current estimated value of 26.3 million euros.

Rock drilling and blasting services also continued with explosives, excavation, loading, transport and unloading of ore and waste rock, maintenance of equipment circulation roads, disposal and spreading of transported material, for Atlantic Nickel, S.A., near the town of Ipiaú, in the municipality of Itagibá/BA.

During the financial year, execution commenced on services to raise the Santa Rita Dam at the Mining-industrial complex of Atlantic Nickel Mineração Ltda, located in the municipality of Itagibá/BA. This is a project to be executed through a Consortium in which EMPA, a company 100% owned by Teixeira Duarte, has a 33% participation. The project is located close to the city of Ipiaú, State of Bahia in Brazil. The value of the project is 14.8 million euros, and its completion is expected for the first half of 2021.

For VALE, S.A., a complete contract was commenced for the execution of civil works for adjusting the turbidity of the Conceição Stream, in the municipality of Itabira/MG, including the supply of materials, consisting of work to implement a



Prosperdynasty - Unipessoal, Lda. - Construction and Refurbishment of the High Lapa Building
LISBON - PORTUGAL

channel to direct the flow from the bottom drain of the Conceição dam to the mine's railway interface. The value of the project is 2.6 million Euros, and it is expected to be completed in the first half of 2021.

A contract for the provision of engineering and civil construction services under a total contract system also kicked off this year, for the initial works required for the future implementation of the South Port, for BAMIN - Bahia Mineração, S.A. This project involves the construction of an intersection and industrial access road to the future South Port, near the city of Ilhéus, in the state of Bahia, Brazil, including a bridge over the Almada River, a viaduct over BA-648, and the construction of a 12-kilometer long access road. The value of the project is 22.3 million euros, and its completion is expected in March 2022.

For RODONORTE - Concessionária de Vias Integradas, S.A. - The CCR Group signed a Services Provision Contract for the Implementation project for the intersections of priorities 05A and 05B, located on the BR-373, km173 and km180 at Avenida Souza Naves, and the I60, located at BR-376, km 499, in the Region of the City of Ponta Grossa/PR, under Concession by the aforementioned RODONORTE, encompassing the supply of materials, equipment and labor. This project involves the construction of three road intersections on highways BR-373 and BR-376, under RODONORTE's concession, located in the region of Ponta Grossa, State of Paraná, Brazil, including multidisciplinary works, such as earthworks, paving, special structures, retaining walls, slope stabilization works, special foundations, and the deviation of several types of interferences. The value of the project is 14 million euros, and its completion is expected in November 2022.

For 2021 the outlook remains for economic recovery and moderate growth in activity.

In Ecuador a contract was completed for the execution of the Daule-Guayaquil Bridge, over the Daule River, with a length of 540 meters, consisting of 9 spans of 60 meters and has a width of 26.6, with a mixed structure. It has a metal deck and pre-stressed reinforced concrete slabs that support four lanes, a pedestrian walkway and a bicycle path.

The success of this work reinforces and expands the Group's activities on the Latin American market, where commercial prospecting continues with expectations of increased activity in the various areas in which Teixeira Duarte operates.

The project also included two viaducts, one over Avenida León Febres Cordero (Daule), "La Joya", with a total span of 108 meters, and another over Avenida Narcisa de Jesús (Guayaquil), "Cierro Colorado", with a total span of 270 meters, both in a mixed structure of reinforced concrete with pre-stressed

slabs. The work also included road access viaducts, drainage, earthworks, support walls, signage, finishings, lighting and an acoustic barrier.

Since the contracted works in Venezuela have been suspended, since 2017 the Group's activity has been limited to the operation of La Guaira Port, described in this Report under Concessions & Services. These operational services were contracted after the completion, by "Teixeira Duarte - Engenharia e Construções, S.A.", of the venture to modernize and expand La Guaira Port between the years 2012 and 2014.

The Group still has good prospects for winning new contracts in some of these Latin American countries, specifically Peru.

METALWORKING

In the metalworking area, the Teixeira Duarte Group focuses on the specialty of metal construction, along with mastery of technologies in the fields of mechanics and oil-hydraulics. Extensive *know-how* in this field allows the Group to study, develop and implement solutions for the execution of highly complex and precise work, inherent to the execution, movement and assembly of large structures.

This expertise has been used by the Group over the years, either directly for external clients or in an integrated and complementary manner with other areas of operation, in several construction projects, specifically in the refurbishment and construction of metal and mixed bridges and viaducts, buildings, as well as in industrial constructions and hydro-mechanical equipment.

In 2020 Teixeira Duarte performed metal works in Portugal, Algeria and Brazil and, in overall terms, achieved 52.4 million euros, corresponding to a growth of 62% when compared to 2019, essentially resulting from the ongoing contract in Algeria.

In Portugal, where there was a downturn in activity, the production of steel structures was maintained at the Teixeira Duarte Operations Center, destined for various works in progress in Portugal and Algeria. Also of note is the manufacturing of metal structures at this production unit for foreign clients, such as VINCI - Monaco and the Canadian mining equipment company TNT.

In 2020, work was started on the Bouçã dam for EDP, and a partnership was continued with "SOMINCOR - Sociedade Mineira de Neves Corvo, S.A." in the mining equipment repair sector.

In the area of research and development, the project for the development of an anti-seismic shelter "SHELTER" continued under the Portugal 2020 Program, a consortium between Teixeira Duarte and IST.



BAMIN – Metal structures for the bridge over the River Almada
ILHÉUS - BRAZIL

In **Algeria** there was ongoing cooperation with other areas of activity, with particular emphasis on the contract entitled “Structures Génie Civil et Maritime pou Installation d’un Complexe élévateur a Bateaux”, following the contract established with “L’Etablissement de Construction et de Réparation Navales (E.C.R.N.)”, a large scale and technically complex undertaking.

Within the scope of the contract “AGA- Controle et suivi des travaux de réalisations dès installations et équipements d’exploitation de l’autoroute Est-Ouest-Lot Ouest”, assembly continued of metal structures known as Auvents, designed for the roofs of the tolls and other support buildings.

A contract was completed in **Brazil**, entitled “Restoration and Refurbishment of the Hercílio Luz Bridge in Florianópolis – Santa Catarina” for “DEINFRA-SC”. The participation of the metalworking area in this highly complex project was large scale and significant, and led to the area starting to participate in other projects, specifically the supply and installation of a metal roof for Brasília Cathedral, for the IURD, and metallic structures work for the construction of a bridge over the Almada River, for BAMIN - Bahia Mineração, S.A.



Lima M2 Construction Consortium – Excavation, primary lining and secondary lining of the Natim branch tunnels giving access to the Santa Anita workshop yard
Lima - Peru

UNDERGROUND WORKS

For Underground Works, the Teixeira Duarte Group holds 100% of the capital in specialized company, "E.P.O.S. - Empresa Portuguesa de Obras Subterrâneas, S.A." (EPOS, S.A.), which has been operating in the civil engineering and mining sector since 1986.

In 2020, turnover decreased by 12% to 48 million euros compared to the same period of the previous year, of which 40% were obtained on the domestic market.

In **Portugal**, a sharp decrease was seen in activity due to the termination of the Armamar mine contract for Iberian Resources and the suspension, due to the COVID-19 pandemic situation, of work at the Neves Corvo mine for "SOMINCOR - Sociedade Mineira de Neves Corvo, S.A.". However, EPOS remains committed to maintaining and attracting private customers, with a major focus on the mining sector.

Turnover on the overseas market increased compared to 2019, allowing the mitigation of the decrease in activity in Portugal. The overseas market came to account for over 61% of total activity, compared to 46% in 2019.

The upturn on the overseas market was due to the consolidation of activity in Brazil - specifically the execution of a five year contract for a major mining project at the Cuiabá Mine, in Belo Horizonte, for "Anglo Gold Ashanti, Córrego do Sítio - Mineração, S/A, the third largest gold producer in the world - and the execution of the La Paz tunnel, highway works, in Bucaramanga, in Colombia, for the FERROCOL / SANTANDER consortium.

Also on the overseas market, emphasis should be placed on the continuity of activities in Spain, at the Águas Teñidas mine, for "MATSA - Minas de Aguas Teñidas, S.A.", and in Peru, with the Lima metro contract, for the "M2 Lima Construction Consortium", for the "Excavation, primary lining and secondary lining of the Natim branch tunnels giving access to the Santa Anita workshop yard".

An overall analysis shows that the geographical area of Portugal accounted for 36% of turnover, with Brazil as the second most important country to the activity of EPOS in terms of volume, contributing 35% to the total, followed by Colombia with 12% of the total in third place.

We forecast turnover for 2021 to be of the same order of

magnitude as that generated in 2020, as the effects of the pandemic will still be felt in 2021.

RAILWAY WORKS

In the Railway Works sector, the Teixeira Duarte Group operates through Teixeira Duarte - Engenharia e Construções, S.A. and "SOMAFEL - Engenharia e Obras Ferroviárias, S.A.", a company that was 60% owned by the Teixeira Duarte Group during the financial year under analysis. This company is geared towards the construction, refurbishment and upkeep of railway infrastructure, including electrification (catenary), where it operates both directly and through its subsidiary in Brazil "SOMAFEL - Obras Ferroviárias e Marítimas, Ltda" and Gabon "SOMAFEL GABON, S.A.R.L. Unipersonnelle".

In addition to the technical value, the experience of several decades working in various markets, equipment capacity and specialized human resources, SOMAFEL is noted for working on four different gages, and for specializing simultaneously in track and catenary.

In the 2020 period, business volume in this area reached 28.8 million euros, corresponding to a 1.3% decrease when compared to the previous year, distributed in Portugal (63%), Algeria, Brazil (32%), Gabon and Mozambique, whereas activity focused on commercial actions in France, Morocco and the United Kingdom.

In 2020, activity in **Portugal** featured the execution of a group of projects associated with the Railway 2020 Program, won during the previous year, along with an increase in the track maintenance and refurbishment activity as a result of providing track and catenary maintenance services for Lots 1 and 2 of the National Railway Network.

In **Brazil**, turnover increased by about 26% compared to the previous period, and 2020 was the second best year of activity for SOMAFEL in Brazil. The activity was driven by the works, launched by VALE, S.A., for the maintenance and renovation of railway infrastructure and superstructure on the Carajás Railway, in the states of Maranhão and Pará, as well as in mining yards at the Paraupabas Mine.

A reduction in activity has been seen in **Algeria** in recent years, and no new projects have been won. In 2020, emphasis should be placed on works related to the contract "l'Étude, la réalisation des aires de travail e de transfert, les infrastructures maritimes et génie-civil, les fournitures et l'installation d'un complexe élévateur à bateaux d'une capacité de levage égale ou supérieure à 9000 tonnes et la formation de techniciens", for E.C.R.N. "l'Établissement de Construction et de Réparation Navales" (integrated into the Algerian Ministry of Defense), headquartered at the Mers-EL-Kebir naval base.

In **Gabon**, the company continues to provide heavy mechanical impact services on the railway line between Libreville and Franceville, which is about 650 km long, for the concessionaire "Societe d'Exploitation du Transgabonais (SETRAG)".

In **Mozambique**, SOMAFEL concluded, as a subcontractor of Teixeira Duarte, Moçambique, Lda., the construction of a railway line at GALP's Hydrocarbon Terminal in Matola.

There is a promising outlook for the coming years, both because of the portfolio of projects that have already been won, particularly on the domestic market, and because of the worldwide outlook for major investment in railways.



Administração dos Portos de Sines e do Algarve, S.A. - Upgrading of the Sines Port railway branchline
PORTUGAL

II.2. CONCESSIONS AND SERVICES

The Teixeira Duarte Group started operating in this area in 1984, in Macau, through a stake in "CPM - Companhia de Parques de Macau, S.A.", which it still holds today and to which it has added others in Portugal, Angola, Algeria, Brazil, Belgium, Spain, Luxembourg, Mozambique, Qatar and Venezuela.

In the Concessions and Services sector, Group companies work in business areas with different natures, such as *Facilities Management e Facilities Services*, the Environment, educational activities in Angola, small hydroelectric power stations in Brazil, and the operation and management of a port in Venezuela.

In this sector, Teixeira Duarte also holds several non-controlling interests in other companies whose management is not conducted by the Group's structures and which, in almost all cases, are not included in its consolidation perimeter. Various notes are also presented at the end of this chapter on the most important ones.

Teixeira Duarte's activities on all of these markets were affected by the COVID-19 pandemic situation, albeit in different circumstances and with different scopes depending on the areas of activity, the percentage of capital held by these entities, the countries, the official measures implemented there and measures put in place by other *stakeholders*, specifically customers, suppliers, partners and sector supervisory authorities, such as the case of the Ministry of Education in Angola.

The two areas with the greatest impact on Teixeira Duarte's activities in this Concessions and Services sector are Education and *Facilities Management*, both significantly affected by this situation, albeit in different ways, to which they reacted right from the start: the first through logistics measures taken at the school's premises, involving a deep-rooted adaptation to new educational-teaching methodologies, and the second with a vast set of measures that varied according to markets and customers, such as taking temperature measurements, providing protective equipment, logistics to avoid contact with potentially contaminated zones, procedures to regularly sanitize the premises, rules for the use and capacity of spaces and for entering and exiting premises, in many cases in specific coordination with the health authorities themselves and other entities involved in the execution of the works.

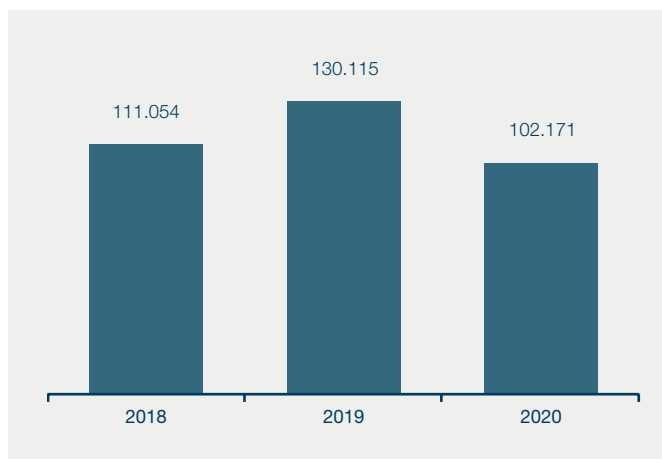
This effort and cooperation of all those involved, especially the employees themselves, allowed contingency and prevention measures to be created to comply with the guidelines of the authorities and to mitigate and contain the public health risk, to achieve this design and to take the necessary steps to safeguard business continuity and the impact that all of the above has on its *stakeholders*.



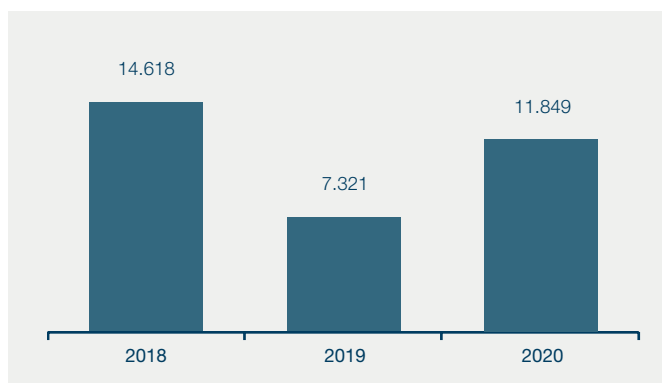


Millennium BCP - Building Maintenance
OEIRAS - PORTUGAL

CONTRIBUTION OF THIS SECTOR TO THE GROUP



Evolution of Turnover of Concessions and Services
(Values in thousand euros)



Evolution of EBITDA of Concessions and Services
(Values in thousand euros)

Turnover from Concessions and Services decreased by 21.5% when compared to the same period of the previous year.

In Portugal there was a 14.5% year-on-year decrease, due to the impact of the COVID-19 pandemic situation.

It should be noted that in Angola and Brazil - where the Group suffered decreases of 25% and 10.6%, respectively - if the devaluation of the Angolan Kwanza and the Brazilian Real is disregarded, the Group would have seen growths of 20% and 19.1% in these markets.

In Mozambique, the Group recorded an 8.4% increase in Turnover, despite the impact of the devaluation of the Metical.

We would like to stress that the Environment sector in Spain contributed to this indicator with a Turnover of 22,112 thousand euros. This activity is being discontinued following an agreement concluded at the end of 2019 between RECOLTE and URBASER S.A.U.

In Venezuela, the La Guaira Port operation saw a 21% drop in turnover to 13,075 thousand euros, which corresponds to a decrease of 3,480 thousand euros, as a result of adverse difficulties in the country.

EBITDA in Concessions and Services was 11,849 thousand euros, which translates into an increase of 61.8% over last year, benefiting from operational exchange rate differences in Venezuela, although penalized by the situation resulting from the COVID-19 pandemic.

ACTIVITY IN 2020

In non-consolidated terms and in order to provide a perspective on total activity in 2020, we report that the Group's operating revenue in the Concessions and Services sector reached a total value of 104,691 thousand euros, 66.5% of which came from overseas activities. Overall these values reflect a year-on-year decrease of 24% when compared to 2019. To give an idea of the weight of the main areas of activity of the Group in this sector, records show that out of the aforementioned non-consolidated operating revenue, 62% comes from the Facilities Management area and 24% from the Environment area.

FACILITIES MANAGEMENT / FACILITIES SERVICES

The Teixeira Duarte Group has been performing *Facilities Management / Facilities Services* activities since the year 2000, and today has a group of entities operating in Portugal, Angola, Algeria, Belgium, Brazil, Spain, Luxembourg, Mozambique and Qatar through the TDGI brand.

The main areas of activity today are (i) Integrated Management of *Hard* and *Soft Services*, (ii) Technical Maintenance, (iii) Analysis and Diagnosis and Energy Solutions, and (iv) Space and Project Management.

TDGI was created with engineering at its heart, and it is committed to the development of specific technical skills and adequate technological solutions that improve service quality, operational efficiency and customer cost optimization. In this regard, emphasis should be placed on the partnership project for the development of the Glose EAM.

TDGI's activities were affected by the COVID-19 pandemic situation in all of the aforementioned nine countries, albeit with different circumstances and scopes. However, the reaction in all of these areas was one of effort by, and cooperation between all parties involved, particularly the employees themselves, allowing contingency and preventive measures to be put in place to follow the guidelines of the authorities and to mitigate and contain the public health risk. This goal was achieved and



Edmundo Vasconcelos Hospital - Maintenance
SÃO PAULO - BRAZIL

the necessary steps were taken to safeguard business continuity and the impact of the situation on all company *stakeholders*.

In effect, a vast set of measures were put in place, varying according to markets and customers, such as taking temperature measurements, providing protective equipment, logistics to avoid contact with potentially contaminated zones, procedures to regularly sanitize the premises, rules for the use and capacity of spaces and for entering and exiting premises, in many cases in specific coordination with the health authorities themselves and other entities involved in the execution of the works.

Given the economic situation in **Portugal**, 2020 was a year of stabilization of customer numbers, and it was possible to renew several contracts with existing customers and even win new ones. This country accounted for over 50% of TDGI's activity.

In the areas of Integrated Management of Hard and Soft Services and Technical Maintenance, which represent the *core business*, emphasis should be placed on the renewal of contracts with both Millennium BCP and TAP. Mention should also be made of the kick-off of new contracts with customers such as BAYER. Thus, in a year of difficulties, TDGI was an important partner for its customers, with the aim of rationalizing the management of

their facilities and boosting its efficiency.

The Analysis and Diagnosis / Energy Solutions area also saw an increase in turnover, particularly in the areas of Technical Audits, Energy Certification and Special Technical Installations. TDGI has been positioning itself with its clients as a technical and strategic partner, providing a continuous service focused on reducing energy consumption. The market has at the same time been requesting technical due-diligences to be performed on buildings as part of acquisition processes, with the aim of ascertaining the real state of installations and equipment. Emphasis should also be placed on the specialized technical work that TDGI has been carrying out for both existing and future customers, as a result of the increased technical specialization that it has been developing.

The "Space and Project Management" area continued to perform significant interior space remodeling processes, both in the buildings area - as was the case of the European University -, and in industry - for Philip Morris -, responding to new workplace and well-being concepts that have been creating new trends and styles in the field of space architecture. However, this was one of the areas most affected by the pandemic, as customers

generally postponed the work that they had planned due to the reduced occupancy of spaces and uncertainty about what the office market will be like in the future.

Of note is the Industrial Area, which has been a significant commitment in recent years, with the strengthening of the contractual relationship with OZ ENERGIA, such as the broadening of the scope of the Aveiro Port contract and Project Management for the expansion of several facilities belonging to this customer. Also noteworthy is the development of a new solution for supplying sugar to the main production line at the SIDUL factory in Santa Iria, with a view to the future expansion and modernization of this line. Also in this area, worthy of note is the increase in turnover seen in TDGI's contracts in the food industry, such as those with NESTLÉ and FIMA-OLÁ. Even in the context of the pandemic, these companies were able to continue working without constraints, with the *Facilities Management* area playing an essential role.

In **Angola**, which remains one of TDGI's largest markets globally, the year 2020 featured the maintenance of the main contracts, with well-known customers such as TOTAL and Chevron. In a year when many companies reduced their teams in Angola, TDGI always maintained its operational capacity, and therefore was able to respond to various requests from customers, thus reducing the impact of the pandemic. Similarly, there was continued commitment to training of teams and several technical training sessions were held for employee qualification purposes.

TDGI's activity in **Algeria** during 2020 was essentially to monitor the completion of the work on the new AGB Bank headquarters in Algiers and to prepare for the start-up of the maintenance contract for which TDGI will be responsible for a two year period after completion of the work.

In **Belgium**, TDGI consolidated its ongoing operations, specifically in buildings belonging to European Institutions. It even commenced a maintenance contract for all H&M stores in Belgium, totaling 114 stores in two countries. TDGI was already responsible for the maintenance of the Luxembourg stores and since the beginning of 2020 is also responsible for all stores in Belgium. This contract reflects the company's commitment to the private market in this country. It should be noted that this market was very much affected by the pandemic, as most European institutions, stores and offices ended up either being closed or with very low occupancy throughout the year.

In **Brazil**, it was possible to increase the turnover seen in previous years, mainly as a result of an increase in work for existing customers, as well as new contracts and interior refurbishment works. Also worthy of note is the renewal of various contracts

with customers who have already been with us for several years, during 2020, such as the Moriah Hospital and the Edmundo Vasconcelos Hospital.

In **Spain**, the year 2020 also turned out to be significantly impacted by the pandemic. Several of TDGI's clients had their facilities closed or with very low occupancies, which ended up also reducing the company's activity. Even so it was possible to conclude new contracts, as a result of the commercial work that was done, such as the services provided to Dräger and Thomson Reuters.

In **Mozambique**, TDGI continued to carry out its activity in a sustained manner, increasingly striving to create value and set itself apart as a benchmark company in the maintenance and facilities management sector. In the *Oil & Gas* area, on which the company has had a strong focus, it was possible to conclude contracts with several entities, such as BAKER HUGHES and TOTAL, and to reinforce the contract with ENI. In the Industrial sector, emphasis should be placed on the ongoing maintenance contract for the CERVEJAS DE MOÇAMBIQUE factory. TDGI has been consolidating its activity and team by showing a commitment to training and qualification, in order to be prepared for the challenges that lie ahead. Despite the difficulties in the country, TDGI's activity on this market increased in 2020 and it even strengthened its presence throughout the territory.

In **Qatar**, TDGI operates through the local legal entity "TDGISERV", held jointly with the local company "PETROSERV" - which has been operating there for more than 30 years in the area of services associated with the *Oil & Gas* sector - essentially with a large and long-term contract relating to the facilities of the Qatar Foundation. The term of this contract ended in September 2020 and a new maintenance contract with the Qatar Foundation was concluded for the next 5 years, for its facilities - the largest hospital in the Middle East: the Sidra Medical & Research Center.

ENVIRONMENT

"RECOLTE - Servicios y Medioambiente, S.A.U" (RECOLTE), 100% owned by the Teixeira Duarte Group, has for several years been dedicated to the provision of a range of different environment-related services in Spain. An agreement was concluded in September 2019 between RECOLTE and URBASER S.A.U. with a view to the assignment of RECOLTE's contractual position in all administrative and private environment area contracts in Spain, which took place throughout 2020 as the necessary requirements for each of these assignments were met, confirming Teixeira Duarte's exit from this business area.



Colégio S. Francisco de Assis
LUANDA SUL - ANGOLA

By the end of the year and after several meetings and proceedings with URBASER and the municipal entities, 16 of the 20 contracts had been transferred and 3 out of the 9 existing UTEs (Temporary Joint Ventures) had been closed.

As part of this framework, RECOLTE also focused on reducing structural costs, specifically by reducing the number of central support teams for the contracts it held.

Para 2021 the aforementioned process of transferring the contractual positions will be continued with the aim of closing down the activity in this area.

EDUCATION

EDUCARE - Actividades Educativas e Culturais, Lda" is a company 100% owned by the Teixeira Duarte Group, which was incorporated in 2007 and since its inception its purpose has been to develop the "S. Francisco de Assis South Luanda School", based in Talatona/South Luanda, Angola.

Recognized by the Portuguese Ministry of Education, it is an educational establishment that provides top quality teaching from Pre-School Education to the end of Secondary School.

Its Educational Project, based on a solid mission and values, justifies the award of several prizes and the fact that families choose it as a privileged space and environment for the education of their children.

This year, and in this sector which has been heavily penalized by the COVID-19 pandemic situation and by the containment measures that have been implemented, EDUCARE has acted in accordance with the recommendations issued by the World Health Organization, by the public entities responsible for health where the company operates, and also by the authority, through a deep-rooted adaptation to new educational-teaching methodologies.

To give an idea of the factors that had the most direct impact during the course of the activities of the "S. Francisco de Assis Luanda South School", as a result of the health crisis, mention can be made of the amount of time that teaching activities were suspended, the effective reduction in the number of students per classroom (with mandatory social distancing) and ongoing fixed expenses of structures that had stopped producing revenue.

The school results obtained in external assessment tests, conducted only at the National Examinations level by order

of the Portuguese Ministry of Education, were higher than the national average in all subjects, with the exception of Physics and Chemistry A (the average was only 2.5 percentage points lower).

All students who completed the 12th grade enrolled on courses at their first choice universities in Portugal and overseas.

In September 2020, the academic year began with 608 students taking secondary education level courses in Science and Technology, Languages and Humanities and Socio-economic Sciences.

It should be noted that it stands out due to its strong digital component associated with educational projects and platforms, as well as due to its current use of Information Technology in both school management tools and mobile devices, allowing parents/guardians to access full information on the students.

For 2021, we will continue the careful management of the various areas and resources of the "S. Francisco de Assis Luanda Sul School", continuing the solid work that makes this College an educational reference at national and international level.

SMALL HYDROELECTRIC PLANTS

"PAREDÃO DE MINAS Energia, S.A.", "GONGOJI MONTANTE ENERGIA, S.A." e "TABOQUINHA ENERGIA, S.A.", are three Brazilian companies owned by the Teixeira Duarte Group that own projects for the construction of three small hydroelectric power stations; this area of activity is defined by the Group as non-strategic. During the 2020 financial year, proceedings aimed at divesting the projects or winding up the companies continued. Energy sale prices and the pandemic situation represent an unfavorable situation for the sale of these projects.

PORT OPERATIONS IN VENEZUELA

Through the license granted to Teixeira Duarte - Engenharia e Construções, the Group has proceed to commercialize, conserve, operate, administer, construction and use the "specialized container terminal (docks 27 and 28 - West Sector) at La Guaira Port". In effect, it was on 30 March 2017 that this Group company received this authorization under the "Strategic Partnership for the port operation and management of the Guaira Port specialist container terminal", entered into with the Venezuelan entity "Bolivariana de Puertos (BOLIPUERTOS), S.A."

The aim of this partnership was to optimize the development and growth of the terminal's activity, turning it into a transshipment port between the Caribbean Sea and Latin America. For a period of 20 years, Teixeira Duarte - Engenharia e Construções has

assumed responsibility for the commercialization, maintenance, operation, administration, construction and use of the aforementioned La Guaira Port specialized container terminal, which has sufficient yard space to move 1,200,000 tonnes/year and a surface area of 17ha; it has 693m of dockable berths and bottoms at 15.2m. It is fitted out with state-of-the-art port operation equipment - 6 STS quayside gantry cranes, 15 yard RTG cranes, 2 reach-stackers, 6 front loaders, 32 terminal tractors and 40 platforms, along with a total of over 5ha of administrative and technical facilities and equipment maintenance and repair spaces.

The performance levels of this operation have remained at acceptable levels, with the port being kept operational 24 hours/day, 365 days per year. Taking into account the current socio-economic and political circumstances prevailing in Venezuela, the balance sheet of operations on this market is very positive as it was possible to maintain activity at levels similar to 2019 and with better profitability, moving 140,849 TEUS, corresponding to turnover in the order of 13.1 million euros.

Amongst the companies operating in the Concessions and Services sector where "Teixeira Duarte, S.A." merely has a non-controlling stake, that is, whose direct management is not carried out by the Teixeira Duarte Group, are the following, in particular:

"TDHOSP - Gestão de Edifício Hospitalar, S.A." (TDHOSP), in which Teixeira Duarte currently holds 10% of the respective share capital, is a company whose purpose is the management of Cascais Hospital for a period of 30 years, including planning, design, construction, financing, upkeep and maintenance activities.

Since the construction of the Cascais Hospital building was completed in February 2010, TDHOSP's activity focused on the management and maintenance of the hospital building, as well as the management and operation of its car park.

The year under review, the eleventh calendar year of activity of TDHOSP, was again marked by compliance with the different assessment parameters of the Management Contract, specifically: Service, Availability and Satisfaction.

Regular monthly reports were issued during the financial year, showing good performance by this company, so it is expected to receive a positive assessment of "Very Good" for 2020. However, this expectation will only become effective at the end of April 2021, after analysis and validation by the establishment's managing body LUSÍADAS - Parcerias Cascais, S.A. and the Public Contracting Entity - ARSLVT, of the annual activity report.



TEC - Terminal Especializado de Contentores
LA GUAIRA - VENEZUELA

As part of the activities provided for in the Management Contract, TDHOSP carried out minor alteration works to the building, requested and paid for by the Establishment Management Entity and approved by the Public Contracting Entity. It should be noted that this type of work experienced an exceptional increase due to the need to adapt the Hospital to the significant increase in numbers of COVID-19 patients. Incidentally, with the exception of a reduction in car park revenues, the COVID-19 pandemic had no other notable effect on TDHOSP's activity.

AEBT - Auto-Estradas do Baixo Tejo, S.A.", incorporated on 15 January, 2009, is a company in which Teixeira Duarte - Engenharia e Construções holds 9% of its share capital and which is a sub-concessionaire for the activities of design, planning, construction, lane expansion, financing, operation and upkeep of sections of motorways, regional roads and associated road junctions in the district of Setúbal.

This is a holding already classified as an Asset for Sale, with regard to which the Group has already taken several steps with a view to its sale.

"CPM - Companhia de Parques de Macau, S.A.", in which the Teixeira Duarte Group has an indirect stake of 15% of the

share capital since its foundation in the mid-1980's, after an international public tender, has been a pioneer and continues to be a reference company in the construction and operation of car parks and related activities, in the Special Administrative Region of Macau.

In 2020, management and operation continued of 19 public car parks in Macau for which this subsidiary is the concessionaire. Total revenue reached a value corresponding to approximately 14.9 million euros, representing a downturn when compared to 2019, as a result of restrictions on tourists accessing Macau during part of 2020 as a result of the COVID-19 pandemic.

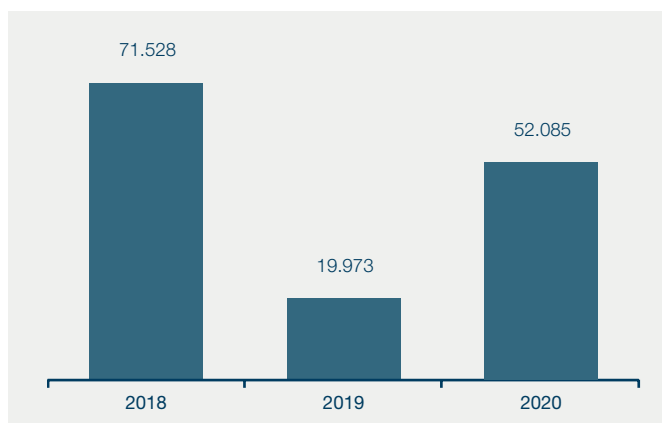
II.3. REAL ESTATE

The activities of Teixeira Duarte Group companies in this sector dates back to the start of the seventies. The group currently has a wide range of companies operating in Portugal, Angola, Brazil, Spain, the United States and Mozambique.

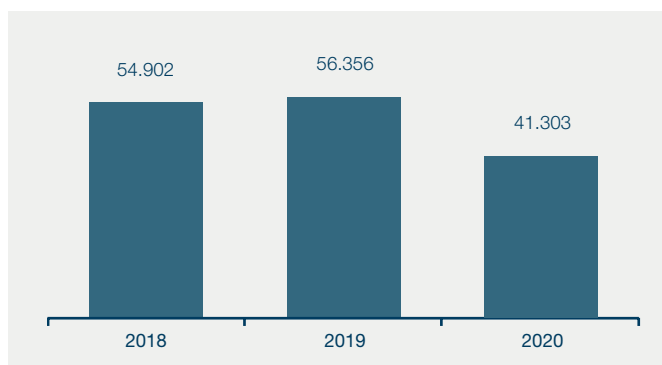
Teixeira Duarte's activities on all of these markets were affected by the situation of the COVID-19 pandemic, although with different circumstances and scope according to the country, the official measures implemented in different countries and the measures taken by other *stakeholders*, specifically municipal and licensing authorities, customers, suppliers and partners.

This effort and cooperation of all those involved, especially the employees themselves, allowed contingency and prevention measures to be created to comply with the guidelines of the authorities and to mitigate and contain the public health risk, to achieve this design and to take the necessary steps to safeguard business continuity and the impact that all of the above has on its *stakeholders*.

CONTRIBUTION OF THIS SECTOR TO THE GROUP



Evolution of Real Estate Turnover
(Values in thousand euros)



Evolution of Real Estate EBITDA
(Values in thousand euros)





"River Plaza" Development
VILA NOVA DE GAIA - PORTUGAL

The Group's **Turnover** in the Real Estate sector increased by 32,112 million euros compared to 2019.

In **Portugal**, the Group achieved 15,863 thousand euros, reflecting a growth of 6,342 thousand euros compared to the same period of the previous year.

It should be noted that the Group in Portugal is developing the first phase of the "Fábrica 1921" undertaking, and completing the "One Living" project. As of 31 December 2020, purchase and sale promissory contracts had been signed for an overall amount of 211,044 thousand euros, and 83,409 thousand euros of deposits had been received.

In **Brazil**, the Group achieved the amount of 27,522 thousand Euros, posting an increase of 20,906 thousand euros when compared to the same period of the previous year, essentially resulting from the sale of the "Retrato Pinheiros" and "Veríssimo Mooça" real estate developments in São Paulo.

EBITDA from real estate saw a drop of 15,053 thousand euros, corresponding to a 26.7% reduction when compared to the previous year.

In this regard, it should be noted that the 2019 **EBITDA** was positively influenced by the sale of 50% of the subsidiary "TDE - Empreendimentos Imobiliários, S.A." with gains of 22,196 thousand euros. Therefore, disregarding this effect shows the good performance of Real Estate in 2020.

ACTIVITY IN 2020

In non-consolidated terms and in order to gain a perspective on the total activity in 2020, we report that the Group's operating revenue in the Real Estate sector reached a total of 122,105 thousand euros, corresponding to a decrease of 3.8% compared to 2019. Overseas markets now account for 38% of activity and Portugal 62%, compared to 42% and 58% in 2019, respectively.

In **Portugal**, 2020 was once again marked by the good performance of practically all segments of the real estate market, with a particular emphasis on the residential market, which has seen constant growth in average sale prices over recent years. The followings facts should be highlighted in the period under review:

The continuation of the development of the residential "ONE Living" project, located in Cascais, aimed at the high-end segment of the residential market, which is almost fully sold.

In the city of Lisbon, the continuation of the residential development "Fábrica 1921", a highly visible project that will make a very positive contribution to the regeneration of a block in the parish of Benfica and to the renewal of the respective

neighborhood. The first phase, which includes 162 residential units, is almost fully sold.

Also in the city of Lisbon, worthy of note in 2020 is the conclusion of a promissory contract with a view to the purchase of "Quinta das Garridas", where construction is planned of a mainly residential development with a constructed surface area of approximately 33.000 m².

Also in the Lisbon metropolitan area, the Group continued with the infrastructure work for the "Vila Rio" development, located in Póvoa de Santa Iria, municipality of Vila Franca de Xira. In this "mixed use" development, which has a direct frontage of around 500m on the Tagus River, it is planned to construct around 600 homes and 30,000m² of areas intended for commerce and services.

Emphasis should be placed on the sale of the developments Abrunheira Park, in Sintra, Lezíria Park, in Póvoa de Santa Iria, and Log Park, in Coina, all income-generating assets, with a total logistics surface area of around 27.000 m².

Activities on the retail market revolved around the "Retail Vale Figueira" venture, with the development of the project and prospecting for possible tenants for the spaces; activities also included the management of "Shopping Cidade do Porto".

In Oeiras, continued support was given to the development of the Detailed Plan for the Northern Zone of Caxias, where there are plans for a project consisting of several office, residential and commerce buildings, integrated into a large green park. The intention is for this model to become an international innovation and sustainability benchmark, in partnership with the company "CSCEC - China Construction Portugal, S.A.".

Emphasis should be placed on the "River Plaza" project in the city of Vila Nova de Gaia, the commercial launch of which was a success. With 70% of the units sold, construction work began in December 2020.

Also in this city, in the "Santa Marinha Design District" and "Quinta de Cravel" developments, the development of two residential projects and the sale of three plots of land should be highlighted.

The difficult macroeconomic framework remains in **Angola**, which also has an impact on the real estate market. In this context, the activity focused essentially on the management of income-producing assets, as well as the management of "Focus - Workplace Solutions", an office an *co-working* space developed by Teixeira Duarte and located in the heart of Luanda.

Despite the real estate market going through difficult times, during the period it was possible to maintain good levels of occupancy of properties in operation and good levels of

collection, in a context of strict control of operating costs.

In **Brazil**, the shock of the global pandemic meant that the basic interest rate was kept at the lowest level in the country's history. This contributed to creating a favorable environment for real estate credit, leading to an increase in sales of residential properties in the city of São Paulo as of the second half of 2020.

Emphasis should be placed on the following:

- continuation of construction of four developments, with a total construction area of over 76,000 m², in the "Retrato Pinheiros", "Veríssimo Mooca", "Quartier Brooklyn", and "Loomi Paulista" developments, all in prime neighborhoods in the city of São Paulo;
- the delivery of two of the four projects under construction, totaling about 28,000 m² of constructed area (Retrato Pinheiros and Veríssimo Mooca);
- the start of construction of another development with approximately 14,000 m² of constructed area, "Loomi Klabin", in Chácara Klabin, near Avenida Paulista;
- in October 2020, the start of sales of the "Reserva Alta Vista" development in the city of Jundiaí, a project with a constructed area of approximately 58,000 m², consisting of 204 high standard apartments in the city's best neighborhood. This is the fourth "Alta Vista" residential development in the city of Jundiaí and, although sales only started in the last quarter of the year, the good rate of sales confirms the good acceptance of this product concept and the confidence of the city's population in the Teixeira Duarte brand.

In the **United States of America**, in the city of Dallas, Texas, we would like to highlight the sale of the "Hood" development in the Turtle Creek neighborhood, as well as the signing of the promissory contract for the purchase and sale of the "Lee Park" project, also in Turtle Creek, with a total of about 15,000 m² of above-ground constructed area. The exit from the Dallas real estate market is consolidated with these sales.

In **Mozambique**, the economic crisis in the country associated with the global pandemic crisis contributed to the postponement of major *Oil & Gas* projects and, as such, the economic recovery, resulting in a reduction in real estate market activity. Despite this unfavorable context, emphasis should be placed on the sale of the last two units of the JN130 development, as well as the sale of some separate assets in Maputo and Beira. The team's performance remains focused on the management of income-producing assets and on the development of the projects in its portfolio, with emphasis on the project located in the Malanga

neighborhood, on one of the main access roads to the city of Maputo, and on the residential development on rua Armando Tivane, also in the capital of the country.

2021 will see the continuation of the development of projects in the portfolio on several markets, along with the management of the Group's real estate assets, with expectations of the following:

In Portugal and the Lisbon Metropolitan Area, the delivery of the "One Living" development, in Cascais, and the continuation of the construction of the 1st phase of "Fábrica 1921".

In parallel, there are plans for the start of construction of the second phase of the "Fábrica 1921" development, which will have 82 residential units, as well as for the commercial launch and start of construction of the first buildings for the "Vila Rio" development, in Póvoa de Santa Iria, with a total of 70 units.

Support for the development of the Detailed Plan for the North of Caxias will also continue, with the expectation of approval during 2021.

In the city of Vila Nova de Gaia, Metropolitan Area of Porto, construction will continue on "River Plaza", in Santa Marinha Design District. Another residential lot will also be commercially launched in this development, with a total of 72 units.

In the "Quinta de Cravel" development in the same city, the commercial launch of a new residential building with 50 new apartments is planned.

In Angola, the operation of income-generating properties and support for the management of Group assets in other sectors will be continued.

In Brazil, in the city of São Paulo, the delivery of "Quartier Brooklyn" is planned, along with the continuation of the construction of the "Loomi Paulista" and "Loomi Klabin", developments that are already almost fully sold, with a total of 237 apartments.

With 30% of the units already sold, the construction of "Reserva Alta Vista" is expected to start in May, along with the commercial launch of 2 new projects: "Insígnia" in Campo Belo and a development in Brooklyn, with a total of 340 units.

The search for land will also continue in the city of São Paulo, preferably located in prime areas of the city so that the medium/high standard positioning can be maintained when developing products.

II.4. HOSPITALITY

The Teixeira Duarte Group operates in this sector through eight hotel units, two in Portugal, three in Angola and three in Mozambique, totaling 2,452 beds and 1,228 rooms, all operating under the brand *TD Hotels*.

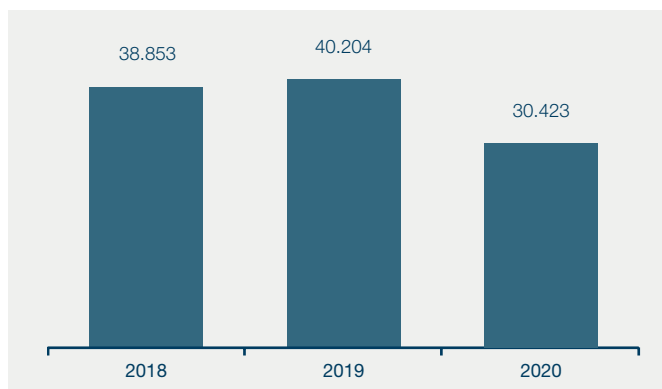
Teixeira Duarte also develops business in the restaurant area in Angola.

Teixeira Duarte's activities on all of these markets were affected by the situation of the COVID-19 pandemic, although with different circumstances and scope according to the country, the official measures implemented in different countries and the measures taken by other *stakeholders*, specifically tourism supervisory authorities, customers, suppliers and partners.

Due to the nature of the activity, contingency and prevention measures were adopted to mitigate and contain the public health risk in all markets on which the Group operates. Emphasis should be placed on the universal measure of the implementation of a contingency plan and its respective procedures manual adopted by *TD Hotels* in all of its units. Not only did this turn out to be highly efficient with regard to the primary public health objectives, but guests also acknowledged that they trusted it and that it offers the possibility of using the units safely in the periods and under the conditions permitted by the authorities of the different markets in which the Group operates in this sector.

Furthermore, the effort and cooperation of all those involved, especially the employees themselves, allowed contingency and prevention measures to be created to comply with the guidelines of the authorities and to mitigate and contain the public health risk, to achieve this design and to take the necessary steps to safeguard business continuity and the impact that all of the above has on its *stakeholders*.

CONTRIBUTION OF THIS SECTOR TO THE GROUP

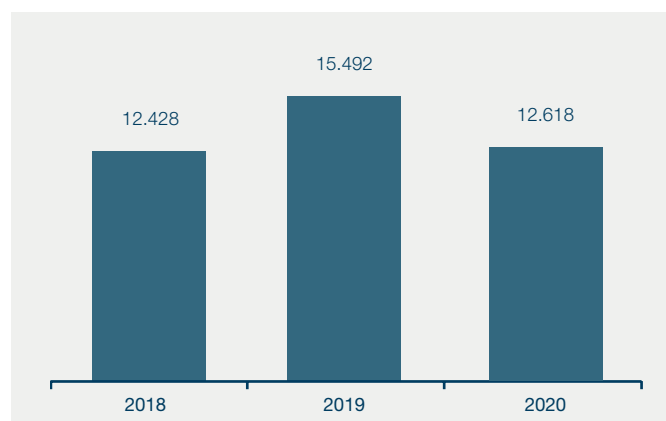


Evolution of Hotel Services Turnover
(Values in thousand euros)





Lobby of the Baía Hotel
LUANDA - ANGOLA



Evolution of Hospitality EBITDA
(Values in thousand euros)

Turnover in the **Hospitality** business decreased by 24.3% when compared to the same period of 2019, with downturns of 69.7% in Portugal and 68% in Mozambique. In Angola, despite the major devaluation of the Kwanza, the Group's companies saw overall growth of 17.8%.

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.

EBITDA in the Hotel Business experienced a decrease of 18.6% when compared to the previous year, penalized by insufficient cost reductions in a year in which revenue was significantly affected by the pandemic situation.

ACTIVITY IN 2020

In non-consolidated terms, and in order to gain a perspective on total activity in 2020, it is reported that the Group's operational revenue in the hotel sector reached an overall value of 36,146 thousand euros. In this business area, overseas markets accounted for 85% of activity and Portugal 15%.

In Portugal, the Group operates in this sector with two hotels:

LAGOAS PARK HOTEL			
Four-star unit	Oeiras	182 rooms	
SINERAMA			
Three-star unit	Sines	105 rooms	

The year 2020 was marked by the situation of the COVID-19 pandemic, and tourism was one of the most affected sectors.

Overall, there was a 40% decrease in the occupancy rate in these two units, as well as a decrease of about 3% in the average price, resulting from the sharp drop in demand seen as of the middle of the month of March, coinciding with the successively declared states of emergency and the resulting temporary closure of the units.

In Angola, the Group's companies operating in this sector offer a total of 1,236 beds and 620 rooms, distributed over five hotels, as detailed below:

HOTEL TRÓPICO			
Four-star unit	Luanda	280 rooms	
HOTEL ALVALADE			
Four-star unit	Luanda	202 rooms	
HOTEL BAÍA			
Four-star unit	Luanda	138 rooms	

In 2020, as with the previous year, the slowdown of economic activity on the Angolan market continued and the global pandemic crisis had a decisive influence on activity, particularly from the month of March onwards.

Out of the measures taken in this context and in view of the Group's area of operation, the most noteworthy is the adaptation of the Group's hotel units in this country to the requirements of the Angolan authorities, to meet institutional quarantine and social isolation needs.

Hotel activity on this market, taking into account demand for the aforementioned quarantines and isolations, reached higher levels than in 2019, with an increase in occupancy rate of 14%, with operating income above the previous year.

It should also be mentioned that a commercial strategy developed over the previous period also contributed to this performance, and led to the contracting of major *corporate* customers, specifically three airlines who concluded contracts with the Group in the second half of the year.

In the catering sector, the operation of the Group's cafeterias continued, once again under the terms and measures necessarily adapted to the situation of the COVID-19 pandemic.

In Mozambique, the Group's companies operating in this sector offer a total of 642 beds and 321 rooms, distributed over three hotels, as detailed below:

HOTEL AVENIDA

Five-star unit Maputo 159 rooms

HOTEL TIVOLI MAPUTO

Three-star unit Maputo 88 rooms

HOTEL TIVOLI BEIRA

Three star unit Beira 74 rooms

Economic activity in Mozambique continued to decelerate in 2020, which, combined with the global pandemic crisis, definitely affected the performance of the units in this market. Successive states of emergency have been declared, followed by states of calamity, and the airspace and land borders were closed for over six months.

In this context, there was a 23% decrease in the occupancy rate of the units when compared to the same period of the previous year, as well as a significant reduction in operating revenue.

Activities are expected to progressively resume in Portugal in 2021, particularly in the second half of the year, due to the positive evolution of the pandemic. Considerable increase in demand associated with business and leisure travel is expected, as well as the congresses and events markets.

In the current situation in Angola, continued demand is expected from major *corporate* customers, specifically in the areas of *Oil & Gas*, and that there will be increased demand from airlines with the expected resumption of flights.

In **Mozambique**, the possible resumption of the *Oil & Gas* projects in the north of the country, as well as the commercial activities under development aimed at *corporate* customers, will contribute to considerably better performance in 2021.



Executive room at the Baía Hotel
LUANDA - ANGOLA

II.5. DISTRIBUTION

The Teixeira Duarte Group's operations in this sector began in 1996 and currently consists of several international operations, operating in Portugal through "Teixeira Duarte Distribuição, S.A." and in Angola through the subsidiaries "CND - Companhia Nacional de Distribuição, Lda.", "DCG - Distribuição e Comércio Geral, Lda.", "OCC - Operador Central de Comércio, Lda." and "COM 1 - Comércio e Distribuição, Lda."

Teixeira Duarte's activities on all of these markets were affected by the situation of the COVID-19 pandemic, although with different circumstances and scope according to the country, the official measures implemented in different countries and the measures taken by other *stakeholders*, specifically authorities, customers, suppliers and partners.

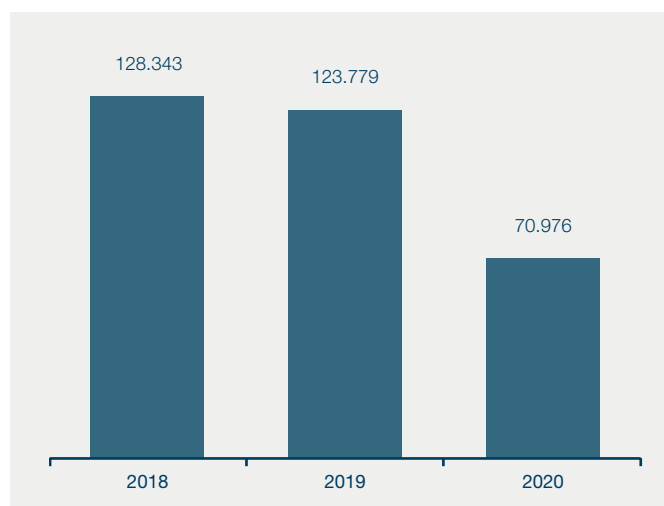
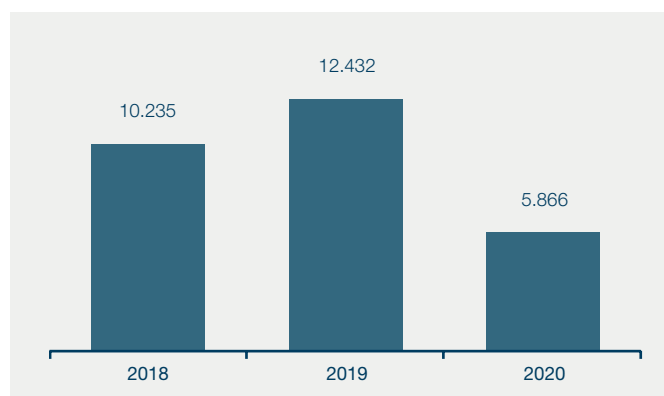
Given the nature of the activity, contingency and preventive measures were adopted to mitigate and contain the public health risk. These measures had the greatest scope in Angola, where Group companies have sales operations and stores open to customers, and emphasis should be placed on the effort and cooperation of all those involved, especially the employees themselves, allowing contingency and prevention measures to be created to comply with the guidelines of the authorities and to mitigate and contain the public health risk, to achieve this design and to take the necessary steps to safeguard business continuity and the impact that all of the above has on its *stakeholders*.

Among other measures, some stores were adapted, others were closed and processes were optimized. Some teams were reduced, including central operations teams that support the activity in Angola, which was essential to maintaining the business during the year, and currently feeds the good prospects of seeing a recovery of the Angolan economy and improvements to the purchasing power of the population.





Maxi Rocha Pinto
LUANDA - ANGOLA

CONTRIBUTION OF THIS SECTOR TO THE GROUPEvolution of Distribution Turnover
(Values in thousand euros)Evolution of Distribution EBITDA
(Values in thousand euros)

In the Distribution sector, the Group's companies experienced a 42.7% decrease in their **Turnover** compared to the same period of the previous year, resulting not only from the difficult economic situation in Angola, but also from the devaluation of the Kwanza, which reduces the relevance of the activity in euros.

The Distribution **EBITDA** decreased by 52.8% in comparison to the previous year, essentially affected by the devaluation of the Kwanza.

ACTIVITY IN 2020

In non-consolidated terms and in order to gain a perspective on the total activity in 2020, we report that the Group's operating income in the Distribution sector reached a total of 99,412 thousand euros, corresponding to a decrease of 36% compared to 2019.

In **Portugal**, the subsidiary "Teixeira Duarte Distribuição, S.A.", whose main market is Angola, noted a downturn in the Company's activity, which was affected by the economic crisis and the devaluation of the national currency against the Euro and Dollar. From March onwards, the onset of the COVID-19 pandemic further aggravated the difficulties, both due to restrictions imposed on retail networks and the interruption of logistics supply chains. The availability of foreign currency on the Angolan market evolved positively compared to previous years, allowing some improvement in the flow of opening of letters of credit. On the other hand, there was an increase in legal restrictions and on import licensing.

In the "Procurement" area, efforts continued with a view to identifying and obtaining the most suitable goods for the current profile of consumers on the Angolan market.

In the area of information technology and supply chains, technological processes and solutions continued to be optimized to allow for improved communication within the structure, with emphasis on more intense use of the Bitrix24 tool.

In **Angola**, the Teixeira Duarte Group operates in this sector through several Business Units and 31 points of sale to the public, integrated in the following entities:

- "CND - Companhia Nacional de Distribuição, Lda.", which operates in Food Retail under the brand name Maxi; and in Specialized Retail, in the Furniture and Decoration sector under the brand name Dakaza; in the Health and Wellness area under the brand name Farmácia Popular; and in the Restaurant area under the brand name Nilo.
- "DCG - Distribuição e Comércio Geral, Lda" in brand representation and distribution.
- "OCC - Operador Central de Comércio, Lda.", which operates under the brand name TEFAC, in beverage wholesale.
- "COM 1 - Comércio e Distribuição, Lda", the main objective of which is the development of projects in the field of Distribution.

In 2020, all of the brands were affected by the difficult economic scenario in Angola, associated with the COVID-19 pandemic, which limited business development.

In food retail, for Maxi 2020 was a year of focusing on simplifying the operation and optimizing processes, resulting in reduced operation support costs and more efficient control of disruption in stores.

Emphasis should be placed on measures taken in recent years by the Angolan government to boost national production, which has led to intense development in the agriculture and industrial sectors, decreasing dependence on imported products over

time and creating conditions for retail operators to work with a wide range of locally produced goods.

Along with store operations, there was a strong focus on professional channel sales, which performed well with a wide range of products and services provided to increasingly loyal customers.

Two sales units were closed during this year, due to the inadequate nature of the store model and the age of the facilities.

Revenue grew by 5% "like-for-like" in Kwanzas, despite customer traffic decreasing by around 22%, largely due to restrictions on the maximum capacity of stores and difficulties with the circulation of goods, both of which were consequences of the pandemic.

In specialized retail in the furniture and decoration area, in which the Group operates through the Dakaza brand, the measures imposed to combat the COVID-19 pandemic, particularly the obligation to close these stores for a period of time, and constraints on the numbers of customers present in the store, affected the overall performance of operations.

The good performance during the year of the 1º Congress store, which opened in 2019, allowed the store's "Dakaza" format and shopping experience concept to be adjusted.

Revenue did not change on a "like-for-like" basis in local currency, although customer traffic declined by around 6%.

In specialized retail in the Health and Wellness area, in which the Group operates through the Farmácia Popular brand, the correct definition of the concept, excellent service and operational efficiency were key vectors for good performance. Strict control of losses was maintained in 2020, as in previous years.

The effect of drug marketing is starting to have an impact when compared to other categories, with a weight of about 55%, showing the population's trust in the Farmácia Popular brand.

Revenue grew 103% "like-for-like" in Kwanzas, even though customer traffic only increased by about 8%.

In specialized retail in the catering area, in which the Group operates through the Nilo Patisseries, the restrictive measures put in place to prevent the COVID-19 pandemic, specifically the ban on using terraces and the reduction in working hours, had a negative impact on overall business performance.

In the last quarter of 2020 these patisseries were integrated into Maxi's operation, and this business is now being managed by the respective Store Managements. Revenue from this brand dropped by 8% "like-for-like" in Kwanzas.

In brand representation and distribution, DCG - particularly in the Beverages Unit - saw a downturn in demand, justified

by the limitations put in place due to the pandemic, with a significant reduction in social events that are typically strong drivers of consumption. The situation was further aggravated in August by the increase in import duties, from 30% to 50%. This phenomenon has led consumers to seek alternatives, particularly in beverages with lower sales prices, such as beers. Even so, the turnover of this business area increase by 5% "like-by-like" compared to 2019, expressed in the Kwanza currency.

DCG's Food Unit saw a "like-for-like" decrease of around 2% in Kwanzas when compared to 2019.

In beverage wholesale, operated by the TEFAC brand, a sharp decline in demand for these products was recorded, with a resulting significant decrease in sales volumes. This, associated with the low sales margins of this operation, led to the decision to discontinue this activity.

Despite the challenges of 2020, the commitment to training different employees in the sector was not neglected. Emphasis should be placed on the organization of yet another edition of the Maxi Academy, focusing on training for deputy store managers.

For 2021, Angola is expected to continue its movement towards economic adjustment, and to continue promoting policies aimed at reducing dependence on the oil sector, pursuing a strategic commitment to the diversification of national production, particularly industry and agriculture.

A year of consolidation of the different activities is expected, and the focus will continue to be on quality, diversity, and competitive prices of the sold products, as well as on boosting the loyalty of retail end customers and corporate customers, with a wider range of goods, new services in stores and excellence in customer service.

Strict cost control will continue, specifically of losses, as well as the optimization of processes through the continuous simplification of procedures and investment in IT tools.

The Group will also continue its constant and regular focus on the area of Professional Qualification, with several training plans covering all employees of the various brands and function-specific programs, as well as new editions of programs run by the Maxi Academy with the aim of promoting the professional development and *know-how* of all employees.

II.6. AUTOMOTIVE

Teixeira Duarte Group companies have been operating in the automotive sector for over twenty five years and their activity continues today through the commercialisation of products produced by different international manufacturers, operating in the following market segments:

- Light: Nissan, Renault, Mahindra, JMC, Ssangyong, Chevrolet, Isuzu, and Suzuki;
- Heavy: Renault Trucks and Randon;
- Motorcycles: Honda, Piaggio and Vespa;
- Equipment: Denyo.

Teixeira Duarte's activities were affected by the situation of the COVID-19 pandemic, although with different circumstances and scope according to the country, the official measures implemented in different countries and the measures taken by other *stakeholders*, specifically customers, suppliers and partners.

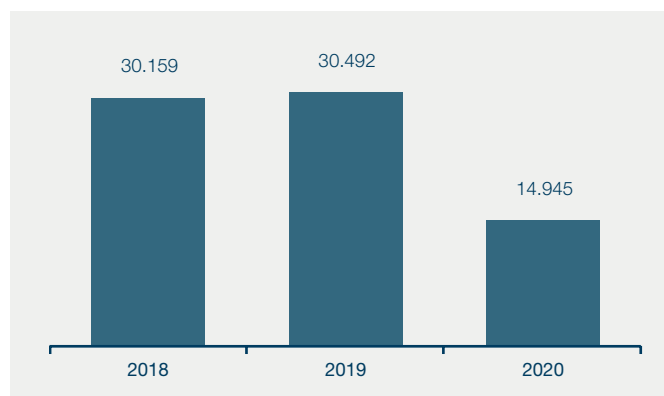
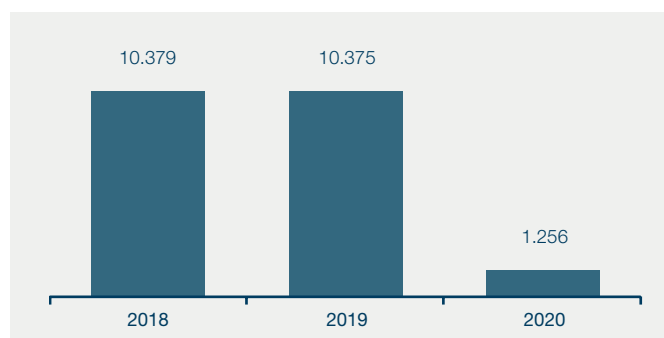
Given the nature of the activity, contingency and preventive measures were adopted to mitigate and contain the public health risk. These measures had the greatest scope in Angola, where Group companies have sales operations and stores open to customers, and emphasis should be placed on the effort and cooperation of all those involved, especially the employees themselves, allowing contingency and prevention measures to be created to comply with the guidelines of the authorities and to mitigate and contain the public health risk, to achieve this design and to take the necessary steps to safeguard business continuity and the impact that all of the above has on its *stakeholders*.

Among other measures, after-sales service and parts sales facilities were adapted and processes were optimized, and some teams were reduced, including in central operations that supports operations in Angola, which proved essential to maintaining the business during the year, and currently feeds the good prospects of seeing a recovery of the Angolan economy and the return of purchasing power to the automotive sector, which has been postponed over the last year.





Renault and Nissan Stands at Polo TDA Talatona
LUANDA SUL - ANGOLA

CONTRIBUTION OF THIS SECTOR TO THE GROUPEvolution of the Automotive sector
(Values in thousand euros)Evolution of Automotive EBITDA
(Values in thousand euros)

The Automotive sector saw a 51% decrease in **Turnover** compared to 2019, and this value was heavily impacted by the devaluation of the Kwana.

In Portugal, a 73.7% decrease was seen in this indicator when compared to the same period of the previous year.

In Angola, the main market where the Group operates in this sector and which represents 94.6% of total Turnover, there was a reduction of 48.5% compared to the same period of the previous year. Disregarding the effect of the exchange rate devaluation of the Kwana, this change would have been 17.6%.

Automotive **EBITDA** saw a decrease of 87.9% in comparison to the previous year, impacted by the major downturn of the Angolan economy and lower commercial performance.

ACTIVITY IN 2020

In non-consolidated terms and in order to gain a perspective on the total activity in 2020, we report that the Group's operating revenue in the Automotive sector reached a total of 21,243 thousand euros, corresponding to an decrease of 62% compared to 2019.

In **Portugal**, the company SMOTORS, S.A. is the exclusive representative of the Suzuki brand for the district of Lisbon. During 2020 it continued its activity of vehicle sales, after-sales technical assistance and over-the-counter sales of parts.

In **Angola**, the year was marked by a significant drop in the volume of vehicles sold, with a reduction of about 22%, from 3,073 units sold in 2019 to 2,390 vehicles sold in 2020.

The activity was significantly impacted by the COVID-19 pandemic, by the drastic reduction in economic activity, by the restrictions on movement between provinces and between countries, and by the major interruption to the logistics chains for the supply of vehicles and parts by international operators.

The limitations imposed by the pandemic on the normal functioning of operations also had a negative impact on activity, particularly the temporary closure of non-priority sales areas and the rules applied to workshop operations, specifically the maximum number of personnel allowed per establishment.

In this challenging context, there was a particular focus on the strict management of operating costs and the continuous optimization of processes. Commercial activity with the corporate segment was intensified, consolidating partnership relations and strengthening customer loyalty through personalized service and Technical Assistance of recognized quality.

Emphasis should be placed on the regularization of a large part of overseas payment processes, some of significant age.

Ongoing investments were made in staff qualifications and several training courses were run in accordance with current professional development models in force for the different technical teams.

Careful *stock* management will continue in **2021**, resources will be optimized and organizational processes will be strengthened and digitalized in the different areas of this business.

Particular attention will be paid to deepening institutional relationships with the main brands that are represented, which have also been affected by the pandemic, and whose organizational re-structuring operations in some resulted in some cases in new teams to monitor this market.

The focus will remain on the corporate segment and on proximity to key customers, and actions will be implemented to improve the services provided.

Continuous training will still be given to all employees, with a particular emphasis on technical areas.

III. NON-FINANCIAL INFORMATION

INTRODUCTION

For the fourth year running, Teixeira Duarte is reporting to its *stakeholders* on the consolidated performance of its subsidiary companies, in the non-financial dimension, including human resources management, and the management of socio-economic aspects, including community relations, as well as environmental management.

The information provided here covers the activity of subsidiaries between 1 January and 31 December 2020. Whenever relevant, information about previous years is included, to allow a comparative assessment of performance to be performed. Throughout the report, the contribution of the Group's companies to the Sustainable Development Goals established by the United Nations is highlighted. This global agenda has been adopted by the group in order to guide the performance of its subsidiaries.

In addition to meeting the requirements of the Companies Code and Decree-Law 89/2017, of 28 July, this year the report was also prepared in accordance with the GRI Standards - Essential Option - and it has taken into account the Non-Financial Information Reporting Template issued by the Securities and Exchange Commission. The tables of correspondence with these two references are attached.

SUSTAINABILITY IN THE TEIXEIRA DUARTE GROUP

Sustainability is understood by the Teixeira Duarte Group companies as the result of a way of being and acting with a sense of responsibility. This attitude is reflected in the relationship of its employees with all stakeholders.

In fact, the Group's Mission - "Execute, contributing to the construction of a better world" - and its structuring Values - Ingenuity, Truth and Commitment - reflect a deep-rooted way of acting over several generations, which makes an essential contribution to the effective global sustainability of the subsidiaries of the Teixeira Duarte Group, from economic, social and environmental perspectives.

As there is a wide range of sectors of activity in this universe of Teixeira Duarte Group companies, which operate in several countries, the sustainable development of the businesses is ensured by each area of activity, given their proximity to operations and greater effectiveness of their actions.

Each subsidiary thus responds to the sustainable development challenges of its activities, and is guided by the Group with regard to general objectives and the specific sustainability priorities for each country.

Additionally, the corporate areas of Teixeira Duarte promote the coordination of joint policies among subsidiaries, by identifying practices and synergies that help the different businesses to evolve in a sustainable manner and to innovate within the scope of their activities.

OUR MISSION

**EXECUTE, CONTRIBUTING TOWARDS
THE CONSTRUCTION OF A
BETTER WORLD**

HOW WE DO IT

**WITH INGENUITY, TRUTH AND
COMMITMENT**

TO WHAT WE CONTRIBUTE

**SUSTAINABLE
DEVELOPMENT GOALS**

OUR LOCAL PRIORITIES



The Teixeira Duarte Group's Sustainability Model as of 31 December 2020



Blue November Action by Teixeira Duarte - Engenharia e Construções
BRAZIL

SUSTAINABLE DEVELOPMENT GOALS

In 2018, Teixeira Duarte commenced a process to adopt the United Nations Sustainable Development Goals as a global framework to shape, drive and report the Sustainable Development actions of its subsidiaries, as it identified great affinities between its corporate vision of Sustainability and these Goals.

The 17 Sustainable Development Goals (SDGs) were established at a UN Summit in 2015 and unanimously approved by 193 Member States with the aim of creating an ambitious agenda for poverty eradication and global economic, social and environmental development by 2030. Compliance with this plan, known as the 2030 Agenda for Sustainable Development, involves unprecedented joint efforts on a global scale, by all countries and public and private players.

The Teixeira Duarte Group has been assessing the impacts of the activities carried out by its subsidiaries on the global priorities and aspirations for 2030 defined in the 17 SDGs. The sectors/business areas operating on the markets of Angola, Brazil, Portugal and, in 2020, Mozambique, responsible for 74% of the Group's operating revenue, were surveyed and the risks and positive impacts that each one can have in their respective countries with regard to sustainable development topics proposed in the SDGs were analyzed.

Through this evaluation, the Group identified at a local level a number of SDGs that are most relevant. Thus, despite contributing to all SDGs, Teixeira Duarte took on 5 as priorities: SDG 3, SDG 4, SDG 8, SDG 9 and SDG 12.

Portugal	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Angola	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	8 DECENT WORK AND ECONOMIC GROWTH
Brazil			
Mozambique			

ETHICS AND CONDUCT

Teixeira Duarte, S.A. has a Code of Ethics and Conduct adopted by each of the Group's entities, which enshrines the intra-group principles of action for all employees of Group companies and, therefore the involvement of Teixeira Duarte, S.A. with stakeholders. It serves to reinforce and develop the Group's

mission and values.

This Code is aimed at all Directors, Employees and other company representatives. In addition, it is the responsibilities of all of these employees not only to be aware of the code, memorize it, implement it within the institution and defend it outside the institution, but also to promote the application of the respective rules by third parties during the course of their relationships with all Teixeira Duarte Group entities.

The Code of Ethics and Conduct is mandatory for all employees, and failure to apply it may result in disciplinary procedures and sanctions.

In summary, according to this Code, all group employees are committed to complying with, defending and enforcing (as well as among indirect recipients) the legislation and regulation in force in the geographical areas where the group operates, including any global or sector agreements and ethical rules specific to each professional, as well as any and all contractual commitments taken on by the Group.

Sent to all employees globally, the current Code of Ethics and Conduct is available on the website www.teixeiraduarte.com.

COMPLIANCE WITH INTERNATIONAL AGREEMENTS

The activities of Teixeira Duarte Group companies are based on their Mission and are in line with the UN Human Rights Declarations, the Guiding Principles of the Organization for Economic Cooperation and Development (OECD), the International Labour Organization (ILO), national and international legislation and the 10 Principles of the United Nations Global Compact in the fields of Human Rights, Labour Practices, the Environment and Anti-Corruption.

Teixeira Duarte - Engenharia e Construções, in Portugal, is also voluntarily certified to the International Standard SA 8000, showing the organization's commitment to developing, maintaining and applying responsible practices to issues such as slave and child labor, occupational health and safety, freedom of association and collective bargaining, discrimination, disciplinary practices, working hours, remuneration and management systems.

COMMUNICATION WITH THE STAKEHOLDERS

The Teixeira Duarte Group encourages a regular and systematic dialog with a wide range of stakeholders, including those identified by its subsidiary companies.

In order to better understand the expectations of these different

groups and to communicate more efficiently with them, the subsidiary companies make use of several instruments, with particular emphasis on the following:

Employees

Corporate website, Staff Meetings, *Webinars*, Company Day, Christmas Event, Ethics Channel.

Clients and general public

Websites, *Call Centres*, Social Networks, Suggestion and Complaint Systems, Ethics Channel.

Investors

General Meetings, Financial Reports, Answers to Specific Questionnaires, Announcements.

Suppliers

Visits and Audits, Reciprocal Training, Performance Assessment, Ethics Channel.

Professional Organizations

Participation in several organizations.

Regulatory and Government Bodies

Participation in different sector associations.

Communities

Partnerships with Representative Institutions, Community Support Projects, Ethics Channel.

Educational Institutions and of Scientific and Technological System Bodies

Participation in Academic Events, Conferences, Job Fairs and Partnerships.

Media

Announcements, Answers to specific questions.

NOTE ON THE METHODOLOGY REGARDING COVERAGE OF INDICATORS

The Human Resources, Communities and Environment indicators presented here encompass, whenever possible, 100% of the group of companies included in the consolidation perimeter of the Teixeira Duarte Group.

However, given the diverse range of sectors and the local circumstances of their operating areas, the scope of coverage may vary for some indicators, and this fact is mentioned where applicable in the main body of this chapter.

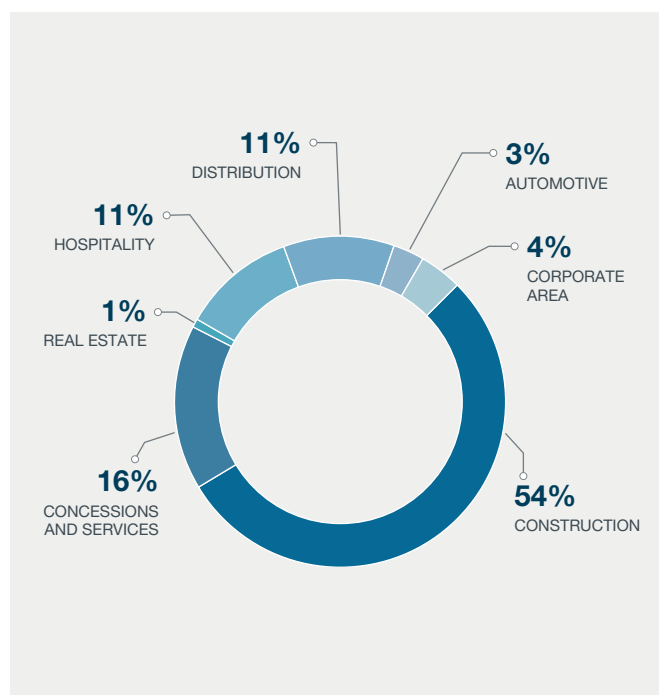
MANAGEMENT AND DEVELOPMENT OF HUMAN RESOURCES

The welfare of employees, including the promotion of good hygiene, health and safety conditions, as well as the development of skills and retention of talent, are extremely important to the management of human resources of Teixeira Duarte Group companies, and are duly rooted in a culture of dignified treatment and respect for human and labor rights.

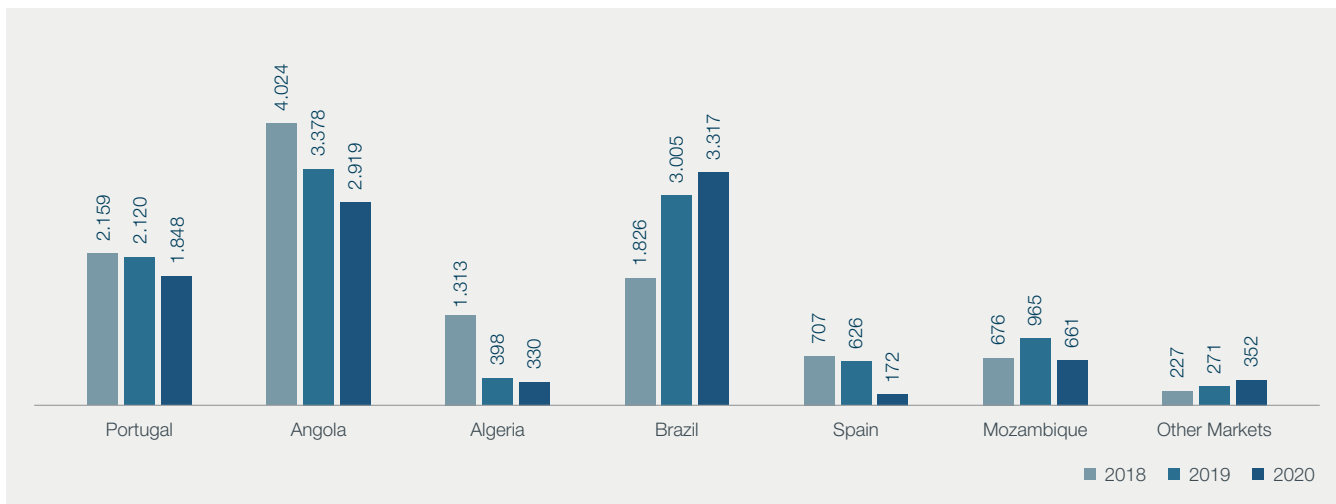
Human Resources in 2020

As of 31 December 2020, the Group had 9,599 employees, representing a decrease of 1,164 employees (-11%) compared to December 31, 2019, largely caused by the reduction in activity in the environment area in Spain, but also by the reduction in activity in Angola and Mozambique, in Distribution and Construction respectively. On the other hand, in Brazil there was an increase of about 300 employees compared to 2019, due to increased activity in Construction.

In 2020, and as in previous years, the employees of subsidiaries operating in the Construction sector account for most of the workforce of the Teixeira Duarte Group, and their importance even increased from 50% to 54% between 2019 and 2020.

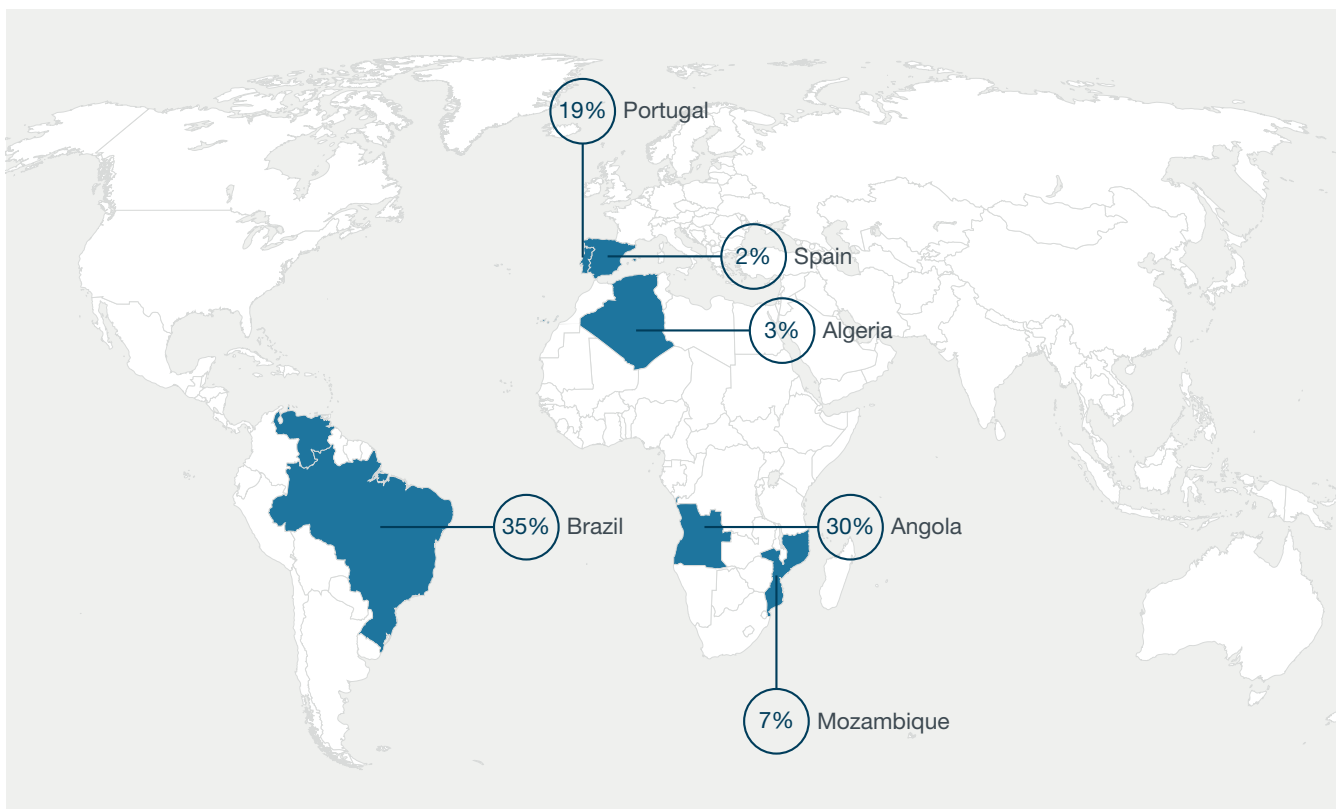


Employees by area of activity at 31 December 2020



Evolution of the number of employees as of 31 December by market

Brazil, Angola, and Portugal were the three markets with the largest number of employees, with 35%, 30%, and 19% respectively, in the group of companies where subsidiary companies were operating on this date.

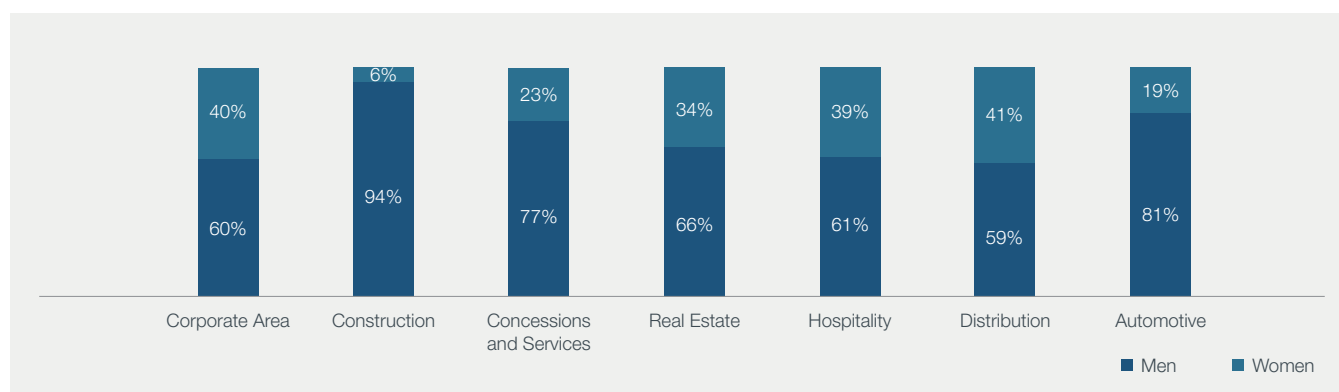


Geographical distribution of employees in the main markets on which the group operates, as of 31 December 2020

In line with previous years, in 2020 the majority of employees were male, a fact not unrelated to the business areas of the Group's subsidiaries, where the construction and Concessions and Services sectors predominate, which together accounted for 70% of the global workforce.

Teixeira Duarte, S.A. has always been concerned about guaranteeing dignified treatment to all male and female employees, with respect for their human and labor rights, including effective equality among all. It adopts good practices

in order to achieve an effective equality of treatment and opportunities between women and men, promotes the elimination of gender-based discrimination and encourages a personal, family and professional life balance. In 2020, the company published a new Equality Plan that presented the set of goals and measures to be developed by its subsidiaries in a manner appropriate to geographical and sector-related aspects of their operating situations, during the 2020 and 2021 period.



Employees by gender, by sector of activity at 31 December 2020

In 2020, as in previous years, the majority of Teixeira Duarte Group employees were in the age group between 30 and 50 years, and the predominance of this group had even increased by 2 p.p. when compared to 2019.

The Teixeira Duarte Group companies therefore consider the needs of the different generations present on their teams, by promoting the integration of new employees and simultaneously ensuring that previous generations pass on their knowledge.

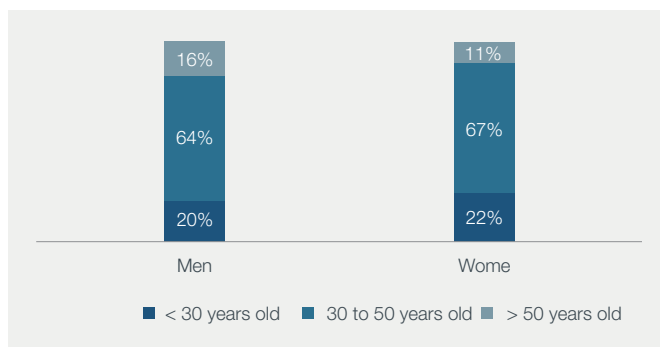
At a Board of Directors meeting on 14 September 2020, Teixeira Duarte, S.A. approved an Equality Plan covering the following areas:

- a) Equal access to employment;
- b) Equal working conditions;
- c) equal pay;
- d) Parenthood protection;
- e) Professional, family and personal life balance.

This Plan can be found at www.teixeiraduarte.com.

	Corporate Area	Construction	Concessions and Services	Estate agent	Hospitality	Distribution	Automotive	Total 2020	Total 2019	Total 2018
<30 years	18%	18%	18%	23%	21%	32%	25%	20%	22%	24%
30 to 50 years	62%	65%	64%	68%	66%	63%	64%	65%	63%	61%
>50 years	20%	17%	18%	9%	13%	5%	11%	15%	15%	15%

Annual evolution of the percentage of employees by Age Group



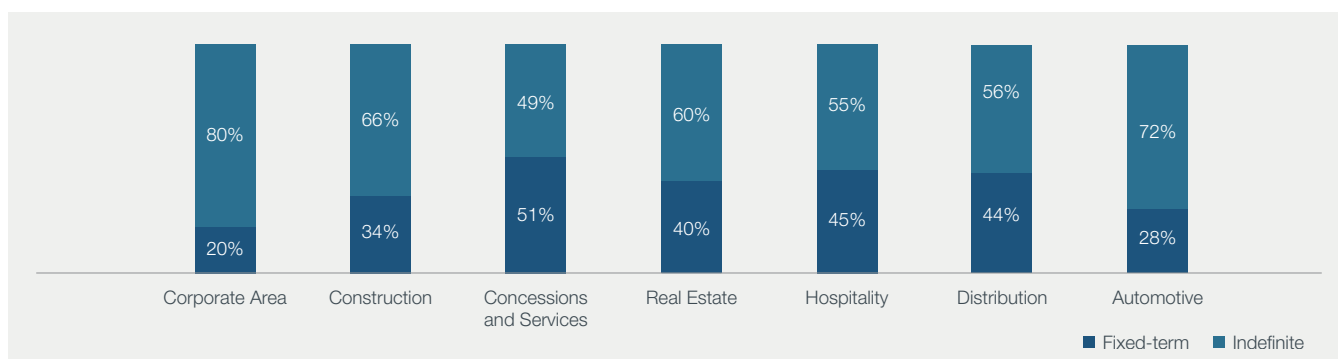
Employees by age group at 31 December 2020

	Total 2020	Total 2019	Total 2018
Permanent	62%	56%	45%
Men	62%	56%	44%
Women	60%	52%	51%
Temporary	38%	44%	55%
Men	38%	44%	56%
Women	40%	48%	49%
Total	9,599	10,763	10,932

Percentage of employees by contract type and gender

As of 31 December 2020, most employees were on permanent contracts.

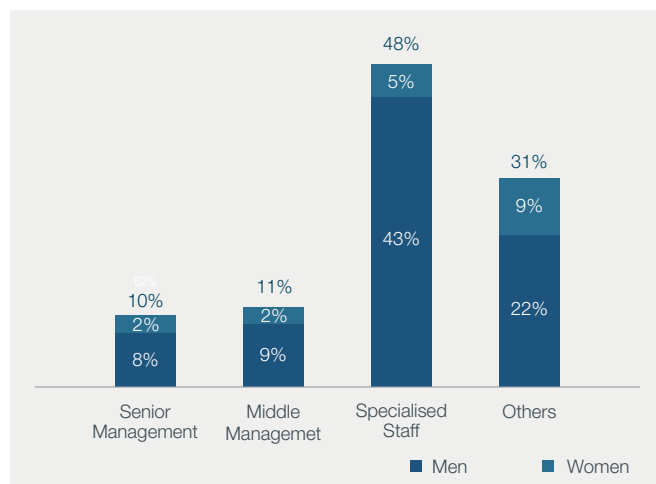
A description by area of activity shows the widespread adoption of the permanent contract model, with the exception of activities carried out in the Concessions and Services area.



Percentage of employees by contractual status and area of activity at 31 December 2020

Due to the wide range of business areas in which Teixeira Duarte Group subsidiaries operate, and in an attempt to characterise the distribution of their staff by professional groups that are as equivalent as possible, the Group classifies its employees into 4 major professional groups. This classification is based on the framework of professions and professional categories set out in the Collective Bargaining Agreement in force in Portugal for the Civil Construction and Public Works sector.

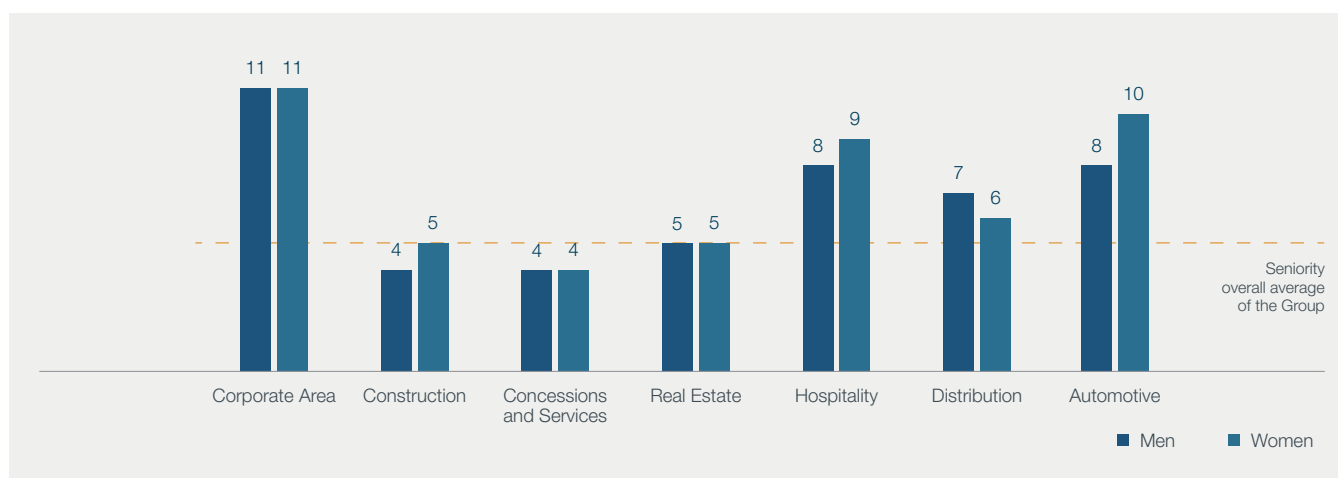
Almost half of employees fall into the group of Specialized Personnel, as it includes most of the specialized roles related to Construction *Facilities Management* and Automotive activities. The “Others” group includes essentially operational roles related to core activities, and is of particular relevances in the areas of Construction, Hospitality and Distribution.



Group employees per professional group in the Group at 31 December 2020

In terms of the average seniority of employees in each area of activity, some heterogeneity within the different Group subsidiaries was seen on 31 December 2020. On the one hand, the Corporate Area had a higher average seniority, but only represented 4% of employees. Construction and the Concessions and Services sector, responsible for 70% of the

Group's workforce, largely contributed to an overall average seniority of 5 years, which is similar to other areas such as Real Estate and Distribution. In 2019, this average seniority was 6 years globally.



Average seniority of employees by area of activity at 31 December 2020

Different cultures, habits and working methods tend to create greater openness and growth for companies seeking to ensure a working environment where mutual respect and equal opportunities prevail. At 31 December 2020, employees of 38 different nationalities worked for the group, with the greatest diversity particularly seen in Portugal.

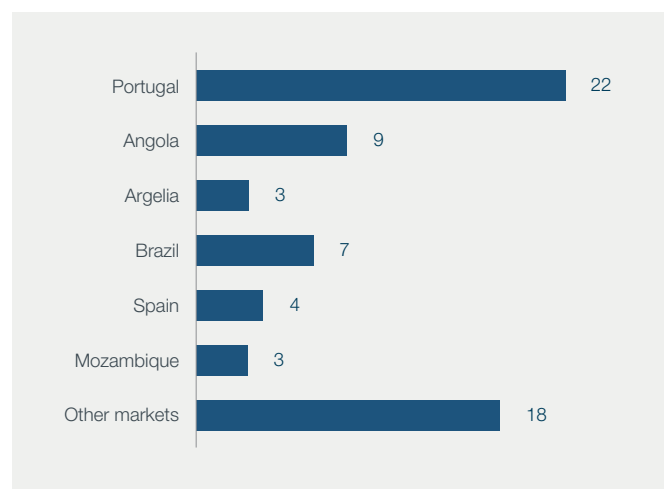
Recruitment, Selection and Retention of People with Potential Talent

Recruitment is a key part of the development of the human capital of an organization that intends to be innovative and dynamic, since it is the starting point of the human resources management value chain.

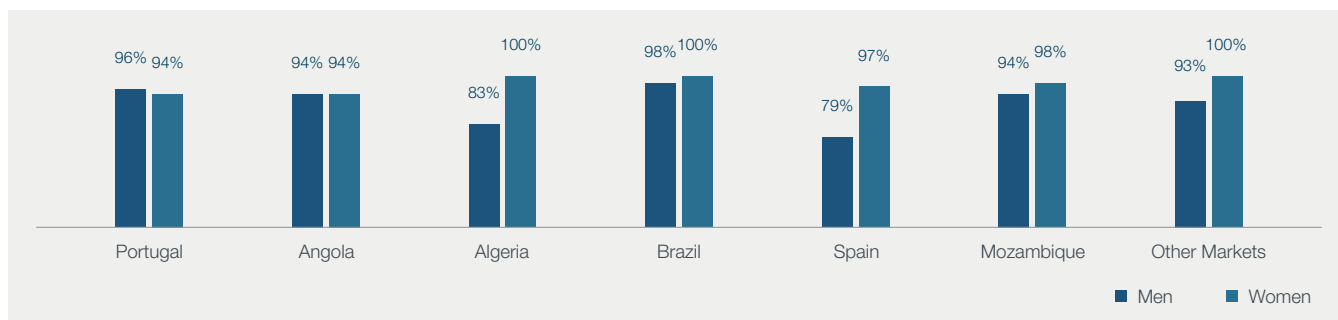
Many of the Group's subsidiary companies position themselves in their markets as recognized employers, particularly with a view to promoting the employment of youths with potential talent, since it offers this age group conditions and prospects for personal and professional development. They value this, and their contribution has proved to be strategic for the assertion of Group companies.

Continuing this positioning requires notable activity by these organisations in the area of recruitment and selection, including the permanent expansion of reference sources and the strengthening of partnerships.

One of the performance indicators of this policy that is used by many Group companies is the ability to hire and retain national employees in their operations. It should be emphasized that on the vast majority of markets the percentage of national employees is above 90%.



No. of employee nationalities by market at 31 December 2020



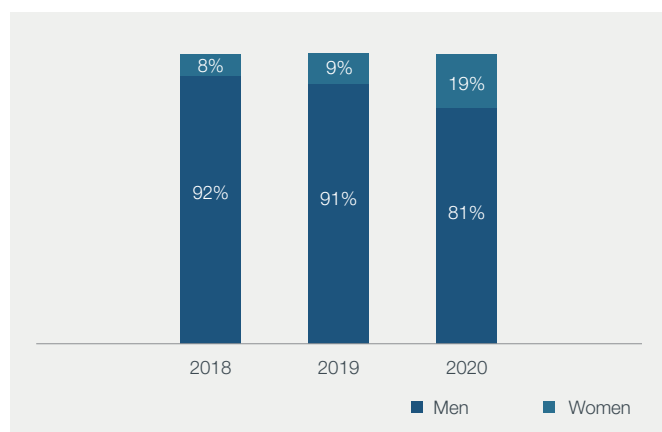
Percentage of national employees by market, at 31 December 2020

In this context, emphasis should be placed on participation in academic events, the signing of protocols and the granting of internships, which encourage applications from trainees, students and professionals who graduate from these national partner institutions.

In 2020, several Teixeira Duarte Group companies continued using the *Applicant Tracking System* implemented in 2018, allowing them to manage job offers and applicants more efficiently, using a wide search network integrated with job seeking websites.

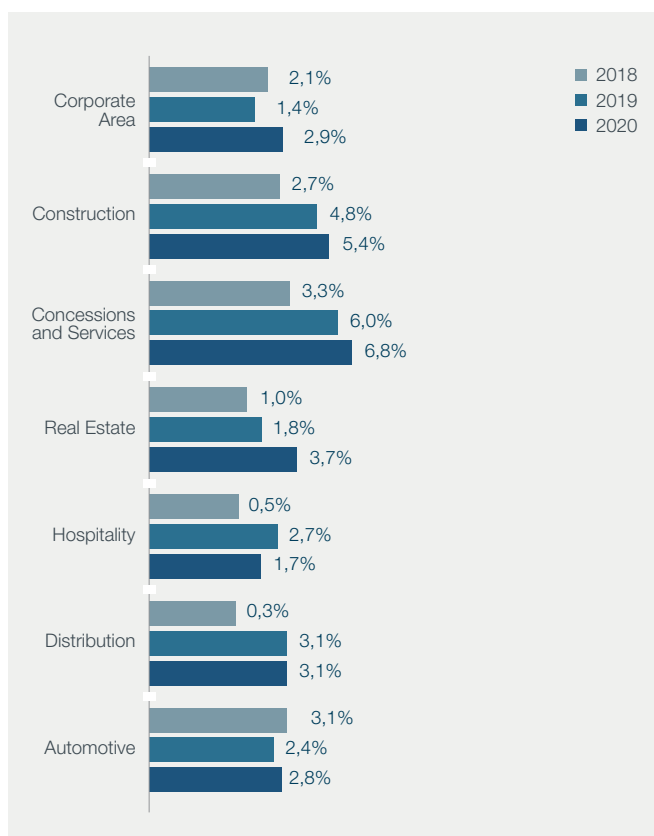
Along these same lines, mention should also be made to the role of internal recruitment which, based on performance with recognised merit, has given several employees opportunities to develop their careers.

The Group has also recorded an evolution in terms of the presence of men and women in management positions, as indicated by the evolution of the percentage of Men and Women belonging to the Group's Senior Management who are responsible for different companies, sectors, business areas, or other organizational structures. These percentages are identified, on 31 December 2020, on the organizational chart presented on page 16 of this report.



Evolution of the percentage of Men and Women in the Senior Management of the Teixeira Duarte Group

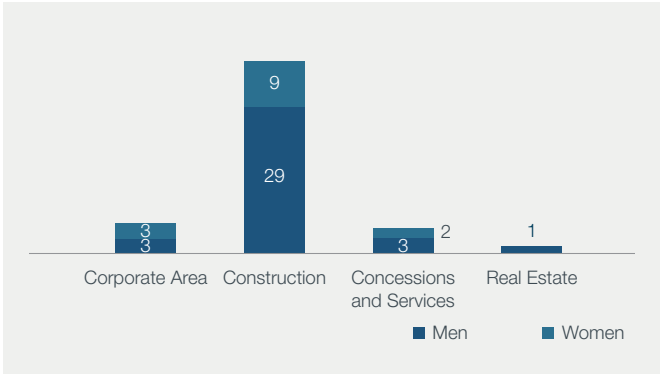
As regards absenteeism, the Group's various subsidiary companies have rates that vary according to the business areas and countries in which they operate, with an increase in the absenteeism rate in almost all cases during 2020, resulting, on the one hand, from the application of, and compliance with the orders of health and governmental authorities as part of the scope of preventing COVID-19 by the reorganization of work and, on the other hand, from absences directly related to illness and compliance with quarantine/precautionary isolation and family assistance.



Evolution of the annual absenteeism rate by area of activity (coverage = 96%)

Overall absenteeism in the Teixeira Duarte Group therefore rose from 4.1% in 2019 to 5.2% in 2020, with a more severe increase on the Angola and Algeria markets.

On 31 December 2020, 50 people with disabilities were part Teixeira Duarte subsidiary companies, 5 more than in 2019. In Portugal and Brazil, these employees represent 1% of the workforce.



No. of employees with disabilities by area of activity at 31 December 2020



New social area in the headquarters of the Teixeira Duarte Group
PORTUGAL

Compliance with International Labour Organization (ILO) Conventions

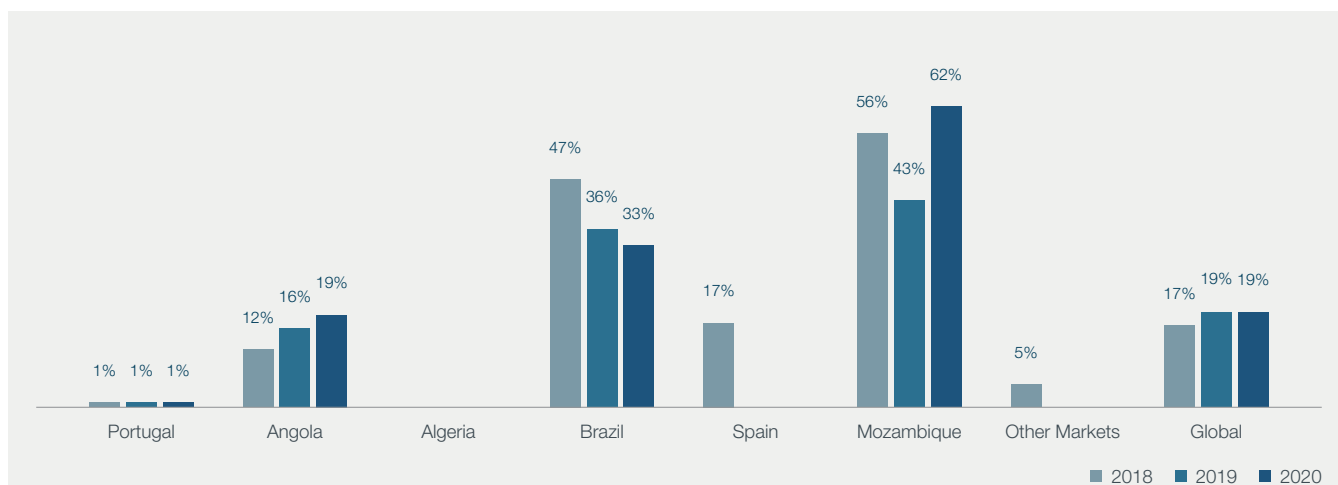
The promotion of the fundamental conventions of the International Labour Organisation (ILO), and of human rights, is enshrined in the Code of Ethics and Conduct of Teixeira Duarte, S.A., which extends to all the entities that form part of its consolidation perimeter.

The Code expresses the commitment of the Group's subsidiaries to recognising the right to association and collective bargaining. Their corporate practices protect labour rights and promote safe and healthy working environments for all workers.

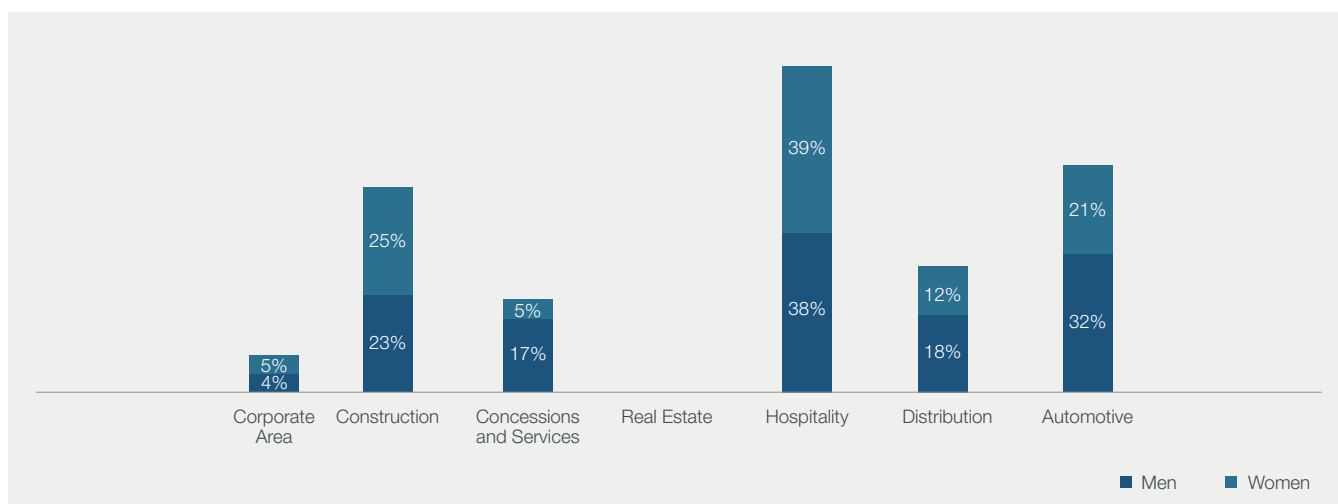
Although in some countries it is not possible to identify all employees who are trade union members, it has been ascertained that the subsidiary companies operating on the Mozambican and Brazilian markets have the highest percentage of employees covered by collective bargaining agreements, considering collective contracts, collective agreements and company agreements. In Brazil, it should be noted that the union contribution was mandatory until 2017 and ceased to be so in 2018.

The activities in which the Group has the largest number of employees covered by these collective bargaining agreements are Construction, Hospitality and Automotive.

The following graphics do not include employees covered by professional associations.



Annual evolution of unionized employees by market (%)



Percentage of unionized employees by area of activity at 31 December 2020

New social area in the headquarters of the Teixeira Duarte Group
PORTUGAL

Health and safety protection and promotion

The corporate vision of the Teixeira Duarte Group has always included a strong human resources management strategy. Its measures aim to improve the quality of life of all those who work for its subsidiaries, in order to optimize the balance between work and personal and family life and promote employee loyalty, regardless of the activity of the companies and the markets in which they operate.

This vision is reflected in the socially responsible attitude of its subsidiary companies with regard to the promotion of health, safety and hygiene at work.

In terms of occupational health, emphasis should be placed on the employee health monitoring policy, which takes the form of general health examinations, visits to work stations and the monitoring of situations of illness. In 2020, when compared to the previous year, the percentage of employees covered by examinations performed in companies decreased overall, as a result of difficulties caused by the COVID-19 pandemic situation which, in many cases, prevented examinations from being performed in person and forced the group's various local Occupational Health and Medicine services to prioritize efforts to prevent the pandemic and respond to its challenges.

	Corporate Area	Construction	Concessions and Services	Estate agent	Hospitality	Distribution	Automotive	Total 2020	Total 2019	Total 2018
Portugal	96%	95%	94%	98%	93%	97%	100%	95%	100%	99%
Angola	94%	79%	93%	89%	87%	93%	84%	90%	96%	85%
Algeria	77%	56%						61%	70%	51%
Brazil	91%	85%	90%	100%				86%	97%	98%
Spain		95%	23%					44%	32%	67%
Mozambique	51%	63%	54%		77%			67%	100%	94%
Other Markets	24%	66%	29%					56%	65%	50%

Coverage rate of medical examinations performed on Group company employees as at 31 December 2020

Even so, the same support mechanisms for curative medicine continued to be assured on the different markets, either directly (internal services) or indirectly (agreements with private clinics and/or health insurance).

The existence of an internal curative medicine service allows problematic health situations to be monitored more effectively and, in parallel, to improve the ability to act in emergency and extremely serious situations, as seen in 2020 during the pandemic crisis.

Employees are offered the chance to access medical services and drugs that, due to the situation in some of the countries where the Group companies operate, are an essential part of clinical monitoring and access to primary health care by employees. In some situations, this access is through private clinics with which partnerships have been set up, seeking to make health care more effective and less expensive.

In the case of Angola and Mozambique, for example, Group companies have defined a medical assistance and medication policy that includes access to medical consultations for all employees and first-degree relatives.

As its *core business* originated in the Construction sector, the Teixeira Duarte Group and its subsidiaries have a deeply rooted corporate culture of constant investment in safety and fighting against risks. This commitment includes strict prevention policies, which aim to ensure that the lives of all employees and service providers at all facilities are safeguarded.

In the cases of Portugal, Brazil, and Mozambique, the good practices of subsidiary companies in the Construction sector, where the risks are higher with regard to the health and safety of employees, are strengthened by an ISO 45001:2018 standard certification in occupational health and safety management systems, providing a more comprehensive and effective management of operational risks and contributing to employee protection and better performance.

Employees covered by occupational health and safety management systems (ISO 45001:2018 standard) at 31 December 2020 represented 52% of the total number of employees of the Group's subsidiaries:

- Portugal: 1,652 employees
- Brazil: 3,017 employees
- Mozambique: 315 employees

27 de julho
**Dia Nacional da Prevenção
de Acidentes do Trabalho**



PEQUENAS MEDIDAS PODEM EVITAR ACIDENTES DE TRABALHO

Disease prevention and health promotion activities in 2020 in companies operating in the areas of Construction and *Facilities Management* in Portugal, Angola, Brazil and Mozambique were also based on risk factors that had been identified, specifically risky behavior, noise in the workplace, working conditions and emergency procedures, among other aspects.

For example, in Brazil, Teixeira Duarte runs an annual campaign to mark the National Occupational Accidents Prevention Day. In 2020, a new wave of actions was carried out to alert employees and subcontractors to the importance of practices that reduce the number of occupational accidents and illnesses, thus promoting a safe environment and healthy practices in all production sectors.

The actions involved employees from the offices and each operational unit operating in the country, and awareness was raised among around 2000 employees.

Within the scope of health promotion, several activities are also promoted in Group companies, such as screening, awareness activities and individual and group health training activities.

Annual flu vaccination campaign

With the arrival of winter in Brazil, the rates of people infected by the flu virus are higher. In 2020, the campaign was run earlier due to the pandemic situation, because the flu vaccine also helps to protect the most vulnerable against respiratory diseases, which can impact the immune system and favor the onset of other infections. The campaign was run at the permanent facilities of Teixeira Duarte – Engenharia e Construções and TDGI in Brazil. A total of 140 employees were vaccinated (+10 than in the 2019 campaign).

Cancer prevention awareness activities

In October and November, when "Pink October" and "Blue November" are celebrated, the Group's subsidiary companies all over the world seek to raise the employees' awareness of the importance of prevention and early diagnosis of different types of cancer.



In 2020, a global *webinar* was held to raise awareness among employees of cancer prevention. It was run in partnership with the Occupational Health and Medicine teams in Portugal and Mozambique.

Prevention of mosquito-borne disease

Prevention awareness becomes highly relevant in countries such as Angola, Brazil, and Mozambique, with a high prevalence of diseases such as Malaria, Dengue Fever, Yellow Fever, and Zika Virus, due to the proliferation of mosquitoes typical of certain times of the year. In Angola, malaria itself is responsible for a significant proportion of deaths from infection.

In 2020, the different companies participating on these markets carried out actions at a wide range of facilities to stress the importance of taking measures to mitigate the spread of these types of insects and to prevent bites.



Diabetes prevention

In November 2020, several Group companies in Portugal, Angola, Brazil and Mozambique also marked World Diabetes Day, as this is a highly prevalent disease in these countries, by sending relevant information to employees and running awareness activities in several fixed and temporary facilities.



Awareness for HIV/AIDS prevention

When operating in Mozambique, one of the 10 countries in the world with the most people infected with HIV, as well as in several other countries where the disease is highly prevalent, it is essential to strengthen the literacy of employees and their families in terms of prevention of the disease, as well as to raise awareness of eliminating stigma and discrimination against people living with HIV.



To this end, several Group companies in Angola, Brazil and Mozambique jointly carried out an awareness campaign to mark World AIDS Day in 2020, involving hundreds of employees.

Throughout 2020, the Group's companies provided its employees with 1,237 curative medicine consultations and 25,496 complementary diagnostic tests:

	Occupational medicine medical consultations	Occupational nursing con- sultations	Curative medicine consultations	Complementary diagnostic tests
Portugal	1,244	1,239	317	5,425
Angola	1,499	1,068	802	256
Algeria	67			
Brazil	3,827			19,744
Spain	113			
Mozambique	227	545	118	34
Other countries	270			37
Total	7,247	2,852	1,237	25,496

Summary of the activity of the various local Occupational Health and Medicine Services

As regards the accident rate in the main markets in which the Teixeira Duarte companies operate, the evolution over the last 3 years in terms of the frequency (no. of accidents in the workplace x 1000000 / no. of hours worked) and severity (no. of days lost x 1000000 / no. of hours worked) of accidents was as shown on the following tables.

PORTUGAL	Nb. of Work accidents	Frequency rate	Severity rate
Corporate Area			
2020	0	0	0
2019	0	0	0
2018	0	0	0
Construction			
2020	47	13	359
2019	49	19	526
2018	58	21	408
Concessions and Services			
2020	23	27	681
2019	33	39	565
2018	38	50	1,033
Estate agent			
2020	0	0	0
2019	0	0	0
2018	1	15	328
Hospitality			
2020	0	0	0
2019	6	27	383
2018	8	37	173
Distribution			
2020	1	19	0
2019	0	0	0
2018	0	0	0
Automotive			
2020	0	0	0
2019	2	32	614
2018	1	17	702

Accident rate in Portugal as of 31 December 2020

ANGOLA	Nb. of Work accidents	Frequency rate	Severity rate
Corporate Area			
2020	2	11	5
2019	1	5	0
2018	1	7	0
Construction			
2020	7	13	207
2019	14	10	68
2018	30	13	76
Concessions and Services			
2020	6	7	12
2019	3	3	0
2018	9	10	3
Estate agent			
2020	4	27	47
2019	2	9	19
2018	2	6	74
Hospitality			
2020	5	3	12
2019	10	6	28
2018	4	3	32
Distribution			
2020	25	9	31
2019	35	12	60
2018	19	6	26
Automotive			
2020	2	4	76
2019	1	1	0
2018	10	12	65

Accident rate in Angola as of 31 December 2020

BRAZIL	Nb. of Work accidents	Frequency rate	Severity rate
Construction			
2020	27	10	65
2019	23	6	245
2018	17	8	242
Concessions and Services			
2020	3	7	85
2019	3	7	180
2018	3	9	9

Accident rate at 31 December 2020 in Brazil (Coverage = 46%)

SPAIN	Nb. of Work accidents	Frequency rate	Severity rate
Concessions and Services			
2020	1	15	74
2019	0	0	0
2018	2	38	0

Accident rate in Spain as of 31 December 2020

MOZAMBIQUE	Nb. of Work accidents	Frequency rate	Severity rate
Construction			
2020	2	11	178
2019	3	5	191
2018	1	2	150
Hospitality			
2020	5	14	165
2019	1	2	4
2018	3	5	24

Accident rate in Mozambique as of 31 December 2020 (Coverage = 79%)



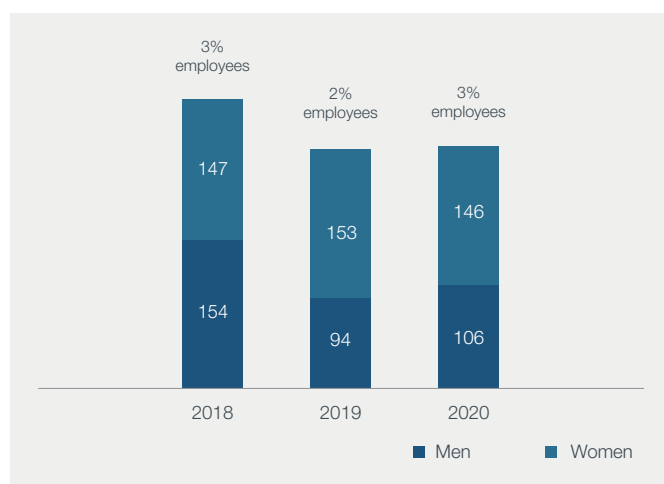
TDA Employee
ANGOLA

During 2020 there were no fatalities in the companies included in the consolidation perimeter of Teixeira Duarte, S.A..

In accordance with the legislative provisions in countries where Group companies operate, all employees have the right to protection during parenthood. In the case of Portugal, there is a range of maternity/paternity leave options available to employees, in accordance with the provisions of the Labour Code.

	Corporate Area	Construction	Concessions and Services	Estate agent	Hospitality	Distribution	Automotive	Total 2020	Total 2019	Total 2018
Portugal	5	43	25	9	5		1	88	57	109
Men	3	42	21	6	3			75	48	88
Women	2	1	4	3	2		1	13	9	21
Angola	4	4	13	1	28	56	3	109	130	104
Men	1	3		1	2	2		9	4	8
Women	3	1	13		26	54	3	100	126	96
Algeria		10						10	28	36
Men								0	26	32
Women		10						10	2	4
Brazil	3	9	2	1				15	11	18
Men	3	4	1					8	4	4
Women		5	1	1				7	7	14
Spain		3	5					8	7	25
Men		2	3					5	7	21
Women		1	2					3		4
Mozambique	2	4		1	3			10	7	8
Men		3						3	1	1
Women	2	1		1	3			7	6	7
Other Markets		10	2					12	7	1
Men		5	1					6	4	
Women		5	1					6	3	1
Total	14	83	47	12	36	56	4	252	247	301
Men	7	59	26	7	5	2		106	94	154
Women	7	24	21	5	31	54	4	146	153	147

No. of employees who took parental leave on 31 December 2020



Evolution of the no. of employees taking parental leave in the Group's companies as a whole

Other employee benefits

Companies forming part of the Teixeira Duarte universe also offer other employee benefits, such as:

a) Health and life insurance

Most Group companies provide health insurance to their employees in accordance with defined criteria, including the possibility of extending insurance to cover their families.

In some subsidiary companies, life insurance is also available in addition to health insurance to ensure protection in situations of personal accidents, death and disability.

This insurance is to supplement the mandatory protections that apply in each country to social security and labor legislation matters.

b) Protocols and Partnerships

A set of protocols and partnerships with external entities is made available to Group company employees, in various areas, such as telecommunications, banking, educational establishments, car dealerships, travel agencies and airlines, allowing employees access to goods and services under more advantageous market conditions.

c) Flexible benefits program

In 2020, the Teixeira Duarte Group maintained its "b.flex" program, created in 2019 and aimed at the permanent staff of its



subsidiaries in Portugal.

Employees voluntarily join "b.flex" for an individual grant, which they can use to gain access to a set of benefits for themselves and their families, according to their preferences.

These benefits include the reimbursement of Health Expenses, Child Allowance, Professional Training, Acquisition of Technology and Vehicle Acquisition.

In January 2021, the Program was reopened with the same set of Group companies in Portugal.

d) Family Monitoring Policy

The Teixeira Duarte Group has a Family Monitoring Policy in place which includes administrative, logistical and financial support with a view to the legalization, travel and accommodation of family members of employees who are subject to certain criteria and are moved outside their country.

Qualification for the expression of talent: development and training

In the universe of Teixeira Duarte Group companies, and over almost one century of history, a strong culture of ethics, work and merit has always been promoted, widely recognized and systematically applied at all levels.

Given the speed of today's transformations and their inherent volatility, uncertainty, complexity, and ambiguity, it is critical that organizations monitor and quickly adapt to both changing contexts and the expectations of internal and external *stakeholders*.

Guided by the values of Ingenuity, Truth and Commitment and the Mission "Execute! Contributing to the construction of a better world", the Group companies are aware of these transformation and of the need to direct people towards new growth models and the acquisition of new skills to allow them to overcome constant challenges.

As a strategy for the sustainability of its business in the face of this new reality, the Group has worked with its subsidiaries to stimulate the following objectives:

- To enhance talent within the organization, attract the most qualified people, develop them and promote their evolution by merit and performance;
- To foster strong leadership by improving the ability to promote People's performance and alignment with the purpose of the company;
- To communicate their organizational identities effectively, creating strong value propositions both internally and externally;
- To build leaning cultures with a strong impact, with growth opportunities for all, separated into different areas of knowledge (technical and non-technical), at different levels (operational, tactical and strategic) and in different learning formats (day-to-day, observing and interacting with others, formal learning through training courses in classrooms and *online* platforms).

The diverse range of activities that currently exists within the Teixeira Duarte Group, and geographical distribution throughout

several countries, have required an increasingly robust model for the effective transmission of values and practices that form part of the Teixeira Duarte Group's corporate vision for all business areas existing inside the group.

In 2020, the Teixeira Duarte Group's Competency Development Policy was continued according to the model defined in 2018, with the necessary adaptations to learning formats resulting from the circumstances caused by the COVID-19 pandemic. This Policy is based on a matrix that includes a common/cross-company component for all business areas and a specific component. It can therefore be adapted to any sector, market and professional category in which the employee is located.

The business areas, in turn, define, implement and assess the Skills Development Plans (SDP) for their employees. These are continuous training programmes that allow each employee to be trained over time, specifically with a view to updating skills and career progression.

In 2020, the Professional Qualification Coordination Committee, created in 2018 to provide extra skill development support for employees of Group companies, continued its work of continuous support to cross-group processes and the promotion of key projects in these areas, including the adoption of a new *e-learning* tool by all the Group's business areas, across all geographical areas. The implementation of this tool has become especially relevant in 2020, as it globalizes personal and professional development, regardless of the physical location of the people and operations.

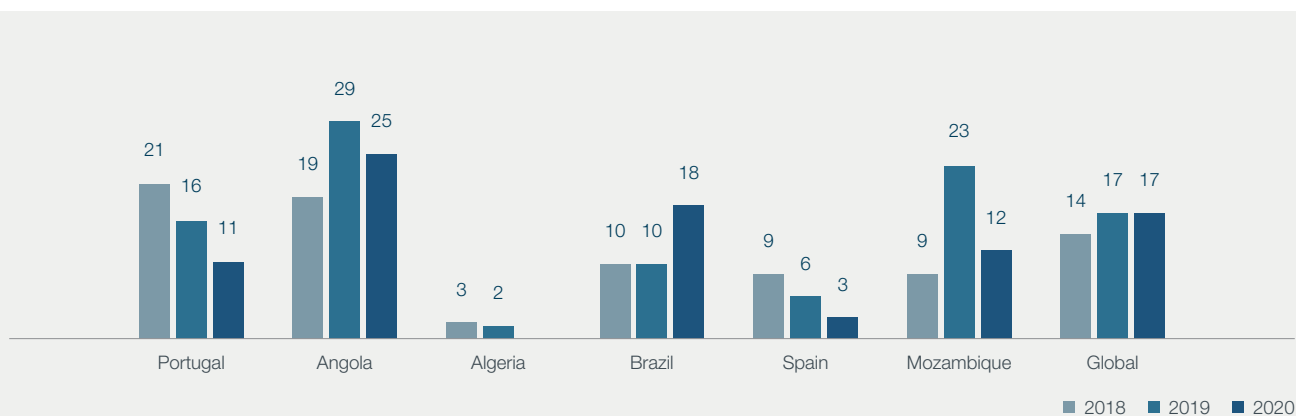
It is possible to access *online* training and information on the "OK - Online Knowledge" platform, on which content developed

externally and internally by each Group company can be accessed. Furthermore, the development of internal technical or general content promotes everybody's commitment to the organization and the people who work in it.



"OK - Online Knowledge" platform

In line with the need for the personal and professional development of employees as a prioritized way of responding to the diverse, demanding and complex challenges they face, in 2020 the companies included in the consolidation perimeter of Teixeira Duarte, S.A. carried out an average of 17 hours of training per employee, as in 2019. Particular positive emphasis should be placed on the performance of activities in Angola and Brazil in particular, despite the many constraints that the COVID-19 pandemic situation placed on more usual professional training formats.



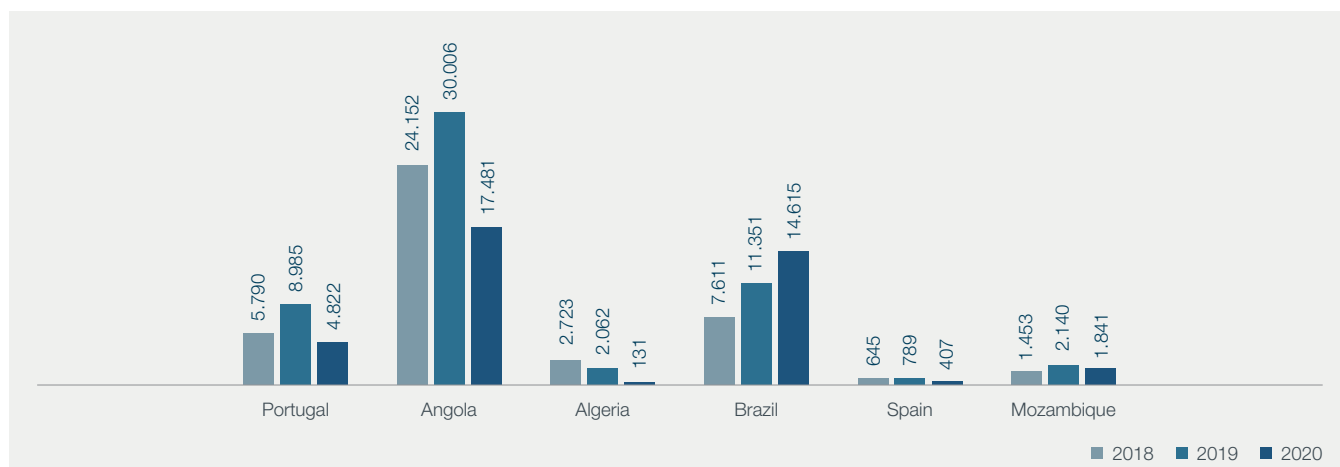
Annual evolution of the average number of training hours per employee per year, by market and in the Group as a whole (Coverage = 96%)

Qualifying activities (hereinafter, activities) covered 39,297 trainees (number of employees who attended an activity) and totaled 150,665 hours of training volume (total training hours attended by all trainees), which, compared to 2019, represent

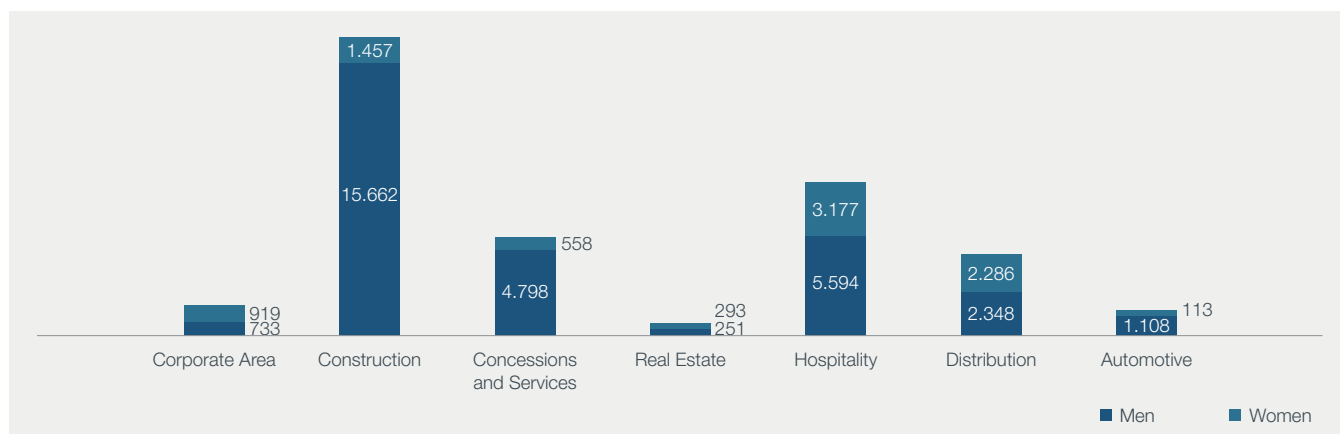
decreases of 29% and 23% respectively. In Brazil, however, there was an increase of about 30% in both indicators.

	Corporate Area	Construction	Concessions and Services	Estate agent	Hospitality	Distribution	Automotive	Total 2020	Total 2019	Total 2018
Portugal	2,805	13,895	3,124	605	411	461	114	21,414	31,853	46,630
Angola	152	1,864	2,432	86	38,203	23,760	6,720	76,398	106,360	74,133
Algeria		113						113	1,887	3,439
Brazil	1,119	38,252	5,320	1,239				45,930	33,786	18,226
Spain		1,055	35					1,090	3,936	6,327
Mozambique	582	2,352	189		5,780			8,903	17,781	6,241
Total	4,657	57,530	11,100	1,930	44,394	24,220	6,835	150,665	195,603	154,996

No. of hours of training volume on 31 December, 2020 (Coverage = 96%)



Annual evolution of the number of trainees covered by qualification activities, by market (Coverage = 96%)



No. of trainees covered by qualification activities, by area of activity at 31 December 2020 (Coverage = 96%)

In order to account for these indicators, in 2020 the Teixeira Duarte Group started to consider the location of the company to which the employee is contractually bound, and not the market where the employee is located at any given time.



World Day of Engineering for Sustainable Development

To mark the World Day of Engineering for Sustainable Development, which is celebrated on March 4, Teixeira Duarte - Engenharia e Construções in Portugal ran a seminar on the theme "Engineering: the key to Sustainable Development" seeking to raise awareness among its employees of the global objectives in the field of Sustainable Development, in which Engineering plays a key role.

The seminar, which was held in person prior to the onset of the COVID-19 pandemic, and was later made available on the "OK" platform, was attended by three guest speakers: Prof. Manuel Pinheiro, holder of a degree and PhD in Environmental Engineering, assigned to the Higher Technical Institute, Prof. Helena Gervásio, Assistant Professor at the Department of Civil Engineering of the University of Coimbra, and Prof. Jorge de Brito, Full Professor at the Department of Civil Engineering, Architecture and Geo-Resources of the Higher Technical Institute.



In 2020, the Teixeira Duarte Group, in partnership with Nova SBE University, continued the Training Program for Executives, which began in 2019 and included about 125 participants, in Portugal and Angola. The objective is to give people with key Group development roles Leadership, Management and Governance skills.



In Portugal, Teixeira Duarte - Engenharia e Construções maintained its training entity certification, granted by DGERT - Directorate General of Employment and Labor Relations, which enables the company to provide certified training in several areas including Health and Safety at Work, Civil Construction and Civil Engineering, Metallurgy and Metalwork, among other areas.



In 2020, Teixeira Duarte - Engenharia e Construções also ran a training course on *Building Information Modeling* (BIM) for its teams in the Buildings area, in partnership with ISCTE. The training, which lasted 55 hours, took place over 2 months and aimed to provide these employees with more details on the use of BIM for project management.



Also with regard to the Portuguese market, emphasis should be placed on the participation of Empresa Portuguesa de Obras Subterrâneas, Lda. (EPOS) in yet another Recognition, Validation and Certification of Competencies (RVCC) initiative run by the Almodôvar Qualifica Center. 19 EPOS employees completed this process and were recognized with 9 and 12 year level qualifications. With the objectives of Professional and School Qualification, Employability and Social Responsibility, this process took place over 2 months, in an intensive regime, with high

commitment and dedication, both from employees and the team of trainers and technicians of the Qualifica Center. This was made more challenging by the constraints related to the pandemic situation, which were overcome with complete success: besides recognizing the workers' current academic skills, it will allow them to embark upon professional certification processes in the near future for some professional profiles, which will represent added value for them and for EPOS.

In the Teixeira Duarte Group, Angola is the market with the highest average number of training hours per year, per employee. 17,481 trainees carried out the qualifying activities during the course of 2020, totaling a training volume of 73,216 recorded hours, representing reductions of 42% and 31% respectively when compared to 2019.

The Teixeira Duarte Professional Development Center (PDC) in Angola continues to serve as a cornerstone in the construction of a lifelong learning ecosystem for employees, and it is where most of the training activities run by the Group's companies on this market can be found. In March 2020, the PDC had to suspend in-person training activities and continued running training in *e-learning* formats.

The "Fazer Pescar" (Go Fishing) project was continued in the Group's areas of employability, professional qualifications and social responsibility in Angola, with 5 editions and 52 participants starting at the beginning of 2020. The projects had to be suspended when Angola entered into a situation of emergency.



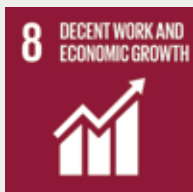
Fazer Pescar trainee (Real Estate edition)
ANGOLA

HIGHLIGHTED INITIATIVE

FAZER PESCAR



Main Sustainable Development Goals



Scope

- Employability
- Professional Qualification
- Social Responsibility

Addressees

Young people living in an underprivileged social situation.

Challenge

To take advantage of resources and instruments focused on the training and professional development of employees of different Teixeira Duarte Group subsidiaries, to train the recipients and to give them the opportunity to make a start in the jobs market.

Description

"Teach a man to fish and you'll feed him for the rest of his life", Lao Tzu

"Fazer Pescar (Go Fishing)" is an initiative that aims to create opportunities for young people, training them to autonomously become a fundamental part of the development of the community of which they form a part.

A 3.5-month educational programme that includes the components of social integration, corporate integration and integration into the workplace.

Attendance is free and trainees benefit from daily meals, a daily transport allowance, personal accident insurance, uniforms and clothing for individual use, school supplies and regular medical monitoring.

At the end of the course, trainees with positive assessments join companies Group companies in Angola.

Sectors/Group companies involved

All sectors operating in Angola.

Impact

- 32 editions held between 2013 and 2019; 5 editions started in 2020 but suspended due to the onset of the pandemic;
- 5.500 admission tests performed and 1,500 interviews conducted since 2013;
- 450 young graduates integrated into Group companies between 2013 and 2019;
- Average retention rate: 50%.

TEIXEIRA DUARTE PROFESSIONAL DEVELOPMENT CENTER



Approximately 1,500m² of constructed area.

6 rooms for theoretical training.

1 computer room.

2 laboratories (Electricity and Electronics and Civil Engineering).

2 workshops for practical training in the Automotive and Distribution areas.

1 auditorium and a cafeteria with capacity for over 100 people.

With an emphasis on:

7 businesses with training activities: Construction, Facilities Management, Education, Real Estate, Hospitality, Distribution and Automotive.

33 training courses certified by INEFOP.

1st Renault Certified centre in Sub-Saharan Africa.

In Brazil, activities were carried out that included 14,615 trainees, totaling 45,930 hours of training volume, which represent increases of 29% and 36% respectively when compared to 2019. The average number of training hours increased from 10 to 18 hours per employee.

In Brazil, emphasis should also be placed on two programs in the fields of professional qualification and youth employment. Teixeira Duarte - Engenharia e Construções has for several years been running a training program for newly graduated professionals, with a minimum duration of 12 months. Its objective is to develop young people through "on the job" training to allow them to join the company in the future. In 2020, 19 "trainees" joined the group - the largest number in recent years - with 17 remaining in the company after their trial period. "Young Apprentice" is another important program, aimed at young people in high school. It included 17 young people in 2020, of whom 4 joined the company. This initiative lasts for 16 months and aims to provide young people with experience in working environments.



Fazer Pescar trainee (automotive edition)
ANGOLA

SOCIO-ECONOMIC PERFORMANCE

The activities of Teixeira Duarte Group's subsidiaries, regardless of the sector in which they are active, have an impact on the socio-economic development of the places where they operate.

In order to enhance its positive impacts and, on the other hand, to mitigate the negative ones, the Group promotes a culture of ethics and quality among its subsidiaries, of commitment to local hiring and the development of local subcontractors and suppliers, and of strengthening their technological capabilities and social responsibility, particularly in developing countries, which contributes to the sustainable development of communities.

In Portugal, Teixeira Duarte - Engenharia e Construções is a company certified in social responsibility according to the SA 8000 benchmark.

Combating corruption and bribery, money laundering and terrorism financing

Corruption and bribery are inherent risks of all economic activities. The tool that guides the management of the Group's subsidiaries in this area is a *compliance* program that establishes and implements a set of measures and procedures based on the *Compliance Policy*, on the Code of Ethics and Conduct and on Teixeira Duarte's Mission and Values. With greater effectiveness and more evidence, its aim is to ensure compliance with the law and internal rules, thereby contributing to an effective climate of integrity and ethical culture during the course the activities of Teixeira Duarte Group companies.

The system also ensures compliance and the assessment of the effectiveness of the Code of Ethics and Conduct, according to which employees must act in order to assess and avoid possible conflict of interest situations, as well as to actively or passively prevent any corrupt behavior, including facilitation payments or gifts, or the creation, maintenance or promise of irregular situations or favors.

They shall be obliged to report any information that constitutes misconduct, including those that constitute possible illegal or illicit practices in financial and accounting matters, fraud, corruption and money laundering, as well as any actions related, directly or indirectly, to terrorist entities or those that may target or support terrorist practices.

They are also responsible for ensuring that indirect recipients of this code also do so.

The Teixeira Duarte Group's *compliance* system, applicable to all subsidiary companies, includes the following mechanisms:

- Financial and non-financial risk assessment processes and internal control procedures, which include due diligence of third parties and senior management, relationships with competitors, confidentiality and conflict of interests, among other aspects;
- Monitoring the performance of this system, such as internal audits, external audits, investigation of complaints and other compliance breaches, and ongoing training;
- An Ethics Channel where all employees and third parties must report any irregularities identified in relation to any external or internal regulations, among other measures. The Teixeira Duarte Ethics Channel can receive complaints through:
 - Correspondence addressed to the company at its respective addresses;
 - E-mail message to the addresscompliance@teixeiraduarte.pt
 - Message sent through the Teixeira Duarte website(www.teixeiraduarte.com);
 - Message sent through the Teixeira Duarte Employee Portal.

9 de DEZEMBRO | 17h

WEBINAR: CONTROLE E COMBATE À CORRUPÇÃO

Mantendo sua tradição no combate à corrupção, a Teixeira Duarte promoverá este webinar para discussão sobre a corrupção no Brasil e no Mundo, e alertar sobre os cuidados e práticas adotadas no contexto corporativo para a prevenção e o combate à corrupção.

O evento ocorrerá via plataforma zoom.
Em breve você receberá o link.

Webinar run by Teixeira Duarte - Engenharia e Construções in Brazil in 2020, aimed at management positions.

Employees must act in a manner that actively combats possible attempts at money laundering, refusing to participate in any act that as such may be considered, under current legal and regulatory standards, as well as in any attempt, complicity, facilitation or advice to carry it out.

They must also take actions to prevent the business of any Teixeira Duarte Group from being able to supply, collect or hold funds or assets in any way that could be used for financing and supporting criminal activities, specifically terrorists.

The practices and procedures for the prevention of money laundering and terrorist financing, established by Teixeira Duarte Group companies on the different markets, have moved hand-in-hand with the respective changes in legislation. In the specific case of real estate activity, this evolution has been reflected in the strengthening of risk assessment and increased pre-contractual diligence.

Relations with people and organizations affected by the activities of Group companies

a) Clients

A focus on quality, on continuously improving overall performance and the intention to meet customer needs and expectations has led Teixeira Duarte Group companies to commit to the implementation and certification of Quality Management Systems according to the ISO 9001 standard, as a business strengthening and sustainability factor. This contributes to economic aspects and in turn provides capabilities and resources for other sustainability initiatives.

Sectors and markets in which Teixeira Duarte Group companies have, on 31 December 2020, implemented Quality Management Systems (ISO 9001): 2015):

- **Construction:** Portugal, Brazil and Mozambique
- **Concessions and services:** Portugal;
- **Real estate:** Portugal and Brazil;
- **Distribution:** Angola

It should be noted that, due to the heterogeneous nature of the businesses that make up the Teixeira Duarte Group, it is up to each area to establish its own mechanisms for listening to customers and for receiving, handling and resolving complaints, and to assess their levels of satisfaction in accordance with their own specific criteria.

b) Partners, suppliers and subcontractors

In awareness of the importance of third parties to the performance of the Teixeira Duarte Group's activities, the underlying principles of its *compliance* policy must always be present in the relationship between Teixeira Duarte Group companies and its business partners, as well as in the relationship and interactions with public agents.

Teixeira Duarte also encourages its business partners to adopt a *compliance* system compatible with their activities, with the objective of promoting and maintaining an ethical business environment.

In Portugal, Teixeira Duarte - Engenharia e Construções, in compliance with the SA 8000 Standard, promotes respect for labor rights and safe and healthy working environments for all workers, and among suppliers and contractors, by demanding compliance with social responsibility requirements, with an emphasis on the following:

- Not using or supporting the use of child labour, or forced or compulsory labour;
- Providing a safe and healthy environment for doing work;
- Not hindering freedom of association and the right to collective bargaining;
- Not engaging in or supporting discriminatory acts in any form;
- Not practising or supporting the harsh or inhuman disciplinary practices;
- Acting in compliance with applicable laws and standards of the respective area of activity, in matters relating to working hours;
- Remuneration considered adequate for the work effectively performed, always with respect for legal stipulations.

Based on the geographical area in which the supplier operates, the type of activity it carries out and the Company's ability to influence it, the potential social risk of suppliers is assessed in relation to the expected risk, and the cases of greatest risk are monitored. In 2020, 12 supplier inspections were carried out in Portugal, within the group of companies with which Teixeira Duarte - Engenharia e Construções maintained supply relationships.

In the particular case of subcontractors, Group companies in the construction business have put specific mandatory contractual provisions in place, in addition to legal provisions, in the areas of

occupational health, safety and hygiene, including occupational accident insurance, personal protective equipment, accident rates, training and information, and the prevention and control of alcoholism, among other areas.

In the Distribution sector in Angola, the subsidiary CND has, since 2012, had a program for supplies, aimed at supporting agricultural and livestock production activities, job creation and entrepreneurship, and encouraging the formalization and growth of micro, small and medium-sized enterprises. Through the "Fazenda Maxi" (Maxi Farm) program, CND establishes partnerships with national producers, supports them and ensures that their production is purchased and distributed, which making safe and high quality produce available to the population in its stores.

In 2020, the "Fazenda Maxi" Program maintained a network of over 30 associate producers in 8 provinces. Originally of an agricultural nature, "Fazenda Maxi" is now a program in the farming sector that brings together a community of experienced and independent farmers, where the automation and mechanization of production processes will be the next step.

Also in terms of support to local suppliers, CND in Angola maintained the "Roots" Program, created in 2018. Through the "Dakaza" retail brand specializing in furniture and decoration, the company established partnerships with Angolan artists and craftsmen and promoted contact between them and individual customers, by exhibiting, promoting and enhancing their articles in the brand's stores and other communication channels. In the third year of the initiative, 20 new exhibitions were held and around 1,000 items were sold.

MAXI FARM

Main Sustainable Development Goals



Scope

- Employability
- Inclusive economy
- Quality and Food Safety
- Professional Qualification
- Responsible practices in the value chain

Addressees

Agricultural producers, with an emphasis on small and medium sized producers.

Consumers in general.

Challenge

Reduce the difficulties in obtaining high quality agricultural produce for CND's food retail business, at prices accessible to all, in a consistent and sustainable manner, taking advantage of its resources and instruments focused on the training and professional development of workers directly and indirectly related to this activity.

Description

Program created in 2012 and promoted by CND through its "Maxi" brand, which establishes partnerships with producers, with the aim of developing national production and making the best national agricultural products accessible to the entire population.

The "Fazenda Maxi" program gives producers the assurance that products are sent to Maxi stores, by collecting them and transporting them. It also provides technical advice throughout

HIGHLIGHTED INITIATIVE



the production process, and specialized training activities with a view to improve the quality and regularity of their production.

The savings obtained by shortening the distribution chain are passed on to the end customer.

Within the scope of this program, CND ensures the technical monitoring of producers, supplies, logistics and quality and food safety of products, by allocating to the program a fleet of refrigerated vehicles with a capacity of 8 tonnes, specially developed transport boxes and the operational support of its central structure, including the company's modern distribution centre located in Morro Bento.

Sectors/Group companies involved

Distribution Sector in Angola.

Impact

- 2,600 tons purchased in 2020;
- In 2020 it represented 66% of the volume of the Fruit & Vegetable category in "Maxi" stores, continuing to contribute to reducing the import rate in the category;
- 4,450 permanent and seasonal jobs on average per year;
- Transfer of knowledge and know-how;
- Strengthening of the technical capacities of producers to make progress towards more sustainable production patterns;
- Professional development of small agricultural entrepreneurs;
- Job creation and consequent promotion of the settlement of people in rural areas;
- More diversified and high quality supply of national products.

HIGHLIGHTED INITIATIVE

RAÍZES



Main Sustainable Development Goals



Scope

- Strengthening national cultural identity
- Entrepreneurship
- Inclusive economy

Addressees

Artists and small and medium-sized national craftspeople.
Consumers in general.

Challenge

To boost the unique factors of CND's specialised retail business by including locally manufactured original articles, integrating national artists and craftspeople into organised retail.

Description

Program created in 2018 and promoted by the CND through its "Dakaza" brand, which establishes partnerships with Angolan artists and craftspeople, with the aim of promoting the creativity, innovation and entrepreneurship of national creators.

The "Roots" Programme makes it possible for Dakaza's customers to purchase national pieces of art and crafts.

Artisans and craftsmen are given spaces in the brand's stores to exhibit articles and run demonstrations, and *workshops* with the participation of customers. "Dakaza" also promotes the reputation of creators in addition to selling their articles.

Sectors/Group companies involved

Distribution Sector in Angola.

Impact:

- 40 artists and/or exhibitions in three years;
- 3,500 items sold in three years;
- 78,000 visitors affected in three years;
- More diverse range of national products.

d) Support for communities

The Group's mission and values, particularly the "Commitment" value, reflect Teixeira Duarte's concern for Social Responsibility. This is also reinforced by the principles and rules laid down in the Code of Ethics and Conduct, which particularly applies to human capital, and by the sustainability vision and model that states the intention of contributing to the development of communities.

Within the scope of support for social projects and social charity organizations, it should be noted that Teixeira Duarte has intended to adopt an institutionalized position through initiatives that are neither exclusive nor centralized in decisions by the Board of Directors, but rather involve all employees in direct actions.

It was with this purpose that, in 2015, the "TODOS DAMOS" (We All Give) Program was run for the first time. This project allows Teixeira Duarte Group companies to increase any donations that their employees wish to make to charity projects and institutions that support people.

The Teixeira Duarte Group sets an annual amount for this purposes, and the employees choose the institutions they want to support. The company donates twice the amount donated by employees, thus tripling the value of the donation received by the institutions.

56 applications were accepted in 2020, involving employees from Portugal, Angola and Brazil.

A total of €77,885.00 was collected from employee donations and donations from Teixeira Duarte Group companies, distributed to 41 institutions.

In Angola, the "MaxiSaúde" Program, launched in 2016 by the company CND, aiming to promote the health of the population through awareness, prevention, screening and treatment actions in the communities surrounding "Maxi" stores, was suspended during the year 2020 due to the pandemic situation.

Even with these constraints, the Teixeira Duarte Group managed to carry out an edition of the "Dar Vida" (Give Life) Program in 2020. Created by the Group's Construction area in Angola in 2019, the Program aims to encourage regular voluntary blood donation by employees, thereby contributing to increase the amount of blood held by partner health institutions. A blood donation activity was carried out in December 2020, with contributions from around 20 employees, this time from various Group sectors of activities. Approximately 9 liters of blood were collected during this activity, based on collecting 450 ml per

donor, representing the possibility of saving the lives of up to 60 people (or helping them to live). It is planned to replicate the Program in Mozambique in 2021.

Annual road accident prevention awareness campaign

TDA, a subsidiary of the Teixeira Duarte Group that operates in the automobile sector in Angola, ran an awareness campaign for the prevention of road accidents. As road accidents are the 2nd largest cause of death in Angola, one of the main parts of TDA's corporate responsibility is road safety. The campaign, which will continue in 2021, includes training and internal and external information, specifically through TDA's social media and the represented brands.



HIGHLIGHTED INITIATIVE

TODOS DAMOS (WE ALL GIVE)



Main Sustainable Development Goals



Scope

- Social Responsibility

Addressees

Social institutions that support people in markets where Teixeira Duarte Group companies operate.

Challenge

Support social charity projects and institutions through initiatives that involve employees in direct action that is neither exclusive nor centralized in a decision by the Board of Directors.

Description

The WE ALL GIVE Program is an annual Social Responsibility program created in 2015 by the Teixeira Duarte Group. The WE ALL GIVE program allows the Group's companies to increase the donations that their employees intend to make to charity projects and institutions that support people.

Teixeira Duarte provides an annual amount for this purpose, and employees choose the institutions they want to support. The company donates twice the amount donated by employees, thus tripling the value of the donation received by the institutions.

Any employee of the Group's companies can apply for the Program, indicating a social institution based in a country where the Group operates to which he or she wishes to contribute or has already contributed with a donation.

The amount that the employee wishes to donate to the institution may be donated directly by them, or the amount can be deducted from their next pay packet.

The WE ALL GIVE Programme for 2020 was run between 1 January and 31 December. The budget for the program in 2020 was a total of €150,000.00, including the maximum donations from employees and companies.

Sectors/Group companies involved

All companies included in the consolidation perimeter of Teixeira Duarte.

Impact

- 56 applications in 2020 (48 in 2019);
- 41 institutions supported in Portugal, Angola, Brazil and Mozambique in 2020 (40 in 2019);
- €77,885.00 were raised in 2020 (€107,415.00 in 2019) from donations by employees and donations by Teixeira Duarte Group companies.

HIGHLIGHTED INITIATIVE

MAXISAÚDE



Main Sustainable Development Goals



Scope

- Public Health
- Information
- Social Responsibility

Addressees

Disadvantaged Angolan communities.

Partners.

Challenge

To create a positive impact in communities by taking advantage of the human and logistical resources of "Maxi" and the technical capacity of the "Farmácia Popular" network of stores, both belonging to the subsidiary CND.

Description

A social responsibility programme created in 2016 and promoted by CND through its "Maxi" and "Farmácia Popular" brands,

which operates in underprivileged communities in the areas of influence of these stores, carrying out preventive actions, counselling, screening and treatment of diseases, in addition to running information and awareness activities on eating habits and hygiene, seeking to contribute to improving the quality of life of the target populations.

The main areas of activity of "MaxiSaúde" are malaria - the largest cause of death in Angola -, diabetes, cardiovascular diseases, oral health and healthy eating.

This program is run with the support of voluntary employees of the CND company, with other entities as partners.

Sectors/Group companies involved

Distribution Sector in Angola.

Impact

- Program suspended in 2020 due to health circumstances;
- 25,000 people involved in more than 60 activities carried out since the beginning of the program;
- Closer relationships with schools, churches and local communities in general;

HIGHLIGHTED INITIATIVE

DAR VIDA (GIVE LIFE)



Main Sustainable Development Goals



Scope

- Public Health
- Information
- Social Responsibility

Addressees

Employees

Challenge

To contribute to the improvement of the voluntary blood donation system in Angola that allows universal access to timely supplies of safe, quality assured blood and blood components. As only 10% of blood donations in Angola are voluntary, many employees either directly or indirectly face this potential blood shortage at some point in their lives.

Description

A social responsibility program created in 2019 and run by Teixeira Duarte - Engenharia e Construções. It aims to encourage employees to donate blood voluntarily on a regular basis to contribute to increasing blood reserves in the health system.

By making its employees aware of the importance of voluntary blood donation and providing conditions for donations to be made, through technical partnerships, the company aims to contribute to reducing the current shortage of blood stocks in health institutions and stimulate a greater sense of solidarity with employees and their personal lives.

This program is run with technical support from the Sagrada Esperança Clinic.

Sectors/Group companies involved

Several sectors of the Group's activity in Angola.

Impact

- 1 collection action held in 2020, attracting around 20 volunteer donors;
- On average, 450ml of blood are collected from each donation, which can help save the lives of up to 3 people;
- Closer relationships with health institutions.

Investigation, Development and Innovation (IDI)

In 2020, the Strategic Innovation Plan for the two-year period 2019-2020 was continued within the Teixeira Duarte Group, involving the Construction, *Facilities Management* and Real Estate areas. The plan identifies speed of construction and modular construction as strategic guidelines.

Within the scope of this plan, several projects were under development this year, of which the following stand out:

Digital Construction Revolution project - REV@CONSTRUCTION

The project has an overall investment of about 8.5 million Euros, with the value corresponding to the Teixeira Duarte Group being about 1.3 million Euros.

It has 24 participants, including companies, academia, and sector associations, and is led by Teixeira Duarte - Engenharia e Construções.

Products, Processes and Services to be developed under this project:

- DIGI4Construction - development of a national digital platform for construction, with the pilot application BIM4Bridges, involving Infraestruturas de Portugal, S.A.;
- Digital Twin for AEC - design/construction data processing, with pilot applications, specifically saving 4.0 (Mota-Engil) and concreting 4.0 (Teixeira Duarte);
- RCM4Assets - Digital Twin for Operation and Maintenance / Asset Management, predictive maintenance (Teixeira Duarte and TDGI Coordination);
- Integration of all solutions with full-scale demonstrator projects ("Living Lab"), including BIM4Bridges using RCM4Assets concepts;
- Project Management and Communication.

The project provides grants for these activities.

"OMICRON" Project

"OMICRON" is a European project funded by Horizon 2020, under the scope of *Mobility for Growth* applications, with a duration of 42 months, in which Teixeira Duarte - Engenharia e Construções participates with another 15 partners from 7 European countries.

This project aims to develop innovative solutions for the maintenance and regeneration of road infrastructure, using more automated and optimized solutions through robotic technologies and smart decision-making support tools.

Teixeira Duarte is responsible for coordinating the main demonstrator of the project that aims to develop modular solutions for constructing overpasses (for highway widening situations, fauna crossings and the replacement of existing ones), in a fast, safe and sustainable way. The company Armando Rito is also involved on the Portuguese team, on the instructions of Teixeira Duarte. Brisa will also participate as a stakeholder, providing access, signage, and safety during the tests to be performed on the demonstrator.

The financing is a 100% grant, with €268,500.00 being awarded to Teixeira Duarte.

SHELTER Project - Structural Hyper-resisting Element for Life Threatening Earthquake Risk

This project began in 2019 and remains ongoing. The aim is to develop an innovative product that is unique in the world and that can be installed in a central location of any apartment and will save the lives of the occupants in the event of a strong earthquake at very low cost.

It is a 1.1 million euro project co-developed by Instituto Superior Técnico (Higher Technical Institute - IST), financed by the Portugal 2020 Program, with a total duration of 3 years. The project involves the metalwork areas in the development of prototypes, and the Building area in the construction of partial models of masonry buildings of Teixeira Duarte - Engenharia e Construções. External participants are the National Civil Engineering Laboratory (LNEC), for seismic table testing, IADE - European University, for the *design* and architectural integration of the shelter, and SPI, for provision of services.

a) Intellectual Property

In order to guarantee the protection of all intellectual property rights generated through Research, Development and Innovation activities, Teixeira Duarte - Engenharia e Construções has been granted several patents in Portugal, with an emphasis on the following pioneering systems and methods:

- An incrementally progressing bridge and/or viaduct deck assembly system, resting on the temporary support beams on the abutment and sliding on plastic material;

- A method for protecting the attachment of rubber gutters to the expansion joints of bridges/viaducts and their assembly;
- Scaffolding suspended by funicular cables of a suspended bridge, fitted with equipment to allow it to move between the brackets on the hanging cables of the aforementioned bridge.

No new invention patents were submitted for registration during the 2020 financial year.

With regard to brands, the Teixeira Duarte Group has a vast number of protected trademarks for exclusive use in several countries. Since 2017, these companies have amassed over 500 trademarks.

b) Contribution to the regulatory activity of the Construction sector

For the companies, contributing to the standardization of sectors of activity constitutes a way of setting them apart from the competition, as it prioritizes the development of activities in accordance with sector rules and with national and international standards.

In this context, it should be highlighted that, in 2020, Teixeira Duarte - Engenharia e Construções continued participating in work groups of the *European Federation of Foundation Contractors (EFFC)* and *CO2 Foundations – Geotechnical Carbon Calculator* aimed at calculating the carbon footprint of geotechnical work, as well as the *Technical Working Group (TWG)*, which is aimed at cooperation and the development of guidelines and standards for the execution of geotechnical works.

Teixeira Duarte - Engenharia e Construções also participates in the standardization activities of the Portuguese Standardization Technical Committee CT156 - Geotechnics in Civil Engineering, chairing the SC10 subcommittee, a technical body that aims to issue opinions on legislation and translate CEN European standards in the field of Testing of Geotechnical Structures and the Execution of Special Geotechnical Works. It also forms part of the WG11 work group of the ISO Technical Committee TC182, responsible for preparing the ISO 22477-2 standard Geotechnical investigation and testing - Testing of geotechnical structures - Part 2: Testing of piles: Static tension load testing.

c) Partnerships with scientific and technological system entities in the Construction sector

In the sector in which it operates, Teixeira Duarte - Engenharia e Construções also promotes technological innovation and de-

velopment by carrying out RDI activities in partnership with institutions from the scientific and technological system and with other similar companies.

Main partnerships in Portugal:



PTPC - Portuguese Technological Platform for Construction

PTPC brings together companies, designers, universities, public entities and other entities of the National Scientific and Technological System (SCTN), with the mission of encouraging reflection on the Construction sector, implementing Research, Development and Innovation initiatives and projects, contributing to boosting their respective competitiveness in the general framework of the economy and promoting cooperation between *stakeholders* in the Construction and Public works sector, and related sectors.

Teixeira Duarte - Engenharia e Construções has held the Chair of PTPC since the date that it was set up (2011).



AEC Cluster - Architecture, Engineering and Construction

Established in 2016, the AEC Cluster is managed by PTPC. Its objectives are to act in the economic sector of Architecture, Engineering and Construction and within its effective ranks or value chain, promoting the achievement of high levels of innovation, technological development and competitive capacity, cooperation and networking, and the promotion of the internationalization of the cluster, specifically through participation in international networks.



Built CoLAB - Collaborative Laboratory for the Built Environment of the Future

In 2020, the PTPC saw its application approved for a Collaborative Laboratory that is intended to provide services, by highly qualified human resources, that promote the development of cooperative or internal business skills. The overall value of the 5-year non-repayable grant is 3.4 million euros.

The following business skills development areas are eligible, under the scope of this Collaborative Laboratory:

- Productivity and Competitiveness;
- Digital Transformation;
- Smart Buildings and Infrastructure;
- Sustainable and Resilient Buildings and Infrastructure.

Teixeira Duarte - Engenharia e Construções holds the Presidency of BUILT CoLAB's Board of Directors.



The Portuguese Structures Engineering Association (PSEA), which is the Portuguese group of the International Association for Bridge & Structural Engineering (IABSE)

Teixeira Duarte - Engenharia e Construções, through PTPC, participates in this association that aims to develop and promote structural engineering at an international level. It is in charge of the organization of major international congresses and conferences.

Teixeira Duarte - Engenharia e Construções has also established protocols with the following entities in the national scientific and technological system: Faculty of Engineering of the University of Porto (FEUP), Higher Technical Institute (IST), the National Civil Engineering Laboratory (LNEC) and Minho University (UM).

Main international partnerships:



ENCORDER - European Network of Construction for Research and Development

Teixeira Duarte - Engenharia e Construções was accepted into ENCORDER in 2014.

ENCORDER is the contact association with the European Commission for innovation in construction, and oversees the activity of the *ECTP - European Construction Technology Platform*. The largest Construction companies in Europe that promote innovation and competitiveness all participate in ENCORDER.

Teixeira Duarte - Engenharia e Construções is a member of the Strategic Council of ENCORDER and participates in the "Foresight" group, among others.



ECTP – European Construction Technology Platform

ECTP is an association similar to PTPC but with more of a European scope. As Chairman of the PTPC, Teixeira Duarte - Engenharia e Construções sits on the *Steering Committee* of the ECTP, in the *Vision Group* and the *Heritage and Regeneration Working Group*.

ENVIRONMENTAL MANAGEMENT

The management of environmental aspects within the Teixeira Duarte Group is directly related to the environmental impacts of the activities of its subsidiaries and to the environmental performance of the buildings and infrastructures they construct and often maintain for their customers, specifically in the Construction sector.

In this context, we highlight the obligation to comply with applicable legal requirements and other requirements associated with the identified environmental aspects, as well as minimising the environmental impacts resulting from their activity in the various business areas, in order to guarantee sustained development of the Company's activities.

Within the scope of the Code of Ethics and Conduct, which extends to all entities within its consolidation perimeter and the scope of management, the Group states environmental preservation and friendliness must be essential principles in the work of employees of subsidiaries. These principles must also be transmitted to the indirect recipients of this instrument.

Regarding the supply chain of goods in the Construction sector, the assessment and monitoring of the performance of manufacturers in the main categories began in 2020, in order to identify relevant indicators that allow environmental sustainability to be assessed. Of particular note is the category of steel rod for the production of reinforced concrete rebars, due to the fact that by the year 2020 more than 80% of the supplies were secured from manufacturers who have implemented an environmental management system.

Given the wide range of activities of these companies, as well as the fact that their best known activity - Construction - is subject to strong fluctuations in the impacts it causes, depending on the works in progress (type, quantity and phase) - which limits the annual comparability of data -, the choice of a panel of indicators and an appropriate reporting approach to reflect the performance of Group's various activities is partially impaired.

Environmental Management Systems

The cross-company principles of environmental actions taken by employees of subsidiary companies, enshrined in the Code of Ethics and Conduct, can be seen in several of these companies, through the adoption of environmental management systems that allow the effective management of environmental risks and contribute to the objectives of the areas of activity.

ISO 14001 is a world benchmark for environmental management systems, and several Teixeira Duarte Group companies use it to support their practices with a view to continuously improving their environmental performance, by incorporating specific processes to identify and manage the main environmental risks.

The main companies in the Construction and *Facilities Management* (Concessions and Services sector) had, in 2020, environmental management systems certified according to the ISO 14001 standard, in Portugal and Brazil.

The situations of all of the other Group companies mean that the standardized and safeguarded environmental risks are essentially those that are indexed to legal aspects. However, in addition to legal compliance risk control management, from the operational efficiency perspective, measures are also implemented and investments are made that are reflected in gains, particularly regarding energy consumption and waste management.

Provisions and financial guarantees for environmental risks

In the normal course of their activities, Group companies operating in the construction sector and in supplementary areas are exposed to environmental risks. In this regard, it should be noted that in order to meet legal obligations in the area of liability for environmental damage, arising from Directive no. 2004/35/

EC, amended by Directive no. 2006/21/EC, the Teixeira Duarte Group companies in Portugal covered by this legislation opted to constitute financial guarantees totaling a value of €98,812.00 at 31 December 2020.

It is therefore considered that the risk of the occurrence of any environmental damage caused by the activities of these companies is duly covered.

Certified production of metal structures

The production of metal structures by Teixeira Duarte - Engenharia e Construções is certified to the EN 1090-1 standard, and the necessary control audits of the process have been maintained during the year under review.

Compliance with this standard thus allows the company to supply structures whose quality is in line with European standards.

Energy

With operational efficiency as a focus, particularly within environmentally certified companies, in which efficiency is added to the continuous quest for improved environmental performance, the Teixeira Duarte Group's subsidiary companies have taken action with a view to minimizing energy consumption and, consequently, the emission of greenhouse gases.

In this sense, energy rationalisation measures have been implemented to reduce the specific consumption per user inside the permanent facilities of the companies, specifically in offices and operational centres, including raising awareness among employees of the regulated use of energy and best practices to take into account.

TDGI promotes energy efficiency with customers

Through its "Analysis and Diagnosis" and "Energy Solutions" areas, TDGI offers its customers services that allow the reduction of energy consumption in their facilities, with the resulting reduction in gas emissions.

In 2020, the measures proposed in the area of "Analysis and Diagnosis" represented a possible energy saving of around 1,250,000 kWh/year, equivalent to a reduction of 555 tonnes CO₂e/year.

EMPA implements a solar photovoltaic plant

EMPA, a Teixeira Duarte Group subsidiary in the Construction sector in Brazil, has implemented a solar photovoltaic power plant for producing electricity, with 96 photovoltaic panels, at its equipment center in Lagoa Santa, Minas Gerais, with the capacity to generate up to 39.36 kWp. The result was a savings of almost 100% of the monthly energy cost spent by the company at this location. The initiative was also promoted to other subsidiaries in that country as an incentive for a possible adoption of this type of solution in other facilities.



Water resources

Under the scope of environmental management systems, several Teixeira Duarte Group companies assess the environmental impacts resulting from the use of water resources, and strive to take actions to reduce consumption and minimize the pollution load discharged into the soil or water.

During the course of construction activities carried out by subsidiary companies, water resources can be consumed from various sources - public supply network, groundwater collection, rain collection, tanks supplied from outside and packaged - and this consumption is subject to significant fluctuations depending on the type, quantity and phase of each project.

In construction activities, it is common practice to reuse water for parallel activities such as irrigation/sprinkling dusty surfaces, washing wheels at the construction site exit, and washing cement mixers, among other uses. This subject is widely pub-

licized during training and awareness activities, with the aim of eliminating waste and maximizing the resources available on site. Even so, the majority of the water consumed comes from the supply network.

Activities that normally take place along water courses are subject to monitoring of surface water resources for the purpose of identifying any quantitative or qualitative change. At the same time, water intakes and discharges into the soil or water are monitored, whenever there is a potential for an environmental impact.

The quest to constantly improve the reduction and reuse of water has led to the implementation of best practices, which include measures for the reuse of water, optimization of consumption times and actions to raise awareness among employees.

Concern for selecting equipment that allows for a reduction in water consumption, and with more efficient consumption throughout its life cycle, is becoming increasingly rooted in projects under development by companies in the Group's real estate sector.

Consumption of Materials

The consumption of materials in the construction sector is also directly related to the quantity, size and type of projects that are carried out.

Concrete, cement and aggregates stand out among the most-used raw materials in this sector.



Concrete and aggregates laboratory in Portugal

Teixeira Duarte - Engenharia e Construções runs a Materials Laboratory in Portugal with the aim of providing support for the manufacturing and control of concrete to be used for its projects. Accredited by IPQ - Portuguese Institute of Quality since 1996, and as one of the first laboratories in the country to obtain this accreditation in the field of concrete and aggregates, in 2020 the Materials Laboratory maintained its accreditation under the NP EN ISO/IEC17025 Standard.

With regard to paper consumption at the various permanent and temporary facilities of the companies, it should be noted that, in 2020, the Group continued with the digital transformation pro-



An example of the measures that are part of this digitalization process was the adoption of a single platform that brings together various integrated collaborative environment solutions for projects, contacts, files, video calls, message exchanges, and much more.

This digital tool is currently being adopted by all of the Group's business areas in a wide range of geographical areas.

cess that began in 2019 and has been enabling the digitalization of numerous processes, among other improvements.

Noise

Noise during construction activity can be an environmental and social risk during some phases and types of work. Therefore, the loudest activities carried out close to sensitive receivers are planned such as to minimize their respective impact - whenever possible, noisy activities are planned to be carried out during daytime periods, and not on Saturdays, Sundays and holidays.

If this is not all possible, a special noise license is requested to carry them out.

Within the scope of real estate activity, there is great concern for noise in projects where there are sources of high noise close by. In these cases, designs are drawn up to ensure that the lowest amount of noise is transmitted to the interior of the buildings.

Emissions

Both at offices and operational facilities, Teixeira Duarte Group companies work to reduce their ecological footprint by reducing CO2 emissions inherent to their activities.

As part of the scope of its environmental management certification, Teixeira Duarte - Engenharia e Construções collects data on CO2e emissions in Portugal, Brazil and Angola. It is possible to extrapolate the results obtained to the rest of its operations. Emissions are calculated based on two major sources: business travel in the Company (plane, train and car) and energy consumption (electricity, gaseous and liquid fuels).

The energy source with the greatest weight in emissions produced by Teixeira Duarte - Engenharia e Construções is liquid fossil fuel, used to carry out the projects.

As regards CO2e emissions from travel related to the operation of real estate developments, the Teixeira Duarte Group companies are committed to innovative mobility solutions, specifically through the use of networks of partners and dialogs with local authorities.

Waste

Waste production is one of the most significant environmental aspects in the Construction sector. The companies of the Teixeira Duarte Group has run awareness and training campaigns in recent years, with the aim of promoting waste segregation and its consequential recovery. These campaigns are not only targeted at the Group's employees, but also at all stakeholders and waste management participants, specifically subcontractors and suppliers.

When it is not possible to guarantee recycling and/or recovery, the waste is sent to duly authorized and licensed sites within the framework of the situation of each geographical area.

Lagoas Park Hotel awarded an Environmental Sustainability seal



In October 2020, Lagoas Park Hotel, a hotel unit belonging to the Teixeira Duarte Group, located in Oeiras, was awarded the "We Care" 2019 seal by the Portuguese Hotel Business Association (AHP), as part of this unit's member of the HOSPES Program. The seal "We Care" awarded to the Lagoas Park Hotel recognizes the implementation of good practices, specifically the collection, treatment and recycling of various types of hotel waste.

The HOSPES Program is a Corporate Social Responsibility and Environmental Sustainability program developed by AHP in conjunction with Portuguese hotels. The cornerstones of this program are social responsibility, environmental sustainability and circular economy.

Besides recognized waste management practices, Lagoas Park has also developed a process to progressively replace halogen bulbs with LED bulbs, leading to a reduction in energy costs of more than 5%. It has also implemented various measures to save the amount of water consumed, from raising awareness among guests of more responsible use of water, to selecting a laundry supplier that ensures water is re-used in the bed linen and towels washing process.

Environmental research partnerships

In 2020, Teixeira Duarte - Engenharia e Construções continued to participate in the working groups of the *European Federation of Foundation Contractors* (EFFC) for the creation of a tool that calculates CO2 emissions from foundation and geotechnical work: the "CO2 Foundations - Geotechnical Carbon Calculator". This is the first standardized tool for calculating CO2 emissions for these types of projects, allowing the comparison of different technical approaches to the same project and their respective CO2 emissions. In addition, it can be used throughout the development of a project to compare actual and planned performance.

Sustainable cities

More than half of the world's population now lives in urban areas, and it is estimated that this will reach two thirds by 2050. It is therefore imperative to find strategies that allow cities, faced with this growth, to ensure the sustainability, safety, and inclusion of their inhabitants.

In awareness of this global challenge, the Teixeira Duarte Group's subsidiaries, particularly companies involved in construction, *Facilities Management* and Real Estate, cooperate with local communities, local authorities and other *stakeholders* to identify and implement ways of managing the social and environmental challenges of cities.



A large-scale project designed to be an innovation and sustainability benchmark.

Located in the municipality of Oeiras, Parque Central aims to regenerate an area of about 42 hectares located south of the A5 highway, transforming it into a new neighborhood and another well-known destination in the municipality.

The project combines offices to the north, housing to the south and various types of *amenities* and infrastructures that will be set in more than 200,000m² of green spaces, which will occupy much of the work area, creating an atmosphere that aims to promote a balance between personal, family, and professional life and to create spaces open to the community that can be lived in 24 hours a day.

In addition to low construction density, the project's urban design met the highest required standards, with a particular emphasis on environmental sustainability and mobility, for which it received an A+ (LeaderA) rating.

Several factors contribute to making this project unique, including:

- Implementation of soft mobility systems integrated with the surroundings, with the central area of the plan being "car-free" to favor walking between areas;
- Integration of bioclimatic principles in the evaluation of urban design, which will contribute to ensuring that the buildings have a high passive performance;
- Introduction of local renewable energy production systems and water management, which will lead to a low ecological footprint;
- Integrated management of the development, supported by environment monitoring and control technology, which will allow the rational use of energy resources and will facilitate the daily life of residents and visitors.



A new neighborhood in Greater Lisbon.

Located in Póvoa de Santa Iria, in the municipality of Vila Franca de Xira, Vila Rio is a project on the banks of the Tagus River, developed by the Teixeira Duarte Group, which will transform 17 hectares of land into a neighborhood in the Greater Lisbon area. Vila Rio provides 49,000m² of green spaces in which are set 100,680m² of housing, 11,000 m² of commerce, and 19,500m² of services.

Very close to the railway station and set among parks and green spaces, Vila Rio is part of the 22 km Tagus riverfront redevelopment project. A project that includes 13 km of trails and bike paths and that has developed new natural and urban parks, winners of international awards.

The Vila Rio *masterplan* prioritizes pedestrian mobility, with pavement surfaces that promote driving at low speed, and with no barriers between pavements and roadways to facilitate the circulation of people with reduced mobility and further increase its pedestrian nature.

The landscaping project was carefully designed to include endemic species, street furniture built with recycled materials and to integrate the surrounding community, regenerating and respecting the local memory.

The diversity of uses of Vila Rio is balanced with several points for interaction and leisure, such as Praça do Sal, a place to enjoy 8,000 m² of shopping, and Passeio das Artes, an area dedicated to art, culture, and the recovery of the neighborhood.

TABLE OF CORRESPONDENCE WITH THE NON-FINANCIAL INFORMATION REPORTING TEMPLATE ISSUED BY THE PORTUGUESE SECURITIES MARKET COMMISSION

Theme	Information to be provided	Response	Location
PART I - INFORMATION ON ADOPTED POLICIES			
A. Introduction	1. Description of the Company's general policy on sustainability issues, indicating any changes to the previously approved policy.	See Management Report of the Board of Directors, Chapter III "Sustainability in the Teixeira Duarte Group".	Pg. 77
	2. Description of the methodology and the reasons for its adoption in the reporting of non-financial information, as well as any changes made in relation to previous years and the reasons for them.	See Management Report of the Board of Directors, Chapter III "Introduction"/"The Sustainable Development Goals".	Pages 77 to 78
B. Business Model	General description of the Company's/Group's business model and form of organization, indicating the main business areas and markets in which it operates (if possible using organizational charts, graphs or functional tables).	See Management Report of the Board of Directors, Chapter I "Profile".	Pages 11 to 19
C. Main Risk Factors	1. Identification of the main risks associated with the topics being reported and arising from the Company's activities, products, services or business relationships, including, where appropriate and whenever possible, the supply and subcontracting chains.	See Corporate Governance Reports Chapter I "Information on Shareholder Structure, Organisation and Corporate Governance" Sub-chapter III. "Internal Control and Risk Management", No. 53 "Identification and description of the main types of risks (economic, financial and legal) to which the company is exposed in the course of its business".	Pg. 161
	2. Indication of how these risks are identified and managed by the Company.	See Corporate Governance Reports Chapter I "Information on Shareholder Structure, Organisation and Corporate Governance" Sub-chapter III. "Internal Control and Risk Management," No. 54 "Description of the process for identifying, assessing, monitoring, controlling, and managing risks."	Pg. 164
	3. Explanation of the internal functional division of competencies, including corporate bodies, commissions, committees or departments responsible for risk identification and management/monitoring.	See Corporate Governance Reports Chapter I "Information on Shareholder Structure, Organisation and Corporate Governance" Sub-chapter III. "Internal Control and Risk Management", No. 51 "Explanation, including the use of an organizational chart, of the hierarchical and/or functional dependency relations with other company bodies or committees."	Pg. 160
	4. Express statement of the new risks identified by the Company in relation to reports from previous years, as well as the risks that are no longer reported.	See Management Report of the Board of Directors, Chapter II "Review of Sectors of Activity".	Pages 38 to 76
	5. Indication and brief description of the main opportunities that are identified by the Company in the context of the topics in the report.	See Management Report of the Board of Directors, Chapter II "Review of Sectors of Activity".	Pages 38 to 76
D. Implemented Policies	Description of the Company's policies: i. environmental, ii. social and fiscal, iii. concerning employees, gender equality and non-discrimination, iv. concerning human rights and v. concerning the fight against corruption and bribery attempts, including <i>due diligence</i> policies, as well as the results of their implementation, including related non-financial key performance indicators, and their comparison with the previous year.		
Environmental Policies	1. Description of the company's strategic objectives and the main actions to be taken to achieve them.	See Management Report of the Board of Directors, Chapter III "Environmental Management".	Pages 111 to 112
	2. Description of the main defined performance indicators.	See Management Report of the Board of Directors, Chapter III "Environmental Management".	Pages 111 to 112

Theme	Information to be provided	Response	Location
	<p>3. Indication, in relation to the previous year, of the extent to which these objectives are achieved, at least by reference to:</p> <p>i. Sustainable use of resources: consumption of water, other raw materials and energy; indication of measures taken to improve the usage efficiency of these resources; indication of the use of measures to promote energy efficiency and the use of renewable energy.</p> <p>ii. Pollution and climate change: indication of greenhouse gas emissions values; indication of emissions of pollutants into nature; indication of penalties incurred and measures to prevent, reduce or remedy the aforementioned emissions.</p> <p>iii. Circular economy and waste management: prevention, recycling and reuse measures and other means of waste recovery and disposal.</p> <p>iv. Protection of biodiversity: impacts caused by activities or operations in protected areas and measures taken to preserve or restore biodiversity.</p>	<p>Partially answered in the Management Report of the Board of Directors, Chapter III "Environmental Management", "Energy"/"Water Resources"/"Materials Consumption".</p> <p>See Management Report of the Board of Directors, Chapter III "Environmental Management", "Emissions".</p> <p>See Management Report of the Board of Directors, Chapter III "Environmental Management", "Waste".</p> <p>See Management Report of the Board of Directors, Chapter III "Environmental Management", "Provisions and financial guarantees on environmental risks".</p>	<p>Pages 112 to 113</p> <p>Pages 114 to 115</p> <p>Pg. 115</p> <p>Pg. 112</p>
Social Policies	<p>1. Description of the company's strategic objectives and the main actions to be taken to achieve them.</p> <p>2. Description of the main defined performance indicators.</p> <p>3. Indication, in relation to the previous year, of the extent to which these objectives are achieved, at least by reference to:</p> <p>i. Commitment of the company to the community: the impact of the company's activity on employment and local development; the impact of the company's activity on local populations and the territory; relationships with local community agents and the respective means of dialog; partnership or sponsorship activities.</p> <p>ii. Subcontracting and suppliers: the inclusion of social, gender equality and environmental issues in the procurement policy; consideration of social, environment and governance responsibility in relations with suppliers and subcontractors; control and audit systems and their respective results. Where possible, include a reference to the fact that the Company's suppliers apply policies that are consistent with those established by the Company.</p>	<p>See Management Report of the Board of Directors, Chapter III "Socioeconomic Performance".</p> <p>See Management Report of the Board of Directors, Chapter III "Socioeconomic Performance", "Customers"/"Partners, Suppliers and Subcontractors"/"Community Support".</p> <p>See Management Report of the Board of Directors, Chapter III "Human Resources Management and Development", "Recruitment, Selection and Retention of People with Talent Potential"/"Qualification for the Expression of Talent"/"Socioeconomic Performance", "Partners, Suppliers and Subcontractors"/"Community Support".</p> <p>See Management Report of the Board of Directors, Chapter III "Socio-economic performance", "Partners, suppliers and subcontractors"</p>	<p>Pg. 100</p> <p>Pages 101 to 108</p> <p>Pages 83, 93, 101 to 108</p> <p>Pg. 101</p>

Theme	Information to be provided	Response	Location
	<ul style="list-style-type: none"> iii. Consumers: consumer health and safety measures; systems for receiving, processing and resolving complaints, specifically the number of complaints received and the number of complaints pending, as well as those in which the complainant was found to be right, satisfaction surveys, and indication of the person responsible for complaints. iv. Responsible investment: if applicable, information on the responsible investment the Company has aimed to attract, including the issuance/acquisition of <i>green bonds</i> or <i>SDG-linked bonds</i>. v. <i>Stakeholders</i>: information regarding possible ways of listening to <i>stakeholders</i>. vi. Fiscal information: information on measures or acts with fiscal impact, including any subsidies or any type of grant or monetary advantage granted by the State. 	<p>Partially answered in the Management Report of the Board of Directors, Chapter III "Socioeconomic Performance", "Customers".</p> <p>Not applicable</p> <p>See Management Report of the Board of Directors, Chapter III "Communication with <i>Stakeholders</i>".</p> <p>Under the "We All Give" Program, Teixeira Duarte Group companies provide an annual amount to increase any donations that their employees wish to make to social charity projects. Double the amount donated by employees is donated to the institutions chosen by them. Considering that this is a program based on the spirit of liberality and that there are no pecuniary or commercial counterparts, the donations made under the "We All Give" Program, in Portugal, are covered by the tax regime applicable to patronage.</p>	<p>Pg.10</p> <p>Pg. 78</p> <p>Pg. 106</p>
Workers and Gender Equality and Non-Discrimination	1. Description of the company's strategic objectives and the main actions to be taken to achieve them.	See Management Report of the Board of Directors, Cap. III "Management and Development of Human Resources".	Pages 79 to 99
	2. Description of the main defined performance indicators.	See Management Report of the Board of Directors, Cap. III "Management and Development of Human Resources".	Pages 79 to 99
	3. Indication, in relation to the previous year, of the extent to which these objectives are achieved, at least by reference to: <ul style="list-style-type: none"> i. Employment: total number and distribution of employees by gender, age, country and professional classification, as well as the total number and distribution of types of contractual relationships (e.g. employment contract, service providers, temporary work, etc.) by gender and age, average length of contracts; percentage of the workforce receiving the national minimum wage, regardless of contractual relationship; remuneration for equal or average positions in the company, by gender; average remuneration of directors and managers, including variable remuneration, allowances, severance payments, payment to long-term savings schemes and any other payments broken down by gender; employees with disabilities (including an indication of how the Company is complying, or preparing to comply, with Law No. 4/2019 of January 10, on the system of employment quotas for people with disabilities). 	Partially answered in the Management Report of the Board of Directors, Chapter III "Human Resources Management and Development", "Human Resources in 2020".	Pages 79 to 86

Theme	Information to be provided	Response	Location
	<ul style="list-style-type: none"> ii. Organization of work: organization of working time, including measures to facilitate time off work and family life. iii. Health and safety: workplace health and safety conditions and number of occupational accidents. iv. Social relations: organization of social dialog, including procedures for informing and negotiating with staff, specifically the number of interactions with unions and/or works councils, if any; new agreements concluded or revision of agreements in force; number of court cases and complaints to the Working Conditions Authority; percentage of employees covered by collective bargaining agreements by country; assessment of collective bargaining agreements, particularly in the field of health and safety at work. 	<p>See the 2020/2021 equality plan at www.teixeiraduarte.com</p> <p>See Management Report of the Board of Directors, Chapter III "Human Resources Management and Development", "Human Resources in 2020", "Protection and Promotion of Health and Safety".</p> <p>See Management Report of the Board of Directors, Chapter III "Management and Development of Human Resources", "Human Resources in 2020", "Compliance with International Labor Organization (ILO) Conventions".</p>	<p>Link</p> <p>Pages 87 to 93</p> <p>Pg. 86</p>
Human rights	1. Description of the company's strategic objectives and the main actions to be taken to achieve them.	See Management Report of the Board of Directors, Chapter III "Socioeconomic Performance".	Pages 100 to 101
	2. Description of the main defined performance indicators.	See Management Report of the Board of Directors, Chapter III "Socio-economic performance", "Partners, suppliers and subcontractors".	Pages 101 to 104
	3. Indication, in relation to the previous year, of the extent to which these objectives are achieved, at least by reference to:		
	i. Human rights due diligence procedures applied, particularly with regard to the contracting of suppliers and service providers.	See Management Report of the Board of Directors, Chapter III "Socio-economic performance", "Partners, suppliers and subcontractors".	Pages 101 to 104
	ii. Measures to prevent the risks of human rights violations and, where appropriate, measures to correct possible abuses; elimination of discrimination in employment (where not already mentioned above); elimination of forced or slave labor; effective abolition of child labor.	The Code of Ethics and Conduct is mandatory for all employees, and failure to apply it may result in disciplinary procedures and sanctions.	Link
	iii. Legal proceedings for human rights violations.	There were no situations of this nature.	
Fighting Corruption and Bribery Attempts	1. Corruption prevention: measures and instruments adopted to prevent corruption and bribery; policies implemented to dissuade these practices among employees and suppliers; information on the compliance system indicating the respective functional managers, if any; indication of legal proceedings involving the Company, its directors or employees related to corruption or bribery; measures adopted in relation to public procurement, if relevant.	See Management Report of the Board of Directors, Chapter III "Socioeconomic Performance", "Fighting Corruption and Bribery, Money Laundering and Terrorist Financing".	Pages 100 to 101
	2. Prevention of money laundering (for issuing companies subject to this regime): information on measures to prevent and combat money laundering.	See Management Report of the Board of Directors, Chapter III "Socioeconomic Performance", "Fighting Corruption and Bribery, Money Laundering and Terrorist Financing".	Pages 100 to 101

Theme	Information to be provided	Response	Location
	3. Codes of ethics: indication of any code of ethics that the company has signed up to or implemented; indication of the respective implementation mechanisms and monitoring of its compliance, if applicable.	See Code of Ethics and Conduct at www.teixeiraduarte.com	Link
	4. Management of conflicts of interest: measures to manage and monitor conflicts of interest, specifically requiring managers and employees to sign declarations of interests, incompatibilities and impediments.	See Management Report of the Board of Directors, Chapter III "Socioeconomic Performance", "Fighting Corruption and Bribery, Money Laundering and Terrorist Financing".	Pages 100 to 101
PART II - INFORMATION ABOUT THE STANDARDS / GUIDELINES THAT ARE FOLLOWED			
1. Identification of Standards / Guidelines followed in the Reporting of Non-Financial Information	Identification of the standards / guidelines followed for the preparation of non-financial information, including the respective options, as well as other principles considered in the Company's actions, if applicable. If the Company refers to the United Nations Agenda 2030 Sustainable Development Goals (SDG), include the identification of any goals to which the Company is committed to contribute, indicating the measures taken each year towards achieving the goals set for each of these SDGs. In other words, identify specific actions, projects or investments aimed at meeting these SDGs.	See Management Report of the Board of Directors, Chapter III "Introduction"/"The Sustainable Development Goals".	Pages 77 to 78
2. Identification of the Scope and Methodology for Calculating Indicators	Description of the scope and calculation methodology (including the calculation formula) of the presented indicators, as well as the limitations of this reporting. Whenever possible, presentation of a table of correspondence between the presented indicators and the principles and objectives that are considered, indicating the location where the information will be detailed (e.g., the page of the stand-alone report for reporting non-financial information, the annual report, another document or the company's website).	See Management Report of the Board of Directors, Chapter III "Introduction"/"Note on Indicator Coverage Methodology".	Pg. 77/79
3. Explanation if the policies do not apply	If the Company does not apply policies to one or more issues, the non-financial information report should explain this fact.	The Company applies policies regarding all issues.	
4. Other Information	Additional elements or information that are not included in the previous points and are relevant for the understanding, context and justification of the relevance of the disclosed non-financial information, particularly with regard to networks/consortia of entities related to issues of sustainability and responsibility of the organizations that it is part of/belongs to, at both a national and international level, and local or global sustainability commitments voluntarily assumed by the Company.	See Management Report of the Board of Directors, Chapter III "Research, Development and Innovation (RDI)", "Partnerships with Scientific and Technological System Entities in the Construction Sector"/"Environmental Management", "Environmental Research Partnerships".	Pg. 110/117

TABLE OF CORRESPONDENCES WITH GRI STANDARDS: ESSENTIAL OPTION

Standard	Indicator	Response	Location	Sustainable Development Goals	
GRI 102 - GENERAL DISCLOSURES: 2016					
ORGANIZATIONAL PROFILE					
	102-1 Name of the organization.	Teixeira Duarte, S.A.			
	102-2 Main activities, brands, products and services.	See Management Report of the Board of Directors. Chapter I. "Profile"	Pages 11 to 19		
	102-3 Location of the organization's head-quarters.	Lagoas Park, Edifício 2, 2740-265 Porto Salvo. Portugal			
	102-4 Location of operations.	See Management Report of the Board of Directors. Chapter I. "Profile"	Pages 11 to 19		
	102-5 Ownership and legal form.	Teixeira Duarte, S.A. is a public company, with head office at Lagoas Park, Building 2, 2740-265 Porto Salvo, registered at the Commercial Register Office of Cascais (Oeiras). Teixeira Duarte, S.A. is listed on the Lisbon Stock Exchange (Euronext Lisbon)			
	102-6 Markets served.	See Management Report of the Board of Directors. Chapter I. "Profile"	Pages 11 to 19		
	102-7 Scale of the organization.	See Management Report of the Board of Directors. Chapter I. "Profile"	Pages 11 to 19	8	
	102-8 Information on employees and other workers.	See Management Report of the Board of Directors. Cap. III. "Human Resources in 2020"	Pages 79 to 86	8	10
	102-9 Supply chain.	Teixeira Duarte, S.A.'s perimeter includes companies operating in 6 sectors of activity with supply chains that differ significantly			
	102-10 Significant changes to the organization and its supply chain.	See Corporate Governance Reports Chapter I "Information on Shareholder Structure, Organisation and Corporate Governance" Sub-chapter III. "Internal Control and Risk Management", No. 53 "Identification and description of the main types of risks (economic, financial and legal) to which the company is exposed in the course of its business"	Pg. 161		
	102-11 Precautionary Principle or approach.	See Corporate Governance Reports Chapter I "Information on Shareholder Structure, Organisation and Corporate Governance" Sub-chapter III. "Internal Control and Risk Management"	Pg. 160		
	102-12 External initiatives.	See Management Report of the Board of Directors. Chapter III. "Research, Development and Innovation (RDI)"	Pages 109 to 111		
	102-13 Membership of associations.	See Management Report of the Board of Directors. Chapter III. "Research, Development and Innovation (RDI)"	Pages 109 to 111		
STRATEGY AND ANALYSIS					
	102-14 Statement from senior decision-maker.	See Management Report of the Board of Directors. Chapter I. "The Teixeira Duarte Group in 2020"	Pg.10		
	102-15 Key impacts, risks, and opportunities.	See Corporate Governance Reports Chapter I "Information on Shareholder Structure, Organisation and Corporate Governance" Sub-chapter III. "Internal Control and Risk Management"	Pg. 160		
ETHICS AND INTEGRITY					
	102-16 Values, principles, standards, and norms of behavior.	See Management Report of the Board of Directors. Chapter I. "Profile", "Mission and Values"/"Code of Ethics and Conduct". Chapter III "Ethics and Conduct"/"Fighting Corruption and Bribery, Money Laundering and Terrorist Financing"	Pages 18/19. Pages 78/100	16	

Standard	Indicator	Response	Location	Sustainable Development Goals	
	102-17 Mechanisms for advice and concerns about ethics.	See Management Report of the Board of Directors. Cap. III "Fighting Corruption and Bribery, Money Laundering and Terrorist Financing"	Pg. 100		16
GOVERNANCE					
	102-18 Governance structure.	See Corporate Governance Report, Chapter I "Information on Shareholder Structure, Organization and Corporate Governance", "C. Internal Organization"	Pg. 159		
	102-19 Delegating authority.	See Corporate Governance Report, Chapter I "Information on Shareholder Structure, Organization and Corporate Governance", "A. Shareholder Structure"/B. Corporate Bodies and Committees"/C. Internal Organization"	Pages 140/142/159		
	102-20 Executive-level responsibility for economic, environmental, and social topics	See Corporate Governance Report, Chapter I "Information on Shareholder Structure, Organization and Corporate Governance", "B. Corporate Bodies and Committees"	Pg. 142		
	102-21 Consulting stakeholders on economic, environmental, and social topics.	See Management Report of the Board of Directors, Chapter III "The Sustainable Development Goals"	Pg. 78		16
	102-22 Composition of the highest governance body and its committees	See Corporate Governance Report, Chapter I "Information on Shareholder Structure, Organization and Corporate Governance", "A. Shareholder Structure"/B. Corporate Bodies and Committees"	Pages 140/142	5	16
	102-23 Chair of the highest governance body.	See Corporate Governance Report, Chapter I "Information on Shareholder Structure, Organization and Corporate Governance", "A. Shareholder Structure"/B. Corporate Bodies and Committees"	Pages 140/142		16
	102-24 Nominating and selecting the highest governance body.	See Corporate Governance Report, Chapter I "Information on Shareholder Structure, Organization and Corporate Governance", "A. Shareholder Structure"/B. Corporate Bodies and Committees"	Pages 140/142	5	16
	102-25 Conflicts of interest.	See Code of Ethics and Conduct at www.teixeiraduarte.com . See Corporate Governance Report, Chapter I "Information on Shareholder Structure, Organization and Corporate Governance", "E. Transactions with Related Parties"	Pg. 174		16
	102-26 Role of highest governance body in setting purpose, values, and strategy.	See Corporate Governance Report, Chapter I "Information on Shareholder Structure, Organization and Corporate Governance", "A. Shareholder Structure"/B. Corporate Bodies and Committees"/C. Internal Organization"	Pages 140/142/159		
	102-27 Sustainability knowledge of highest governance body.	See Corporate Governance Report, Chapter I "Information on Shareholder Structure, Organization and Corporate Governance", "B. Corporate Bodies and Committees"	Pg. 142		
	102-28 Evaluating the highest governance body's performance	See Corporate Governance Report, Chapter I "Information on Shareholder Structure, Organization and Corporate Governance", "D. Remunerations"	Pg. 166		
	102-29 Identifying and managing economic, environmental, and social impacts.	See Corporate Governance Report, Chapter I "Information on Shareholder Structure, Organization and Corporate Governance", "C. Internal Organization"	Pg. 159		16
	102-30 Effectiveness of risk management processes.	See Corporate Governance Report, Chapter I "Information on Shareholder Structure, Organization and Corporate Governance", "C. Internal Organization"	Pág.159		
	102-31 Review of economic, environmental and social topics.	See Corporate Governance Report, Chapter I "Information on Shareholder Structure, Organization and Corporate Governance", "C. Internal Organization", II. Communication	Pg. 159		
	102-32 Highest governance body's role in sustainability reporting.	Responsibility for approving the Non-Financial Information Report, included in the Annual Report and Accounts, lies with the General Meeting of Shareholders.			

Standard	Indicator	Response	Location	Sustainable Development Goals
	102-33 Communicating critical concerns.	See Corporate Governance Report, Chapter I "Information on Shareholder Structure, Organization and Corporate Governance", "C. Internal Organization"	Pg. 159	
	102-34 Nature and total number of critical concerns.	Nothing to mention		
	102-35 Remuneration policies.	See Corporate Governance Report, Chapter I "Information on Shareholder Structure, Organization and Corporate Governance", "D. Remunerations"	Pg. 166	
	102-36 Processes for determining remuneration.	See Corporate Governance Report, Chapter I "Information on Shareholder Structure, Organization and Corporate Governance", "D. Remunerations"	Pg. 166	
	102-37 Stakeholders' involvement in remuneration.	See Corporate Governance Report, Chapter I "Information on Shareholder Structure, Organization and Corporate Governance", "D. Remunerations"	Pg. 166	16
	102-38 Annual total compensation ratio.	See Corporate Governance Report, Chapter I "Information on Shareholder Structure, Organization and Corporate Governance", "D. Remunerations"	Pg. 166	
	102-39 Percentage increase in annual total compensation ratio.	See Corporate Governance Report, Chapter I "Information on Shareholder Structure, Organization and Corporate Governance", "D. Remunerations"	Pg. 166	
STAKEHOLDERS ENGAGEMENT				
	102-40 List of stakeholder groups.	See Management Report of the Board of Directors, Chapter III "Communication with Stakeholders"	Pg. 78	
	102-41 Collective bargaining agreements.	See Management Report of the Board of Directors, Chapter III "Management and Development of Human Resources", "Human Resources in 2020", "Compliance with International Labor Organization (ILO) Conventions"	Pg. 86	8 10
	102-42 Identifying and selecting stakeholders.	See Management Report of the Board of Directors, Chapter III "Communication with Stakeholders"	Pg. 78	
	102-43 Approach to stakeholder engagement.	See Management Report of the Board of Directors, Chapter III "Communication with Stakeholders"	Pg. 78	
	102-44 Key topics and concerns raised.	Due to the diversity of stakeholders within the various sectors of activity, the respective stakeholder topics and concerns and addressed in the Review of Activity Sectors	Pages 38 to 76	
REPORTING PRACTICE				
	102-45 Entities included in the consolidated financial statements.	See Management Report of the Board of Directors. Chapter I. "Profile"	Pages 11 to 19	
	102-46 Defining report content and topic boundaries.	See Introduction/Management Report of the Board of Directors. Chapter I. "Profile"/Consolidated Financial Statements	Pages 7/11 to 19/213 to 283	
	102-47 List of material topics.	See Management Report of the Board of Directors, Chapter III "The Sustainable Development Goals"	Pg. 78	
	102-48 Restatements of information.	See "Introduction"	Pg. 7	
	102-49 Changes in reporting.	See "Introduction"	Pg. 7	
	102-50 Reporting period.	From 1 January 2020 to 31 December 2020		
	102-51 Date of most recent report.	May 2020		
	102-52 Reporting cycle.	Annual		
	102-53 Contact point for questions regarding the report.	representantemercado@teixeiraduarte.com		

Standard	Indicator	Response	Location	Sustainable Development Goals
	102-54 Claims of reporting in accordance with the GRI Standards.	See Introduction	Pg. 7	
	102-55 GRI content index.	This table		
	102-56 External assurance.	See Introduction/Reports, Opinions and Certifications of the Supervisory Bodies 2020	Pages 7/285	
GRI 200 - ECONOMIC DISCLOSURES				
SOCIO-ECONOMIC PERFORMANCE				
	103-1 Explanation of the material topic and its boundary.	Since this is not a material topic, the Teixeira Duarte Group regularly monitors and assesses part of the indicators associated with this topic		
	201-3 Defined benefit plan obligations and other retirement plans.	See Corporate Governance Report, Chapter I "Information on Shareholder Structure, Organization and Corporate Governance", "D. Remunerations"	Pg. 166	
INDIRECT ECONOMIC IMPACTS				
	103-1 Explanation of the material topic and its boundary.	The Teixeira Duarte Group considers investment in communities as a material topic, specifically through the creation of local jobs, promotion of entrepreneurship, education and health, monitoring indicators associated with the impact of initiatives and projects developed in this area		
	203-2 Significant indirect economic impacts.	See Management Report of the Board of Directors, Chapter III "Qualification for the Expression of Talent: Development and Training"/Socio-economic Performance", "Relations with People and Organizations Impacted by the Group's Activities"	Pages 93/101	<div>1</div> <div>3</div> <div>4</div> <div>8</div> <div>10</div>
ANTI-CORRUPTION				
	103-1 Explanation of the material topic and its boundary.	The Teixeira Duarte Group considers the prevention and fight against corruption as a material topic, and has control mechanisms and procedures that arise from its Code of Ethics and Conduct, the application of which is mandatory for all directors, employees and other representatives		
	205-2 Communication and training about anti-corruption policies and procedures.	See Management Report of the Board of Directors. Chapter I. "Profile", "Mission and Values"/"Code of Ethics and Conduct". Chapter III "Ethics and Conduct"/"Fighting Corruption and Bribery, Money Laundering and Terrorist Financing"	Pages 18/19 Pgs. 78/100	16
GRI 300 - ENVIRONMENTAL DISCLOSURES				
MATERIALS				
	103-1 Explanation of the material topic and its boundary.	Given the wide range of activities of the subsidiary companies, as well as the fact that their best known activity - construction - is subject to strong fluctuations in the impacts it causes, depending on the works in progress (type, quantity and phase) - which limits the annual comparability of data -, the choice of a panel of indicators and an appropriate reporting approach to reflect the performance of Group's various activities is partially impaired	Pages 111 to 112	

Standard	Indicator	Response	Location	Sustainable Development Goals
	103-2 The management approach and its components.	Emphasis should be placed on compliance with all applicable legal requirements and other requirements associated with identified environmental aspects, as well as on the obligation to minimize the environmental impacts resulting from the activities of the different business areas, to ensure that the Company's activities can be developed in a sustainable manner. The main companies in the Construction and <i>Facilities Management</i> (Concessions and Services sector) had, in 2020, environmental management systems certified according to the ISO 14001 standard, in Portugal and Brazil	Pg. 112	
	301-1 Materials used by weight or volume.	See Management Report of the Board of Directors. Chapter III. "Environmental Management", "Materials Consumption"	Pg. 113	12
ENERGY				
	103-1 Explanation of the material topic and its boundary.	Given the wide range of activities of the subsidiary companies, as well as the fact that their best known activity - construction - is subject to strong fluctuations in the impacts it causes, depending on the works in progress (type, quantity and phase) - which limits the annual comparability of data -, the choice of a panel of indicators and an appropriate reporting approach to reflect the performance of Group's various activities is partially impaired	Pages 111 to 112	
	103-2 The management approach and its components.	Emphasis should be placed on compliance with all applicable legal requirements and other requirements associated with identified environmental aspects, as well as on the obligation to minimize the environmental impacts resulting from the activities of the different business areas, to ensure that the Company's activities can be developed in a sustainable manner. The main companies in the Construction and <i>Facilities Management</i> (Concessions and Services sector) had, in 2020, environmental management systems certified according to the ISO 14001 standard, in Portugal and Brazil	Pg. 112	
	302-4 Reduction of energy consumption.	See Management Report of the Board of Directors. Chapter III. "Environmental Management", "Energy"	Pg. 112	7 8 12 13
BIODIVERSITY				
	103-1 Explanation of the material topic and its boundary.	Given the wide range of activities of the subsidiary companies, as well as the fact that their best known activity - construction - is subject to strong fluctuations in the impacts it causes, depending on the works in progress (type, quantity and phase) - which limits the annual comparability of data -, the choice of a panel of indicators and an appropriate reporting approach to reflect the performance of Group's various activities is partially impaired	Pages 111 to 112	
	103-2 The management approach and its components.	Emphasis should be placed on compliance with all applicable legal requirements and other requirements associated with identified environmental aspects, as well as on the obligation to minimize the environmental impacts resulting from the activities of the different business areas, to ensure that the Company's activities can be developed in a sustainable manner. The main companies in the Construction and <i>Facilities Management</i> (Concessions and Services sector) had, in 2020, environmental management systems certified according to the ISO 14001 standard, in Portugal and Brazil	Pg. 112	

Standard	Indicator	Response	Location	Sustainable Development Goals	
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	The Teixeira Duarte Group's infrastructure meet all environmental legal requirements, and its vast majority its located in urban settings		6	14
				15	
EMISSIONS					
	103-1 Explanation of the material topic and its boundary.	Given the wide range of activities of these companies, as well as the fact that their best known activity - construction - is subject to strong fluctuations in the impacts it causes, depending on the works in progress (type, quantity and phase) - which limits the annual comparability of data -, the choice of a panel of indicators and an appropriate reporting approach to reflect the performance of Group's various activities is partially impaired	Pages 111 to 112		
	103-2 The management approach and its components.	Emphasis should be placed on compliance with all applicable legal requirements and other requirements associated with identified environmental aspects, as well as on the obligation to minimize the environmental impacts resulting from the activities of the different business areas, to ensure that the Company's activities can be developed in a sustainable manner. The main companies in the Construction and <i>Facilities Management</i> (Concessions and Services sector) had, in 2020, environmental management systems certified according to the ISO 14001 standard, in Portugal and Brazil	Pg. 112		
	305-3 Other indirect (Scope 3) GHG emissions.	See Management Report of the Board of Directors. Chapter III. "Environmental Management", "Emissions"	Pg. 114	3	12
				13	
WASTE AND EFFLUENTS					
	103-1 Explanation of the material topic and its boundary.	Given the wide range of activities of the subsidiary companies, as well as the fact that their best known activity - construction - is subject to strong fluctuations in the impacts it causes, depending on the works in progress (type, quantity and phase) - which limits the annual comparability of data -, the choice of a panel of indicators and an appropriate reporting approach to reflect the performance of Group's various activities is partially impaired	Pages 111 to 112		
	103-2 The management approach and its components.	Emphasis should be placed on compliance with all applicable legal requirements and other requirements associated with identified environmental aspects, as well as on the obligation to minimize the environmental impacts resulting from the activities of the different business areas, to ensure that the Company's activities can be developed in a sustainable manner. The main companies in the Construction and <i>Facilities Management</i> (Concessions and Services sector) had, in 2020, environmental management systems certified according to the ISO 14001 standard, in Portugal and Brazil	Pg. 112		
	306-3 Significant spills.	In 2020, there were no records of spills with significant environmental impacts		3	6
				12	14
				15	

Standard	Indicator	Response	Location	Sustainable Development Goals
ENVIRONMENTAL COMPLIANCE				
103-1	Explanation of the material topic and its boundary.	Given the wide range of activities of the subsidiary companies, as well as the fact that their best known activity - construction - is subject to strong fluctuations in the impacts it causes, depending on the works in progress (type, quantity and phase) - which limits the annual comparability of data -, the choice of a panel of indicators and an appropriate reporting approach to reflect the performance of Group's various activities is partially impaired	Pages 111 to 112	
103-2	The management approach and its components.	In order to meet legal obligations in the area of liability for environmental damage, arising from Directive no. 2004/35/EC, amended by Directive no. 2006/21/EC, the Teixeira Duarte Group companies in Portugal covered by this legislation opted to constitute financial guarantees totaling a value of €96,812.00 at 31 December 2020.	Pg. 112	
307-1	Non-compliance with environmental laws and regulations.	No non-compliances were recorded		16
GRI 308 - SUPPLIER ENVIRONMENTAL ASSESSMENT				
SUPPLIER ENVIRONMENTAL ASSESSMENT				
103-1	Explanation of the material topic and its boundary.	Given the wide range of activities of the subsidiary companies, as well as the fact that their best known activity - construction - is subject to strong fluctuations in the impacts it causes, depending on the works in progress (type, quantity and phase) - which limits the annual comparability of data -, the choice of a panel of indicators and an appropriate reporting approach to reflect the performance of Group's various activities is partially impaired	Pages 111 to 112	
103-2	The management approach and its components.	In the Construction sector, the assessment and monitoring of the performance of manufacturers in the main categories began in 2020, in order to identify relevant indicators that allow an assessment of environmental sustainability.	Pg. 112	
308-1	New suppliers that were screened using environmental criteria.	In 2020, no suppliers were screened using environmental criteria		
GRI 400 - SOCIAL DISCLOSURES				
EMPLOYMENT				
103-1	Explanation of the material topic and its boundary.	The welfare of employees, including the promotion of good hygiene, health and safety conditions, as well as the development of skills and retention of talent, are extremely important to the management of human resources of Teixeira Duarte Group companies, and are duly rooted in a culture of dignified treatment and respect for human and labor rights		
401-3	Parental Leave.	See Management Report of the Board of Directors. Chapter III. "Human Resources in 2020"	Pg.92	5 8
OCCUPATIONAL HEALTH AND SAFETY				
103-1	Explanation of the material topic and its boundary.	The welfare of employees, including the promotion of good hygiene, health and safety conditions, as well as the development of skills and retention of talent, are extremely important to the management of human resources of Teixeira Duarte Group companies, and are duly rooted in a culture of dignified treatment and respect for human and labor rights		

Standard	Indicator	Response	Location	Sustainable Development Goals	
	403-1 Occupational health and safety management system	The main subsidiary companies, particularly those operating in the areas of Construction and <i>Facilities Management</i> have occupational health and safety management systems in place under the ISO 45001:2018 standard		8	
	403-3 Occupational health services	See Management Report of the Board of Directors. Chapter III. "Human Resources in 2020", "Protecting and Promoting health and safety"	Pg. 87	3	8
	403-4 Worker participation, consultation, and communication on occupational health and safety	Under the ISO 800 standard, Teixeira Duarte - Engenharia e Construções has a committee of workers' representatives that ensures worker consultation and communication on social performance matters. In 2018 a study on Psychosocial risks was conducted among employees of the Group's subsidiaries in Portugal, which made it possible to diagnose the aforementioned risks, company by company, and to outline specific intervention plans that are being implemented according to the situation of each company		3	8 16
	403-5 Worker training on occupational health and safety	See Management Report of the Board of Directors. Chapter III. "Human Resources in 2020", "Protecting and Promoting health and safety"	Pg. 87	3	8
	403-6 Worker training on occupational health and safety	See Management Report of the Board of Directors. Chapter III. "Human Resources in 2020", "Protecting and Promoting health and safety"	Pg. 87	3	8
	403-8 Workers covered by an occupational health and safety management system	See Management Report of the Board of Directors. Chapter III. "Human Resources in 2020", "Protecting and Promoting health and safety"	Pg. 88	3	8
	403-9 Work-related injuries	See Management Report of the Board of Directors. Chapter III. "Human Resources in 2020", "Protecting and Promoting health and safety"	Pg. 90	3	8 16
TRAINING AND EDUCATION					
	103-1 Explanation of the material topic and its boundary.	See Management Report of the Board of Directors. Chapter III. "Human Resources in 2020", "Qualification for Talent Expression: Development and Training"	Pg. 90		
	404-1 Average hours of training per year per employee.	See Management Report of the Board of Directors. Chapter III. "Human Resources in 2020", "Qualification for Talent Expression: Development and Training"	Pg.94	4 8	5 10
	404-2 Programs for upgrading employee skills and transition assistance programs.	See Management Report of the Board of Directors. Chapter III. "Human Resources in 2020", "Qualification for Talent Expression: Development and Training"	Pg.93	4 8	5 10
DIVERSITY AND EQUAL OPPORTUNITIES					
	103-1 Explanation of the material topic and its boundary.	See Management Report of the Board of Directors. Chapter III. "Human Resources in 2020"	Pg. 79		
	405-1 Diversity of governance bodies and employees.	See Management Report of the Board of Directors. Chapter III. "Human Resources in 2020"/Report on Corporate Governance, Chapter I "Information on Shareholder Structure, Organization and Corporate Governance", B. Corporate Bodies and Committees"	Pages 79/142	5	8
NON-DISCRIMINATION					
	103-1 Explanation of the material topic and its boundary.	See Code of Ethics and Conduct at www.teixeiraduarte.com . See the 2020- 2021 equality plan at www.teixeiraduarte.com			

Standard	Indicator	Response	Location	Sustainable Development Goals	
	406-1 Incidents of discrimination and corrective actions taken.	There were no cases of discrimination to report		5	8
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING					
	103-1 Explanation of the material topic and its boundary.	The promotion of the fundamental conventions of the International Labor Organization (ILO), and of human rights, is enshrined in the Code of Ethics and Conduct of Teixeira Duarte, S.A., which extends to all the entities that form part of its consolidation perimeter.			
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk.	No operations and suppliers were identified in this situation		8	16
CHILD LABOR					
	103-1 Explanation of the material topic and its boundary.	See Code of Ethics and Conduct at www.teixeiraduarte.com			
	408-1 Operations and suppliers at significant risk for incidents of child labor.	No operations and suppliers were identified in this situation		8	16
FORCED OR SLAVE-LIKE LABOR					
	103-1 Explanation of the material topic and its boundary.	See Code of Ethics and Conduct at www.teixeiraduarte.com			
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor.	No operations and suppliers were identified in this situation		8	16
SECURITY PRACTICES					
	103-1 Explanation of the material topic and its boundary.	See Code of Ethics and Conduct at www.teixeiraduarte.com			
	410-1 Security personnel trained in human rights policies or procedures that are relevant to operations.	Subsidiary companies carry out training activities on this topic under the scope of the Code of Ethics and Conduct and the applicable labor legislation			16
RIGHTS OF INDIGENOUS PEOPLE					
	103-1 Explanation of the material topic and its boundary.	See Code of Ethics and Conduct at www.teixeiraduarte.com			
	411-1 Incidents of violations involving rights of indigenous and traditional people and measures taken in this regard.	No cases were identified			
ASSESSMENT OF HUMAN RIGHTS					
	103-1 Explanation of the material topic and its boundary.	See Code of Ethics and Conduct at www.teixeiraduarte.com			
	412-2 Training in human rights procedures or policies.	Subsidiary companies carry out training activities on this topic under the scope of the Code of Ethics and Conduct and the applicable labor legislation		10	16

Standard	Indicator	Response	Location	Sustainable Development Goals
LOCAL COMMUNITIES				
103-1	Explanation of the material topic and its boundary.	The activities of the Teixeira Duarte Group's subsidiaries, regardless of the sector in which they are active, have an impact on the socio-economic development of the places where they operate. In order to enhance its positive impacts and, on the other hand, to mitigate the negative ones, the Group promotes a culture of ethics and quality among its subsidiaries, of commitment to local hiring and the development of local subcontractors and suppliers, and of strengthening their technological capabilities and social responsibility, particularly in developing countries, which contributes to the sustainable development of communities		
413-1	Operations with local community engagement, impact assessments, and development programs.	All operations have implemented and maintain one or more local community engagement programs. Impacts described in the presentation of each program. See Management Report of the Board of Directors. Chapter III.: "Todos Damos" Program, "Fazer Pescar" Program, "Fazenda Maxi" Program, "MaxiSaúde" Program, "Raízes" Program, "Dar Vida" Program	Pages 98 to 108	<div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>8</div> <div>10</div>
SOCIAL ASSESSMENT OF SUPPLIERS				
103-1	Explanation of the material topic and its boundary.	Teixeira Duarte encourages its business partners to adopt a <i>compliance</i> system compatible with their activities, with the objective of promoting and maintaining an ethical business environment. In Portugal, Teixeira Duarte - Engenharia e Construções, in compliance with the SA 8000 Standard, promotes respect for labor rights and safe and healthy working environments for all workers, and among suppliers and contractors, by demanding compliance with social responsibility requirements		
414-2	Actual and potential significant negative social impacts on labor practices in the supply chain and measures taken.	Based on the geographical area in which the supplier operates, the type of activity it carries out and the Company's ability to influence it, the potential social risk of suppliers is assessed in relation to the expected risk, and the cases of greatest risk are monitored. In 2020, Teixeira Duarte - Engenharia e Construções carried out 12 supplier monitoring actions in Portugal		<div>5</div> <div>8</div> <div>16</div>
CUSTOMER PRIVACY				
103-1	Explanation of the material topic and its boundary.	The Teixeira Duarte Group's subsidiary companies implemented Data Protection Management Systems in 2018 with a view to compliance with the provisions of the General Data Protection Regulation (GDPR). These systems are periodically audited		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data.	No complaints were registered		16
SOCIOECONOMIC COMPLIANCE				
103-1	Explanation of the material topic and its boundary.	The activities of Teixeira Duarte Group companies are based on their Mission and are in line with the UN Human Rights Declarations, the Guiding Principles of the Organization for Economic Cooperation and Development (OECD), the International Labor Organization (ILO), national and international legislation and the 10 Principles of the United Nations Global Compact in the fields of Human Rights, Labor Practices, the Environment and Anti-Corruption		
419-1	Non-compliance with laws and regulations in the social and economic area.	No non-compliances were recorded		16

IV. FUTURE DEVELOPMENT PERSPECTIVES

SUBSEQUENT EVENTS

The Teixeira Duarte Group companies continued their activities in the different sectors and markets on which they operate. In the current global framework, it should be highlighted that the Board of Directors of TD,SA, along with the management bodies of all other Teixeira Duarte Group entities, continue to monitoring the development of the COVID-19 pandemic situation and are acting in accordance with the recommendations issued by the World Health Organization and the public bodies responsible for health in the respective countries where the Group companies operate.

Within this framework, contingency and preventive measures have been taken to follow the guidelines of these entities and to mitigate and contain the public health risk, to achieve this design and promote the steps necessary to safeguard the continuity of the business and the impact of the situation on all of its *stakeholders*.

FUTURE DEVELOPMENT PERSPECTIVES

Teixeira Duarte envisages the continuity of operations in the different sectors and markets in which it has been operating, even if influenced by the impacts of the COVID-19 global pandemic situation and the fact that the devaluations of currencies of countries where the Group operates decrease the relevance of the activity in euros.

This notwithstanding, in view of the significance of Construction to the Group's operating revenues, it should be remembered that the Construction Orders Portfolio had an overall value of 1,348,441 thousand euros on 31 December 2020.

Similarly, it should be reported in this regard that projects amounting to a total of 92,414 thousand euros were awarded / contracted after 31 December 2020, which is in addition to the order book ascertained on 31 December 2020.

For 2021, Teixeira Duarte expects to achieve consolidated operating revenue of around 700 million euros.

V. PROPOSED APPROPRIATION OF NET INCOME

DISTRIBUTION OF NET INCOME TO MEMBERS OF THE BOARD OF DIRECTORS AND EMPLOYEES

The Teixeira Duarte Group continues with the purpose of distributing profits to the members of the Board of Directors and employees.

This did not occur in 2020 in Teixeira Duarte, S.A., but this objective was achieved in its subsidiary companies that presented positive individual results. For this purpose, it posted a total of €2,850,000.00 (two million eight hundred and fifty thousand euros) as an expense for the financial year.

PROPOSED ALLOCATION OF RESULTS

The Board of Directors proposes that the net results of "TEIXEIRA DUARTE, S.A." in 2020, amounting to a negative €17,904,404.60 (seventeen million, nine hundred and four thousand, four hundred and four euros and sixty cents) should be carried forward to retained earnings.

Lagoas Park, 13 April 2021

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

VI. NOTES TO THE MANAGEMENT REPORT OF THE BOARD OF DIRECTORS

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 2020 financial year, 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	Assurance	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	Member of the Board of Directors	5,030,575
Carlos Gomes Baptista	Teixeira Duarte, S.A	Member of the Board of Directors	62,671
Maria da Conceição Maia Teixeira Duarte	Teixeira Duarte, S.A	Member of the Board of Directors	(a) 3,967,473
Diogo Bebiano Branco de Sá Viana Rebelo	Teixeira Duarte, S.A	Member of the Board of Directors	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	-

(a) Shares already held prior to the General Meeting of 27 May 2019, at which they were elected to their respective positions

II. Transactions with shares directly and indirectly held by members of the corporate bodies during the period between 1 January and 31 December 2020:

There were no transactions with shares held directly or indirectly by the Members of the Corporate Bodies during the period between 1 January and 31 December 2020.

III. Number of shares held by members of the corporate bodies as of 31 December 2020:

Name	Company	Assurance	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	Member of the Board of Directors	5,030,575
Carlos Gomes Baptista	Teixeira Duarte, S.A	Member of the Board of Directors	62,671
Maria da Conceição Maia Teixeira Duarte	Teixeira Duarte, S.A	Member of the Board of Directors	3,967,473
Diogo Bebiano Branco de Sá Viana Rebelo	Teixeira Duarte, S.A	Member of the Board of Directors	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 QUALIFYING HOLDINGS AS OF 31 DECEMBER 2020

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 31 December 2020, indicating the number of shares held with the corresponding voting right percentages, calculated under the terms of article 20 of the Securities Code.

	No. of shares on 31.12.2020	Share capital with right to vote
Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A.		
Directly	180,600,000	43.00%
Through the members of the Board of Directors of "Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A." (a)	53,276,164	12.68%
TOTAL ATTRIBUTABLE	233,876,164	55.68%

(a) 3,603,138 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."

	No. of shares on 31.12.2020	Share capital with right to vote
Eng. Miguel Calainho de Azevedo Teixeira Duarte		
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%

	No. of shares on 31.12.2020	Share capital with right to vote
Ids Value, Lda.		
Directly	10,999,820	2.6190%
Total attributable	10,999,820	2.6190%



Teixeira Duarte

Reports and Accounts 2020

Corporate Governance Report 2020

I. INFORMATION ON SHAREHOLDER STRUCTURE, ORGANISATION AND CORPORATE GOVERNANCE

A. SHAREHOLDER STRUCTURE

I. Capital structure

1. Capital structure (share capital, number of shares, distribution of the capital by the shareholders, etc.), including indication of shares not listed for trading, different categories of shares, their inherent rights and duties and percentage of share capital represented by each category (article 245.º-A, number 1, subparagraph a)).

The share capital of "Teixeira Duarte, S.A." (hereafter referred to as TD,SA, of the total value of € 210,000,000.00 (two hundred and ten million euros), is totally paid-up and is represented by 420,000,000 shares with the nominal value of € 0.50 (fifty euro cents) each.

The shares are all ordinary, book entry, registered and listed for trading in regulated markets (EURONEXT LISBON). The shares belong to a single category, each corresponding to one vote, and there are no shares with special rights or duties.

According to the ascertained items, the shares representing the share capital of TD,SA were, at the end of the 2020 financial year, distributed among a total of 4,446 shareholders as follows:

- Shareholders with up to 42,000 shares: 4,022
- Shareholders with 42,001 to 420,000 shares: 369
- Shareholders with 420,001 to 4,200,000 shares: 45
- Shareholders with 4,200,001 to 42,000,000 shares: 8
- Shareholders with more than 42,000,000 shares: 2

2. Restrictions to the transferability of shares, such as clauses of consent for disposal or limits to the ownership of shares (Article 245.º-A, number 1, subparagraph b)).

There are no restrictions to the transferability of shares, namely clauses of consent for disposal or limits to the ownership of shares.

3. Number of own shares, corresponding percentage share capital and percentage voting rights to which the own shares would correspond (article 245.º-A, number 1, subparagraph a)).

There are no own shares.

4. Significant agreements of which the company is a party and which enter into force, are altered or cease in the event of a change of control of the company following a public take-over bid, as well as the respective effects, unless, due to their nature, their disclosure would be seriously harm the company, unless the company is specifically obliged to disclose this information due to other legal requirements (article 245-A, number 1, subparagraph j)).

TD,SA is not party to significant agreements that could terminate in the event of a change of control of the Company, with the exception of situations provided for in financing contracts, according to normal market practice, some of which provide for the possibility of the financial institution requesting early repayment in the event of a change of control of the Company.

These financing contracts are not likely to harm the economic interest in the transfer of the shares, due to their conditions and characteristics.

It should also be noted that TD,SA does not adopt any measures that have the effect of requiring payments or the assumption of charges by the Company in the event of a transition of control or change in composition of the board of directors, nor measures that could affect the free transferability of shares and the free appraisal by shareholders of the performance of members of the management body.

5. Regime to which the renewal or revocation of defensive measures is subject, in particular those establishing limitation of the number of votes which may be held or exercised by a single shareholder, individually or in concertation with other shareholders.

TD,SA has no provisions in its articles of incorporation and does not take any defensive measures that limit the number of votes that may be held or exercised by a single shareholder, acting individually or in concert with other shareholders.

6. Shareholders' agreements that are known to the company and might lead to restrictions on matters of the transfer of securities or voting rights (Article 245-A, number 1, subparagraph g)).

As far as the Company knows, there are no agreements between shareholders, namely those which might lead to restrictions on matters relative to the transfer of securities or voting rights.

II. Shares and Bonds held

7. Identification of the natural and legal persons who, directly or indirectly, hold qualifying stakes (article 245-A, number 1, subparagraphs c) and d) and article 16), with detailed indication of the percentage share capital and votes imputable and the source and causes of imputation.

It is hereby informed that, as at 31 December 2020, the owners of qualifying holdings, calculated in accordance with article 20 of the Securities Code, in compliance with article 8(1)(b) of CMVM (Securities and Exchange Commission) Regulation no. 05/2008, were as follows:

	No. of shares on 31.12.2020	Share capital with right to vote
Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A.		
Directly	180,600,000	43.00%
Through the members of the Board of Directors of "Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A." (a)	53,276,164	12.68%
TOTAL ATTRIBUTABLE	233,876,164	55.68%

(a) 3,603,138 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."

	No. of shares on 31.12.2020	Share capital with right to vote
Eng. Miguel Calainho de Azevedo Teixeira Duarte		
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%

	No. of shares on 31.12.2020	Share capital with right to vote
Ids Value, Lda.		
Directly	10,999,820	2.6190%
Total attributable	10,999,820	2.6190%

8. Indication of the number of shares and bonds held by members of the management and supervisory bodies. [NOTE: the information must be provided in order to comply with the provisions of Art. 447(5) of the Companies Code]

TD,SA presents below a list of securities issued by the Company and by companies with which it is in a control or group relationship, held by members of the corporate bodies, as well as all acquisitions, encumbrances or transfers during the 2020 financial year, specifying the amount, the date of the event and the consideration paid or received.

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

Name	Company	Assurance	Nr. of Shares
José Luciano Vaz Marcos	TD, S.A.	Chair of MAG	-
José Mário Ferreira de Almeida	TD, S.A.	Vice-chair of MAG	3,000
José Pedro Poiães Cobra Ferreira	TD, S.A.	MAG Secretary	-
Pedro Maria Calainho Teixeira Duarte	TD, S.A.	Chair of the BD	42,000
Manuel Maria Calainho de Azevedo Teixeira Duarte	TD, S.A.	Board Member	5,030,575
Carlos Gomes Baptista	TD, S.A.	Board Member	62,671
Maria da Conceição Maia Teixeira Duarte	TD, S.A.	Board Member	3,967,473
Diogo Bebiano Branco de Sá Viana Rebelo	TD, S.A.	Board Member	31,160
Óscar Manuel Machado de Figueiredo	TD, S.A.	President of CF	-
Ana Cristina Louro Ribeiro Doutor Simões	TD, S.A.	FC Member	-
João Salvador dos Santos Matias	TD, S.A.	FC Member	-
Rui Pedro Ferreira de Almeida	TD, S.A.	FC Alternate	-
Moore Stephens & Associados, SROC, S.A.	TD, 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 31 December 2020:

There were no transactions with shares held directly or indirectly by the Members of the Corporate Bodies during the period between 1 January and 31 December 2020.

III. Number of shares held by members of the corporate bodies as of 31 December 2020:

Name	Company	Assurance	Nr. of Shares
José Luciano Vaz Marcos	TD, S.A.	Chair of MAG	-
José Mário Ferreira de Almeida	TD, S.A.	Vice-chair of MAG	3,000
José Pedro Poiars Cobra Ferreira	TD, S.A.	MAG Secretary	-
Pedro Maria Calainho Teixeira Duarte	TD, S.A.	Chair of the BD	42,000
Manuel Maria Calainho de Azevedo Teixeira Duarte	TD, S.A.	Board Member	5,030,575
Carlos Gomes Baptista	TD, S.A.	Board Member	62,671
Maria da Conceição Maia Teixeira Duarte	TD, S.A.	Board Member	3,967,473
Diogo Bebiano Branco de Sá Viana Rebelo	TD, S.A.	Board Member	31,160
Óscar Manuel Machado de Figueiredo	TD, S.A.	President of CF	-
Ana Cristina Louro Ribeiro Doutor Simões	TD, S.A.	FC Member	-
João Salvador dos Santos Matias	TD, S.A.	FC Member	-
Rui Pedro Ferreira de Almeida	TD, S.A.	FC Alternate	-
Moore Stephens & Associados, SROC, S.A.	TD, S.A.	Chartered Accountant	-

9. Special powers of the management body, namely with respect to deliberations to increase the share capital (article 245-A, number 1, subparagraph i), indicating, with respect to these powers, the date on which they were attributed, period until which this competence may be exercised, maximum quantitative limit of the share capital increase, amount already issued under the attribution of powers and method of accomplishment of the attributed powers.

Under the scope of the TD,SA Articles of Incorporation, the Board of Directors is granted special powers to:

- Resolve that the Company participate in the incorporation, subscribe capital, assume interests in or take part in other companies, undertakings, complementary groups or associations of any kind and cooperate, collaborate or enter into consortia with any other entities, as well as provide technical administration and management services, or human and financial resource services to subsidiary companies or companies with which it has entered into a contract of subordination (Article 4); and

- Issue any form or type of bonds, as well as any other instruments or securities, including those representing debt, in such a manner and under such terms as may be allowed by law and under such conditions as may be determined by the body that decides to issue them (Article 8).

The Articles of Incorporation of TD,SA do not grant any special powers to the management body to make any resolutions to increase the Company's share capital.

10. Information on the existence of significant business relations between the holders of qualifying stakes and the company.

There are no significant business relations between the holders of qualifying stakes and the company.

B. GOVERNING BODIES AND COMMISSIONS

I. GENERAL MEETING

a) Composition of the board of the general meeting

11. Identification and position of the members of the board of the general meeting and respective term of office (start and end).

Under the terms of article fourteen of TD,SA's Articles of Incorporation, the Board of the General Meeting consists of a Chairperson, a Vice-chairperson and by the Company's Secretary. It currently consists of the following members:

Chairman: José Luciano Vaz Marcos
Vice-Chairman: José Mário Ferreira de Almeida
Secretary José Pedro Poiares Cobra Ferreira

All of the identified members of the General Meeting Board were elected at the General Meeting of 27 May 2019, to serve on that body for the 2019/2022 four year period.

b) Voting and the exercise of voting rights

12. Any restrictions on voting rights, such as limitations to the exercise of voting rights dependent on the ownership of a number or percentage of shares, periods of time imposed for the exercise of voting rights or systems privileging rights relative to assets (article 245-A, number 1, subparagraph f)).

There are no restrictions on voting rights, specifically limitations on exercising of voting rights depending on ownership of a number or percentage of shares; in terms of the time limits imposed for exercising voting rights, the only limitations are those set out *below* for the case of postal voting.

TD,SA has not established any type of system to highlight equity rights or mechanisms that have the effect of causing a mismatch between the right to receive dividends or to subscribe to new securities, and the voting rights of each common share.

General Meeting Call and Preparatory Information

It should also be noted that TD,SA discloses, within the applicable legal periods, and in all places imposed by law, the call for General Meetings, together with the proposed resolutions and preparatory information. This is all done to guarantee, promote and encourage the participation of shareholders, either in person or through representatives appointed by them, in the General Meetings.

Participation in General Meetings

According to the contents of article 13 of the Articles of Association, those who, on the date of registration, corresponding to midnight (GMT) of the 5th trading day prior to the date of the Meeting, hold shares giving them at least one vote may participate in the General Meeting and discuss and vote there.

Each share, under the conditions referred to above, corre-

sponds to one vote. Although article 7 of the Articles of Incorporation provide for the existence of non-voting shares, these do not exist.

Postal Voting

For the exercise of the right to vote by correspondence and for the execution of all other procedures indicated in the Articles of Association, the Company has implemented the indispensable means for the effect, providing all the necessary forms on its website and at its head office, namely drafts of letters and the voting ballot, as well as instructions for their completion.

Electronic Voting

Although it acknowledges that the use of new technologies enhances the exercise of shareholder rights, TD,SA believes that there are very significant specific security requirements inherent to the electronic voting process, particularly regarding the technical resources necessary to verify the authenticity of the corresponding voting declarations and to guarantee the integrity and confidentiality of their contents. It also acknowledges the high level of security and operational reliability necessary to receive the aforementioned declarations.

Additionally, TD,SA has never received any request for the implementation of this system, nor any notice of any difficulty in participating in the General Meetings or in exercising voting rights.

The above consideration, along with the fact that TD,SA's general meetings traditionally have a very high representation of share capital, are the reason why the Company did not consider it advantageous to implement the possibility of exercising the right to vote by electronic means.

Annual General Meeting 2020

The Company's 2020 Annual General Meeting was held in person, and due to the public health emergency situation caused by the COVID-19 disease, the company decided to provide audio and video access, via the Internet, to allow the proceedings to be viewed remotely. It should be noted that only one person requested and used this facility, with all other shareholders and their representatives opting to be physically present at the meeting as usual.

In this context, TD,SA considers that it fully guaranteed the participation of shareholders at General Meetings, even in the event that they are unable to attend, either through postal voting or

through the existing mechanisms of representation, and that the adopted model promotes and encourages the participation of shareholders in General Meetings. The company is prepared to promote remote participation in situations where this is justified, using telematic means for this purpose.

13. Indication of the maximum percentage voting rights that may be exercised by a single shareholder or by shareholders which are engaged in any of the relations listed in number 1 of article 20.

The Articles of Association of TD,SA do not stipulate a maximum percentage or maximum number of voting rights that may be exercised by a single shareholder (individually or in concertation with other shareholders) or by shareholders which are engaged in any of the relations referred to in number 1 of article 20 of the Securities Market Code.

14. Identification of shareholder deliberations, through statutory imposition, that may only be taken with a qualifying majority, apart from those legally established, and indication of these majorities.

There are no provisions in the articles of incorporation that impose quorums of qualified majorities for resolutions on certain matters by shareholders, without prejudice to legal provisions that, in certain cases, may require qualified majorities or establish other forms of expiration of proposals.

II. MANAGEMENT AND SUPERVISION

(Board of Directors, Executive Board of Directors and General and Supervisory Board)

a) Composition

15. Identification of the adopted governance model

Ever since its incorporation on 30 November 2009, Teixeira Duarte, S.A. has adopted a model of Corporate Governance known as the “strengthened Latin” model. In addition to the General Meeting and its respective board, its corporate bodies are a Board of Directors and two independent oversight bodies: the audit committee and the Official Accounts Auditor Company.

On this issue, it is important to note the collaboration between all these structures of the Group, as well as the advantages arising from these synergies, reflected in the privileged and effective manner of the achievement of objectives undertaken by all as collection action.

The adopted corporate model fully complies with the objectives

that served as a basis, namely ensuring that TD,SA mains good levels of operation and efficiency as each corporate body performs its functions both independently and in conjunction with others. Therefore, this corporate model is appropriate for the modus operandi of TD,SA, for its structures and for members of the corporate bodies, specifically the Board of Directors.

16. Statutory rules on procedural requirements and matters applicable to the appointment and replacement of members, as applicable, of the Board of Directors, Executive Board of Directors and General and Supervisory Board (article 245-A, number 1, subparagraph h)).

Members of the management body of TD,SA are elected at the General Meeting by a list system, for four years, coinciding with the company's financial years, and they may be reelected one or more times, under the legally established terms and limitations, and they are deemed sworn in as soon as they are elected, without depending on any further formalities.

Under the special election rules established in the Law, TD,SA adopted the systems which enables a Director to be elected amongst the persons proposed in lists which are undersigned and presented by groups of shareholders, provided that none of these groups own shares representing more than twenty percent and less than ten percent of the share capital. Pursuant to this choice, any Director elected in this manner automatically replaces the one last on the list who would have fallen due in the election of the Directors.

The Articles of Incorporation establish the number of consecutive or non-consecutive absences from meetings per term of office at five, without justification accepted by the Board of Directors, which lead to a situation of permanent absence of a Director, with the other consequences provided for by Law.

The Articles of Incorporation do not provide for any substitute Director and do not establish any specific rule for the substitution of members of the Board of Directors. Therefore, the general regime provided for in the Companies Code on this matter shall apply, i.e., the Board of Directors may substitute a Director who ceases to perform duties for any of the reasons provided for by law, specifically due to resignation or accumulation of absences, and, if it deems necessary and under the applicable terms and conditions, shall carry out the corresponding co-optation, which must be ratified at the next General Meeting.

The procedural and material requirements applicable to the appointment and substitution of members of the Board of Directors ensure gender diversity, age diversity, diversity of qual-

ifications and diversity of professional background, under the terms of article 245(A)(r) of the Securities Code, as amended by Decree-Law no. 89/2017.

In effect, in recognition of the advantages of diversity in the composition of its Management and Supervisory Bodies, specifically in terms of age, gender, qualifications and professional background, at the General Meeting of 26 May 2018, TA,SA approved its Diversity Policy, which is currently in force and sets out criteria for the selection and appointment of the Company's corporate bodies (including the Board of Directors) and which is disclosed here, in accordance with the provisions of Article 245(A) of the Securities Code, as amended by Decree-Law no. 89/2017:

INTRODUCTION:

TEIXEIRA DUARTE, S.A. recognizes the advantages derived from the diversity in the composition of its Management and Supervisory Bodies, namely in terms of age, sex, qualifications and professional background.

Such benefits result mainly from the enrichment of management models, from a greater efficiency in the evaluation and decision-making processes by weighing different perspectives, taking advantage of the plurality of knowledge, experiences, capacities and competences of the members of those social bodies.

At the same time, respect for these differences shows the consolidation of the Human Resources structure of the business Group led by TEIXEIRA DUARTE, S.A., through the valorization of skills and diverse competencies, making the Company itself a reflection of the community in which it is present and of the various markets and sectors in which it operates.

This "Diversity Policy of the Management and Supervisory Bodies of Teixeira Duarte, S.A." was prepared taking into account, in addition to the applicable legal provisions, the historical reality of the company and of the entire TEIXEIRA DUARTE Group, which it leads.

Having said this, it is hereby clarified that although diversity in the above terms is an important criterion, it is not an absolute one, nor is it superimposed on others considered to be also adequate to the sustainable development of the activity of the Company and the Group and to the simultaneous compliance with applicable legal regulations.

BOARD OF DIRECTORS:

The privileged criterion for the selection and appointment of the members of the Board of Directors of the top company of

the Teixeira Duarte Group - currently Teixeira Duarte, S.A. - has been to bet on (i) executive members and therefore linked to the Group's activity; and, within these (ii) those which have been designated internally as "household persons"; a bet of trust in the identification with the same values, with a shared history and that privileges this connection more idiosyncratic than the choice of an outside expert in any sector of activity, market of action, or corporate area.

That is why now all members of the board of directors have more than twenty five years in the service of the Teixeira Duarte Group, as well as many of the members of the Group's Senior Management.

For this reason, it is understood that all the commitments to be undertaken and the measures to be implemented should take into account the one that has been the privileged criterion for the selection and appointment of the members of the Board of Directors, as well as their adequacy to the activities developed by the Corporate Group that Teixeira Duarte, S.A. leads, and to the realities of the markets and sectors in which it operates.

It is in this context that Teixeira Duarte, S.A. undertakes to make its best efforts to promote diversity in the composition of the Board of Directors, namely through:

- *Compliance with the normative provisions in force regarding diversity, in particular non-discrimination and equal opportunities, arising from the Law and other applicable regulations, as well as from the rules contained in the "Code of Ethics and Conduct of the Teixeira Duarte Group" and the other documents based on it and applicable to the whole Group;*
- *Ensuring equal opportunities and treatment, in particular on the basis of age, sex, qualifications and professional background;*
- *Do not carry out any kind of discriminatory action based on ancestry, age, sex, sexual orientation, gender identity, marital status, family situation, economic situation, education, social origin or social condition, genetic heritage, reduced working capacity, disability, chronic illness, nationality, ethnic origin or race, territory of origin, language, religion, political or ideological beliefs and trade union membership, in compliance with the "Code of Ethics and Conduct of the Teixeira Duarte Group" on this matter;*
- *Continue to focus on the diversity of ages, focusing on the balance resulting from the combination of the knowledge and experience of older people with the innovative perspective of the younger ones;*

- Ensure compliance with the legal norms concerning gender diversity, ensuring adequate representation of women and men in the Board of Directors, based on their competencies, skills, experience and qualifications;
- Ensure that the Board of Directors continues to integrate people with different basic qualifications, as long as appropriate to the position to be exercised and in accordance with the characteristics, size and activities developed by the Business Group led by Teixeira Duarte, S.A.;
- Keep the bet on the "people of the house" as a privileged criterion, while valuing the combination of people with experience in different sectors, countries and corporate areas.

SUPERVISORY BODIES:

Due to the corporate model in force in Teixeira Duarte, S.A., the supervisory bodies are the Supervisory Board and the Statutory Auditor.

As the Statutory Auditor is not a collegiate body by nature, and therefore does not integrate a plurality of members, this body is excluded from this "Diversity Policy of the Management and Supervisory Bodies of "Teixeira Duarte, S.A. ".

Regarding the Supervisory Board, currently composed of three effective members and one alternate, the following commitments are assumed in promoting the diversity of the respective composition:

- Compliance with the normative provisions in force regarding diversity, in particular non-discrimination and equal opportunities, arising from the Law and other applicable regulations, as well as from the rules contained in the "Code of Ethics and Conduct of the Teixeira Duarte Group" and the other documents based on it and applicable to the whole Group;
- Ensuring equal opportunities and treatment, in particular on the basis of age, sex, qualifications and professional background;
- Do not carry out any kind of discriminatory action based on ancestry, age, sex, sexual orientation, gender identity, marital status, family situation, economic situation, education, social origin or social condition, genetic heritage, reduced working capacity, disability, chronic illness, nationality, ethnic origin or race, territory of origin, language, religion, political or ideological beliefs and trade union membership, in compliance with the "Code of Ethics and Conduct of the Teixeira Duarte Group" on this matter;
- Continue to focus on the diversity of ages, focusing on the

balance resulting from the combination of the knowledge and experience of older people with the innovative perspective of the younger ones;

- Develop efforts to promote adequate representation of women and men in the Supervisory Board, always based on their competencies, skills, experience and qualifications;
- Ensure that the Supervisory Board continues to integrate people with different basic qualifications, as long as appropriate to the position to be exercised and in line with the characteristics, size and activities developed by the Corporate Group led by Teixeira Duarte, S.A.;
- Continue to focus on valuing the diversity of professional backgrounds of the members of the Supervisory Board, promoting the appointment of people with different professional experiences, as long as they fall within the scope of the Group's activity and appropriate to the duties to be performed.

17. Composition, as applicable, of the Board of Directors, Executive Board of Directors and General and Supervisory Board, indicating the minimum and maximum statutory number of members, statutory duration of the term of office, number of permanent members, date of the first appointment and date of the end of term of office of each member.

Under the provisions of article 17 of the Articles of Incorporation, the Board of Directors of TD,SA shall consist of a minimum of five and a maximum of eleven members.

When electing this Board, the General Meeting of TD,SA shall determine the number of Directors who, within these limits, shall sit on it in each term of office and shall appoint, from among them, the member who shall act as Chairperson.

Under the terms of number 2 of article 10 of the Articles of Association, the members of the governing bodies are elected for periods of four years, as noted above.

Throughout the 2020 financial year, the Board of Directors consisted of five members, all of whom were permanent, with a Chairman and four members:

Chairman:

Pedro Maria Calainho Teixeira Duarte

Directors:

Manuel Maria Calainho de Azevedo Teixeira Duarte

Carlos Gomes Baptista

Maria da Conceição Maia Teixeira Duarte

Diogo Bebianco Branco de Sá Viana Rebelo

The Chairman of the Board of Directors Pedro Maria Calainho Teixeira Duarte and the Directors Manuel Maria Calainho de Azevedo Teixeira Duarte and Carlos Gomes Baptista were appointed for the first time upon the incorporation of the Company, on November 30, 2009, to serve during the 2009/2010 term of office. They were then re-elected for the 2011/2014 term and for the 2015/2018 term, before being re-elected at the General Meeting of 27 May 2019 to perform duties during the 2019/2022 term of office.

Director Maria da Conceição Maia Teixeira Duarte was elected for the first time at the General Meeting of 27 May 2019, to hold office for the 2019/2022 term.

The Director Diogo Bebiano Branco de Sá Viana Rebelo was elected for the first time at the General Meeting of 20 May 2011, to perform functions during the 2011/2014 term of office and for the 2015/2018 term of office. He was re-elected once again, at the General Meeting of 27 May 2019, to perform functions during the 2019/2022 term of office.

The current Board of Directors of TD,SA, elected at the General Meeting held on 27 May 2019, consists of one woman, representing 20% of the active members of the Board of Directors, so this corporate body of TD,SA currently meets the gender equality criteria and requirements for members of the Board of Directors.

No other members of the Board of Directors or other corporate bodies have been elected since then.

18. Distinction between the executive and non-executive members of the Board of Directors and, regarding non-executive members, identification of members who may be considered independent, or, if applicable, identification of the independent members of the General and Supervisory Board.

18.1. The independence of the members of the General and Supervisory Board and the members of the Audit Committee is appraised under the terms of the current legislation and, regarding the other members of the Board of Directors, members are considered independent when they are neither associated to any specific group of interests in the company nor in any circumstance which might affect the impartiality of their analysis or decision-making, namely due to:

- a. Having been an employee of the company or companies which are in a controlling or group relationship with the former during the last three years;
- b. Having, in the last three years, provided services or

established significant business relations with the company or companies which are in a controlling or group relationship with the former, whether directly or as a partner, administrator, manager or director of a legal person;

- c. Being a beneficiary of remuneration paid by the company or companies which are in a controlling or group relationship with the former in addition to the remuneration arising from the performance of directorship duties;
- d. Living in non-marital cohabitation or being the spouse, parent or family member in a straight line and up to the 3rd degree, inclusively, in a collateral line, of directors or natural persons who directly or indirectly hold a qualifying stake;
- e. Being a qualifying shareholder or representative of a qualifying shareholder

The members of the Board of Directors of "Teixeira Duarte, S.A." have identical duties in this area, considering that there are no non-executive directors, since they all perform duties inherent to their position in a company which, being the parent company of the Group, manages its holdings and appraises the respective actions while not taking direct decisions or exercising management powers over the activities of these entities.

In this regard, it should be noted that some members of the Board of Directors have duties and positions in other Group entities, relative to which they exercise management and management powers with proximity and direct responsibility for the actions of these companies.

TD,SA has chosen to maintain all its Directors in executive duties since the duties which would have been entrusted to any non-executive Directors - namely regarding supervision, monitoring and assessment of the activity of the executive members - are carried out by the Supervisory Board, Remuneration Committee and General Meeting.

Also in this regard, we hereby report that in terms of the independence of its members, the Board of Directors believes that none of them are in circumstances that could affect their analysis or decision making.

Furthermore, the complete independence and absence of incompatibilities of members of the Supervisory Board allows them to participate in an impartial and useful manner in the supervision of Company activity. Not only does this apply from an accounting point of view - where the Official Accounts Audit Company intervenes regularly - but also from a policy perspective, in this case with the limits and scope to safeguard essen-

tial compliance with current legislation and regulations, all with a view to ensuring continuous transparency and compliance with adequate levels of disclosure of information to the market, in general, and particularly to the shareholders at the General Meeting.

In effect, the Statutory Auditor collaborates with the Supervisory Board and immediately informs it of any information about any relevant irregularities that may be detected, as well as any difficulties encountered in the performance of its duties.

It follows from the above that there is an adequate relationship between all corporate bodies, not just between the Statutory Audit Company and the Supervisory Board, who meet periodically, but also between these bodies and the Board of Directors, as the Directors always provide the information requested by other members of corporate bodies in a timely and useful manner, and all are provided with any essential elements and documents for analysis and decision-making on matters for which they are responsible while performing their respective duties.

It should also be noted that, in compliance with the principle of close cooperation between the corporate bodies, the Chair of the Supervisory Board and the representative of the Official Accounts Auditor are invited to all periodic meetings and to approve the Board of Directors' accounting documents. This body sends copies of notifications and minutes of these meetings to all of them.

These tasks are performed, through indication of the Chairman of the Board of Directors, by the Company Secretary who delivers copies of the call notices and minutes of the Board of Directors meetings to the Chairman of the Supervisory Board, after they have been duly signed.

In view of the corporate model that has been adopted, and the composition and operating methods of its corporate bodies - specifically the executive nature of the Board of Directors, with the aforementioned framework, and the independence of the audit committee and the official accounts auditor company, without competences being delegated between them or to other committees - TD,SA believes - in view of Recommendations no. III.2 and III.3 - that appointing non-executive members to hold positions on the Board of Directors would not bring significant added value to the good operation of the model that has been adopted, which has proved to be adequate and efficient.

This justifies TD,SA's choice to not have non-executive members of the Board of Directors for monitoring, supervising and assessing the activity of the other members of the body, as set

out in Recommendations no. III.2 and III.3, as the effective capacity of the supervisory bodies to critically and impartially monitor, supervise and assess the activity of the executive directors is guaranteed.

It should be added that, despite the fact that the chairman of the board of directors performs executive functions, as there are no non-executive Directors, the provisions of Recommendation no. III.1 do not apply to TD,SA. This recommendation states that, if the chair of the board of directors has executive functions, this body must appoint an independent director from among its members, to ensure that the work of the other non-executive members is coordinated, and to create conditions to allow them to make decisions in an independent and informed manner, or find another equivalent mechanism to ensure that this coordination takes place.

19. Professional qualifications and other relevant curricular elements of each member, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors.

Chairman of the Board of Directors: Pedro Maria Calainho Teixeira Duarte

Graduated in Business Management from "Universidade Católica Portuguesa", in 1977, where he held the position of assistant to the chair of General Mathematics until 1981.

Appointed for the first time in 2009, when the company was incorporated, he was last elected in 2019 to perform functions for the 2019/2022 term.

It should also be noted that from 1987 until the Elective General Meeting held on 6 May 2019 he was a Director of the Group's parent company (which until 2010 was "Teixeira Duarte - Engenharia e Construções, S.A.").

In the absence of any specific duty in the Articles of Incorporation, no specific delegation of powers, and no any decision on the distribution of responsibilities among the members of the Board of Directors, the Chairman of the Board of Directors shall be responsible for the specific duties provided for by law, including ensuring the functioning of the Board of Directors, specifically coordinating the performance of its members and holding the respective meetings.

In 1978 he joined the staff of "Teixeira Duarte - Engenharia e Construções, S.A.", and in 1987 he became Managing Director of what was then the Group's top company, in which he has held the position of Chairman of the Board of Directors since 2008.

In 2009 and on the occasion of its incorporation, he was, at the same time, appointed to the position of Chairman of the Board of Directors of TD,SA, which would later become the leading listed company of the Teixeira Duarte Group as of 2010.

Over the years, he has held multiple corporate positions in various other entities, of which mentioned should be made of the following:

- On several occasions since 1991 he has served terms as a member of the Board of Directors of Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A. - a company owned by members of the Teixeira Duarte family to which a stake in excess of 50% of the capital of TD,SA is assigned - and of which he was Chairman between 2011 and 11 April 2019;
- The top position in the management body of PASIM - Sociedade Imobiliária, Lda. since its incorporation to date;
- Member of the Board of Directors of "CIMPOR - Cimentos de Portugal, S.G.P.S., S.A." between 2001 and August 2009; and
- Various functions in the Corporate Bodies of "Banco Comercial Português, S.A." between 1985 and 2013, in particular as Vice-Chairman of the Senior Board, Vice-Chairman of the General and Supervisory Board and Vice-Chairman of the Board of Directors.

Director: Manuel Maria Calainho de Azevedo Teixeira Duarte

Licentiate degree in Law from the "Faculdade de Direito da Universidade de Lisboa", in 1989.

Appointed for the first time in 2009, when the company was incorporated, he was elected in 2019 to perform functions for the 2019/2022 term.

Furthermore, it should be noted that he has been a Director of the Group's leading listed company since 2005 (which was Teixeira Duarte - Engenharia e Construções, S.A. until 2010).

He was a lawyer/legal adviser with his own office from 1989 to 1996.

He was the Director of "TDF - Sociedade Gestora de Investimentos Imobiliário, SA" from 30.06.1992 to 22.04.2005, with supervision functions and control over investment decisions, under the scope of competences assigned to Board of Directors members by the Trading Companies Code and by the company's articles of incorporation, as well as a role relating to relations with the Portuguese Securities and Exchange Commission (CMVM).

He has been part of the staff of the Teixeira Duarte Group since 1993, acting as a legal adviser and manager in various companies, in particular in the real estate sector.

He has been a member of the corporate bodies many Teixeira Duarte Group companies. In April 2005 he also became a member of the Board of Directors of the Group's listed parent company - "Teixeira Duarte - Engenharia e Construções, S.A." at the time, and currently TD,SA; he still holds these positions today.

On several occasions since 1991 he has served terms as a member of the Board of Directors of Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A. - a company owned by members of the Teixeira Duarte family to which a stake in excess of 50% of the capital of TD,SA is assigned - and of which he was a Board Member between 2011 and 11 April 2019.

Director: Carlos Gomes Baptista

BSc in Engineering from "Instituto Industrial de Lisboa", in 1973.

Appointed for the first time in 2009, when the company was incorporated, he was last elected in 2019 to perform functions for the 2019/2022 term.

Furthermore, it should be noted that he has been a Director of the Group's leading listed company since 2005 (which was Teixeira Duarte - Engenharia e Construções, S.A. until 2010).

In November 2013, he ceased to be a member of the Board of Directors of "Teixeira Duarte - Engenharia e Construções, S.A.", a position to which he was again elected in 2018.

His career includes, in particular, employment at "M.S.F., S.A.", where he was Head of Services from 1975 to 1979, collaborating in various works, namely of hydraulic nature (pipeline and dam).

He entered into "Teixeira Duarte - Engenharia e Construções, S.A." in February 1980, as Site Manager in the area of buildings, at that time referred to as "Civil Construction".

From 1982 to 1983, he was on assignment in Venezuela where he monitored various building contract works for housing and offices.

Back in Portugal, he was appointed to the position of Zone Director in 1984, with responsibilities in a large number of enterprises in the areas of tourism, roads, housing, buildings, and especially for banking entities.

In 1989 he was appointed to the position of Production Centre Director, and in 1992 Director of the Operating Centre of what was, at that time, referred to as the "Civil Construction" area, where he was coordinator from 1998 to 2005, when he was appointed director of "Teixeira Duarte - Engenharia e Construções,

S.A.", until November 2013.

Does not perform any professional activity or hold any position outside the Teixeira Duarte Group.

Director: Maria da Conceição Maia Teixeira Duarte

Holder of a degree in Agronomy, with a specialty in Phytopathology, from the Higher Institute of Agronomy of Lisbon Technical University (1981).

Masters in Plant Production from the Higher Institute of Agronomy of Lisbon Technical University (1989).

Appointed for the first time to the position of Director of TD,SA by resolution of the General Meeting of 27 May 2019, to perform duties for the 2019/2022 term of office.

It should also be noted that she was a member of the Board of Directors of Teixeira Duarte- Sociedade Gestora de Participações Sociais, S.A. for several terms of office until April 2020.

From May 2011 to May 2019 she was a Member of the Remuneration Committee of "Teixeira Duarte, S.A." and "Teixeira Duarte - Engenharia e Construções, S.A.".

Director: Diogo Bebiano Branco de Sá Viana Rebelo

Licentiate degree in Civil Engineering from "Instituto Superior Técnico", in 1992.

Appointed to the position for the first time in 2011, by a General Meeting decision, he was last elected in 2019 to perform functions for the 2019/2022 term.

He worked at "PROFABRIL, S.A." as a Design Engineer in the Buildings Division, participating in projects of reinforced concrete structures from October 1992 to May 1993.

In the Teixeira Duarte Group:

From October 1993 to November 1999, he was a member of the "Teixeira Duarte - Engenharia e Construções, S.A." teams in the Buildings Operating Centre, at that time referred to as Civil Construction, performing the duties of Assistant Site Manager and Site Manager of various works in Portugal.

From November 1999 to May 2011, he part of the real estate teams of the Teixeira Duarte Group, being responsible for the technical area with duties in the development of real estate projects, namely in feasibility analysis, design of real estate solutions, project coordination, contract work coordination, definition of related marketing products, management of rented assets and coordination of sales teams.

His responsibility included all the segments of the sector, from

residential to offices, commercial spaces, hotel services, health and leisure, industry/logistics and car parks, as well as dedication to the expansion of spaces allocated to other activities of the Group, especially Construction, Hotel Services, Distribution and the Automobile sector.

In 2010 he also started to coordinate the Group's action in the Distribution and Automobile sectors, and in May 2011 he was elected Director of the leading listed company of the Teixeira Duarte Group, TD,SA.

Does not perform any professional activity or hold any position outside the Teixeira Duarte Group.

20. Family, professional or business relations, habitual and significant, of the members, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors with shareholders who may be imputed a qualifying holding greater than 2% of the voting rights.

The Chairman of the Board of Directors, Pedro Maria Calainho Teixeira Duarte, is a shareholder of "Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A.". Furthermore, we disclose that he is the cousin of Mr. Miguel Calainho de Azevedo Teixeira Duarte.

The Director Manuel Maria Calainho de Azevedo Teixeira Duarte is a shareholder of "Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A." and is the cousin of the Engineer Mr. Miguel Calainho de Azevedo Teixeira Duarte.

The Director Maria da Conceição Maia Teixeira Duarte is a shareholder of "Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A." and a cousin of Mr. Miguel Calainho de Azevedo Teixeira Duarte.

Regarding the remaining members of the Board of Directors, we disclose that none of them maintain habitual and significant family, professional or business relations, with shareholders who may be imputed a qualifying holding greater than 2% of the voting rights.

Additionally, it is reported that since 17 March 2021, the shareholder João Afonso Calainho de Azevedo Teixeira Duarte has been allocated a qualifying shareholding in excess of 2%. He is the brother of the Chairman of the Board of Directors, Pedro Maria Calainho Teixeira Duarte, and cousin of the directors Manuel Maria Calainho de Azevedo Teixeira Duarte and Maria da Conceição Maia Teixeira Duarte.

21. Organisational charts or flowcharts relative to the distribution of competence between the different governing boards, committees, commissions and/or departments of the

company, including information on the delegation of competence, in particular with respect to the delegation of the daily management of the company.

The Articles of Association of the Company define the competence of each of the governing bodies, namely in articles 12 (General Meeting), 19 (Board of Directors) and 23 (Supervisory Board and Chartered Accountants Firm).

There is no distribution or delegation of competence by any of the governing bodies, namely by the Board of Directors, to any specific committees or commissions, in particular an Executive Committee.

The members of the Board of Directors respect the general duties of diligence, care and loyalty, taking management decisions in a critical and impartial manner, always in the interest of the Company.

It is therefore the responsibility of the Board of Directors to en-

sure that the Company acts in accordance with its objectives, so this body does not delegate powers with regard to i) definition of the company's strategy and main policies; ii) organisation and coordination of the corporate structure; iii) matters that should be considered strategic due to their value, risk and special characteristics.

The organizational structure and areas of activity of the TD,SA Group entities operating in the different sectors is shown on the following organizational chart:

CORPORATE AREA

Internal Audit

Accounting

Finance

Legal

Human Resources

Corporate Affairs

Sustainability

Information Technologies

ACTIVITY SECTORS

Construction

Geotechnics and Rehabilitation
Marine Works
Projects

Buildings

Infrastructures

Metalworking

Underground Works

Railway Works

Shuttering and Pre-Stressing
Supplies

Equipment Management

Management Systems
Innovation

Proposal's Logistics

Concessions and Service

Facilities Management
Education

Real Estate

Hospitality

Distribution

Automotive

b) Operation

22. Existence and location where the operating regulations may be consulted, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors.

Considering the corporate model that has been selected, the composition of the Board of Directors and its scope of activities as described in section 18, the fact that the competences and responsibilities of this body cannot be delegated to any others, not even specialized committees or departments, that the way that the Board of Directors operates is very simple, as well as the fact that the number of members that make up this body is not large or sufficient to justify the stipulation, in regulations, of additional operating rules, TD,SA has not adopted any operating regulations in addition to the provisions relating to the operation and organization of the Board of Directors that result from the Company's Articles of Incorporation and applicable legislation.

The individual competence of each member is established by deliberation of the actual Board of Directors and their interaction is maintained in a regular form under the legally stipulated terms and considered sufficient for this purpose.

Detailed minutes of the meetings of the Board of Directors and the other corporate bodies of TD,SA are always drawn up.

Although this is not established in the Articles of Incorporation or in other specific mechanisms to this effect, it is guaranteed that, within the limits of the applicable legislation, the members of the administration and supervisory bodies are permanently guaranteed access to all company information and employees for the assessment of the performance, situation and development prospects of the company, specifically including minutes, supporting documentation for decisions that are made, meeting notifications and files from meetings of the Board of Directors, without prejudice to access to any other documents or persons from whom clarifications may be requested.

Without prejudice to the above, "Teixeira Duarte, S.A." currently has a "Code of Ethics and Conduct of the Teixeira Duarte Group", which is mandatory for all of the respective Directors. However, no part of this code contains regulatory provisions for the operation of corporate bodies or other relevant bodies in this area. This code can be found at <https://www.teixeiraduarte.pt/grupo/codigo-de-etica-e-conduta/>.

23. Number of meetings held and level of attendance of each member, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors, of the meetings that have been held.

The TD,SA Board of Directors met 23 times during the 2020 financial year.

For all due purposes, it is disclosed that the attendance of each member of this Board was as follows:

The Chairman of the Board of Directors, Pedro Maria Calainho Teixeira Duarte, was present at all meetings of this body.

The Director Manuel Maria Calainho de Azevedo Teixeira Duarte was present at all the meetings of this body.

The Director Carlos Gomes Baptista was present at all the meetings of this body.

The Director Maria da Conceição Maia Teixeira Duarte was present at all the meetings of this body.

The Director Diogo Bebiano Branco de Sá Viana Rebelo was present at all the meetings of this body.

24. Indication of the company's governing bodies which are competent to assess the performance of the executive directors.

The competent body for assessing the performance of the Company's Directors is the General Meeting which, under the terms of Article 376(1) of the Companies Code, conducts an annual review of the Company's administration and supervision.

The Supervisory Board monitors, under the established terms described in this document, the action of the Board of Directors, ensuring compliance with a series of matters and issuing an opinion on the annual report and accounts which is submitted to the appraisal of the shareholders at the General Meeting.

Moreover, the Remuneration Committee assesses the activity developed by each Director for the purpose of establishing the respective remuneration, based on the remuneration policy approved at the General Meeting.

It is also report that, due to the organizational and functional model established between the various corporate codes, it is not deemed justified to create another Committee, in addition to the Remunerations Committee, for the purpose of ensuring a competent and independent assessment of the performance of the Directors and of its own overall performance.

Indeed, in view of the adopted model and the structure and composition of the Governing Bodies, these duties are explicitly entrusted to the General Meeting, Supervisory Board and Remuneration Committee, under the terms indicated above.

Likewise, for the same reasons, it is understood that there is no justification for creating another Committee to reflect on the governance system, structure and practices that have been adopted, to verify their effectiveness and propose to the competent bodies the measures to be executed, in view of their improvement.

These duties are performed by each of the Corporate Bodies, which are able to identify any constraints and difficulties they may have encountered. They also cooperate with each other on the assessment of the adopted corporate governance model, reporting and overcoming any possible operation and interconnection difficulties.

Ultimately, the overall assessment of the action of the governing bodies is always entrusted to the shareholders at the General Meeting.

25. Predefined criteria for the assessment of the performance of the executive directors.

There are no predetermined criteria for the assessment of the performance of the Executive Directors.

In effect, all Directors are assessed according to their respective performance during the year, based on objectives that are set and achieved for each financial year, the Company's results and several other parameters which, due to their diverse nature and changes over the years, should not be exhaustive but rather adaptable to the circumstances of each period and of each specific situation, based on the Remunerations Policy that is approved annually by the General Meeting.

On this issue, see the remuneration policy of the governing bodies, reproduced below in point 69.

26. Availability of each member, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors, indicating positions held simultaneously at other companies, within and outside the group, and other relevant activities performed by the members of these bodies during the financial year.

All members of the Board of Directors have adequate availability to perform the duties inherent to the position they hold in TD,SA, as the Group's parent company, which manages its holdings and appraises its respective actions, but does not take direct decisions or exercise management powers over the activities of these entities.

In this regard, it should be mentioned that:

- Some members of the Board of Directors have duties and positions in other Group entities, relative to which they exercise management and management powers with proximity and direct responsibility for the actions of these companies.
- There are some specific situations of positions held in other entities outside the Teixeira Duarte Group, and in none of them does any Director earn remuneration, maintain a professional connection, or is subject to any situation that prevents full availability to perform the duties of a member of the Board of Directors of TD,SA.

Chairman of the Board of Directors: Pedro Maria Calainho Teixeira Duarte

At 31 December 2019, he held the following positions in other companies within and outside the Teixeira Duarte Group:

Within the Group:

- Chairman of the Board of the General Meeting of Teixeira Duarte - Engenharia e Construções, S.A.
- Chairman of the Board of the General Meeting of Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A.

Outside the Group:

- Manager of "PACIM - Gestão e Investimentos, Lda.";
- Manager of "PASIM - Sociedade Imobiliária, Lda.";
- Manager of "PACIM - CAXALP, Gestão e Investimentos, Lda.";
- Manager of "Fors dos Olivais, Lda.";
- Manager of "Mourinha de Cima - Atividades Imobiliárias e Turísticas, Lda.";
- Manager of "Terras da Mourinha, Lda.";
- Manager of "Terras da Mourinha de Baixo, Lda.";
- Manager of "Terras da Serrinha - Atividades Agrícolas, Lda.";
- Manager of "Terras do Pico - Atividades Agrícolas, Lda.";
- Manager of "Terras da Parra, Lda."

Director: Manuel Maria Calainho de Azevedo Teixeira Duarte

At December 31, 2020, he held the following positions in other Teixeira Duarte Group companies:

- Member of the Board of Directors of "Teixeira Duarte - Engenharia e Construções, S.A."
- Chairman of the Board of Directors of "C+P.A. - Cimento e Produtos Associados, S.A."
- Chairman of the Board of Directors of "IMOTD - Sociedade Gestora de Participações Sociais, S.A."
- Member of the Board of Directors of "Lagoas Hotel, S.A.";
- Member of the Board of Directors of "SINERAMA - Organizações Turísticas e Hoteleiras, S.A.";
- Chairman of the Board of Directors of "TD VIA - Sociedade Imobiliária, S.A."
- Chairman of the Board of Directors of "TDE - Empreendimentos Imobiliários, S.A."
- Chairman of the Board of Directors of "TDH - Sociedade Gestora de Participações Sociais, S.A."
- Member of the Board of Directors of "TDHC - Instalações para Desporto e Saúde, S.A.";
- Chairman of the Board of Directors of "TDO - Sociedade Gestora de Participações Sociais, S.A."
- Chairman of the Board of Directors of "TEDAL - Sociedade Gestora de Participações Sociais, S.A."
- Chairman of the Board of Directors of "Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A."
- Director of "CPM - Companhia de Parques de Macau, S.A.";
- Director of "Teixeira Duarte - Engenharia e Construções (Macau), Limitada";

Director: Carlos Gomes Baptista

At 31 December 2019 he held no positions in other companies.

Director: Maria da Conceição Maia Teixeira Duarte

At 31 December 2019 he held no positions in other companies.

Director: Diogo Bebiano Branco de Sá Viana Rebelo

At December 31, 2020, he held the following positions in other Teixeira Duarte Group companies:

- Member of the Board of Directors of "TDE - Empreendimentos Imobiliários, S.A.";
- Chairman of the Board of Directors of "TDO - Investimento e Gestão, S.A."

- Chairman of the Board of Directors of "Teixeira Duarte - Distribuição, S.A.";
- Chairman of the Board of Directors of "Teixeira Duarte Real Estate, S.A.";
- Chairman of the Board of Directors of "TEDAL II - Distribuição e Investimentos, S.A.";
- Chairman of the Board of Directors of "TEDAL III - Automóveis e Investimentos, S.A.";
- Chairman of the Board of Directors of "TEDAL IV - Participações e Automóveis, S.A.";
- Chairman of the Board of Directors of "TEDAL - Participações e Distribuição, S.A.";
- Member of the Board of Directors of "IMOTD - Sociedade Gestora de Participações Sociais, S.A.";
- Member of the Board of Directors of "TD VIA - Sociedade Imobiliária, S.A.";
- Member of the Board of Directors of "Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A.";
- Manager of "Malanga - Investimentos Imobiliários, Unipessoal Lda.";

c) Committees and commissions within the management or supervisory body and chief executive officers

27. Identification of committees and commissions within, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors, and location where the operating regulations may be consulted.

Currently, there are no specialised Committees on management or supervisory matters - the specified Executive Committee cannot even be constituted under article 20 the Articles of Association.

Considering the number of members of the Board of Directors and the fact that there are no non-executive directors, since they all perform functions inherent to their positions in a company that, as the parent company of the Group, manages its holdings and appraises the respective actions, but does not take direct decisions or exercise management powers over the activities of these entities, there is an exemption from creating any committees in this case, specifically for monitoring and supporting the appointments of any managers, as suggested in Recommendation V.3.2.

As no appointments committee is constituted, Recommendation V.3.4. does not apply to TD,SA.

28. Composition, if applicable, of the executive committee and/or identification of chief executive officer(s).

Considering that there is neither an Executive Committee nor Chief Executive Officers, the present rule is not applicable to TD,SA.

29. Indication of the areas of competence of each of the created committees and commissions, and summary of the activities developed during performance of this competence.

Considering that there are no committees or commissions created under the Board of Directors, as noted in 2.7 above, the present rule is not applicable to TD,SA.

III. SUPERVISION

(Supervisory Board, Audit Committee or General and Supervisory Board)

a) Composition

30. Identification of the supervisory body (Supervisory Board, Audit Committee or General and Supervisory Board) corresponding to the adopted model.

The corporate model adopted is the one usually known as the "strengthened Latin" model. In this regard, it has been decided to appoint a Supervisory Board as the oversight body.

31. Composition, as applicable, of the Supervisory Board, Audit Committee, General and Supervisory Board or Financial Matters Committee, indicating the minimum and maximum statutory number of members, statutory duration of the term of office, number of permanent members, date of the first appointment and date of the end of term of office of each member. Reference may be made to the point of the report where this information is already presented pursuant to the provisions in number 18.

Pursuant to article 24 of the Articles of Association of TD,SA, the Supervisory Board is necessarily composed of three permanent members and one alternate, who should comply with the requirements and are entitled to use the powers established by law. When electing the members of this Board, the General Meeting must, mandatorily, elect one of them to perform the duties of Chairman.

As is the case with the other governing bodies and under the terms of number 2 of article 10 of the Memorandum and Articles of Association, the members of the Supervisory Board are elected at the General Meeting, through the list system, for periods of four years, coinciding with the financial years, and may be re-appointed once or twice, under the terms and with the legally established limits.

The supervisory board currently has the following members:

Chairman:

Óscar Manuel Machado de Figueiredo

Board Members:

Ana Cristina Louro Ribeiro Doutor Simões

João Salvador dos Santos Matias

Deputy:

Rui Pedro Ferreira de Almeida

The Chairman of the Supervisory Board was elected by the Shareholders on 31 May 2014 as a Substitute for this body, before holding the position of an effective member since 7 November 2014 following the resignation tendered by the former Chairman, and he was appointed as Chairman of the Supervisory Board at a meeting of this body on 5 December 2014. He was elected Chairman of the Audit Committee on 30 May 2015 to perform duties during the 2015/2018 term of office. He was reappointed to the respective position at the General Meeting on 27 May 2019, to perform duties during the current 2019/2022 term of office.

The Members of the Supervisory Board, Ana Cristina Louro Ribeiro Doutor Simões and João Salvador dos Santos Matias, were appointed for the first time at the Annual General Meeting of 27 May 2019, to perform duties during the current 2019/2022 four-year period.

The substitute member of the Supervisory Board, Rui Pedro Ferreira de Almeida, was elected to the position for the first time at the General Meeting of 30 May 2015, for the 2015/2018 term of office, and was reappointed to the respective position at the General Meeting of 27 May 2019, to perform functions during the 2019/2022 term of office, currently in progress.

Furthermore, it should be noted that they all possess suitable competence for the performance of their duties, as described below in 33.

The current Supervisory Board of TD,SA, elected at the General Meeting held on 27 May 2019, includes a woman, who represents 33% of the effective members of the Supervisory Board currently performing duties. TD,SA therefore meets the gender equality criteria and requirements for the members of the Supervisory Board.

No other members of the supervisory board or other corporate bodies have been elected since then.

It should also be noted that, in recognition of the advantages of diversity in the composition of its Management and Supervisory Bodies, specifically in terms of age, gender, qualifications and professional background, at the General Meeting of 26 May 2018, TA,SA approved its Diversity Policy, which is currently in force and sets out criteria for the selection and appointment of the Company's corporate bodies (including the Supervisory Board).

32. Identification, as applicable, of the members of the Supervisory Board, Audit Committee, General and Supervisory Board or Financial Matters Committee who are considered independent, under the terms of article 414, number 5 of the Commercial Companies Code. Reference may be made to the point of the report where this information is already presented pursuant to the provisions in number 19.

All the current members fully comply with all the requirements of independence, and there is no incompatibility for the performance of their duties for any of them, under the terms established in the Commercial Companies Code.

The facts referred to in the previous paragraph are investigated periodically in relation to each member of the Supervisory Board.

33. Professional qualifications, as applicable, of each member of the Supervisory Board, Audit Committee, General and Supervisory Board or Financial Matters Committee and other relevant curricular elements. Reference may be made to the point of the report where this information is already presented pursuant to the provisions in number 21.

The professional qualifications and other relevant curricular elements of the members of the Supervisory Board are described below:

Óscar Manuel Machado de Figueiredo (Chairman of the Supervisory Board)

- Licentiate degree in Accounting and Administration from Instituto Superior de Contabilidade e Administração de Coimbra.
- Advanced Management Course from the Postgraduate School in Economic and Business Science of Universidade Católica Portuguesa.
- He is a Member of the Board of Auditors of Banco de Portugal.
- He is chairman of the Audit Committee of the Algarve Hospital Center.
- He was a member and Vice-Chairman of the Association of Official Accounts Auditors (2009-2020).
- Deputy Chairman of the Executive Committee of the Accounting Standardisation Committee of Portugal (2015-2017).

- Was a consultant in various projects in Angola and Mozambique on matters of accounting and audits, and trainer in these same areas in Portugal and the PALOP (Portuguese-Speaking African Countries).
- Entered Ernst & Young in January 1979, having been included in the Partnership between 1992 and 2006.

Ana Cristina Louro Ribeiro Doutor Simões (Member of the Supervisory Board)

- Academic background in Business Organization and Management, her professional career dates back to 1987 in the area of financial auditing.
- Two major areas of expertise can be highlighted, based on her professional experience:
- External financial audits: conducted as an employee of Ernst & Young Limitada until 1997, practicing as a freelance Accounts Auditor up to 2004 and as founding partner of Ana Gomes & Cristina Doutor, Sociedade de Revisores Oficiais de Contas, Lda. until 2018.
- Training: she has taught financial auditing and other related subjects, in different higher education courses (including a partnership with the Army Pupils Military Institute and the Portuguese Catholic University), and she has been involved in several professional training activities, with an emphasis on her collaboration with the Association of Official Accounts Auditors.

João Salvador dos Santos Matias (Member of the Supervisory Board)

- Holder of a Degree in Business Management and Organization from Instituto Superior de Economia (1978)
- Currently, he is retired.

Rui Pedro Ferreira de Almeida (Alternate of the Supervisory Board)

- Holder of a Management Degree from the Higher Institute of Economic and Management - *Lisbon School of Economics and Management* (University of Lisbon) (1997);
- Executive Training in *Business Management* BPP University (Reading) (2001);
- Executive Training in *Human Behaviour in Organizations* (AESE) (2007);
- Post-graduate studies in Mergers and Acquisitions (EGP-UPBS) (2009);
- He is CEO and Member of the Board of Directors of MONERIS, SGPS, S.A.;
- He is Chairman of the *British-Portuguese Chamber of Commerce*;
- He is a member of the supervisory board of the Grace Association - Responsible Companies;
- He is a member of the supervisory board of ITREN - Institute for Energy Transition;

- Alternate of the Supervisory Board of EDP Ventures - Sociedade De Capital De Risco, S.A..
- He is Co-Chair of the EMEA M&A Special Interest Group in the international association MSI Global Alliance; and
- He is a member of the Advisory Board of Start-Up Portimão.

b) Operation

34. Existence and location where the operating regulations may be consulted, as applicable, of the Supervisory Board, Audit Committee, General and Supervisory Board or Financial Matters Committee. Reference may be made to the point of the report where this information is already presented pursuant to the provisions in number 24.

As described above in number 22 of the present Report, there are no operating regulations for the governing bodies.

Without prejudice to the above, it is reported that a resolution by the Board of Directors of TD,SA implemented the current "Code of Ethics and Conduct of the Teixeira Duarte Group", which is mandatory for all members of supervisory bodies. However, no part of this code contains regulatory provisions on the functioning of corporate bodies or other relevant provisions in this area.

35. Number of meetings held and level of attendance of the meetings which have been held, as applicable, of each of the members of the Supervisory Board, Audit Committee, General and Supervisory Board or Financial Matters Committee. Reference may be made to the point of the report where this information is already presented pursuant to the provisions in number 25.

During the 2020 financial year, the supervisory board met six times, on each occasion with the attendance of all of its effective members.

36. Availability of each member, as applicable, of the Supervisory Board, Audit Committee, General and Supervisory Board or Financial Matters Committee, indicating positions held simultaneously at other companies, within and outside the group, and other relevant activities performed by the members of these bodies during the financial year. Reference may be made to the point of the report where this information is already presented pursuant to the provisions in number 26.

All the members of the Supervisory Board show the appropriate availability for the performance of their duties at TD,SA, namely for participation in the periodic meetings of the Board of Directors and Supervisory Board, and for follow-up of the Company's activity and the preparation and publication of the documents presenting the accounts, in coordination with the action of the Chartered Accountants Firm.

The positions held by each of the members of the Supervisory Board in companies within and outside the Group are indicated below:

Óscar Manuel Machado de Figueiredo (Chairman of the Supervisory Board)

As of December 31, 2020, he holds the following positions:

- He is chairman of the Audit Committee of the Algarve Hospital Center.
- Member of the Board of Auditors of Banco de Portugal.

Ana Cristina Louro Ribeiro Doutor Simões (Member of the Supervisory Board)

As of December 31, 2020, he holds the following positions:

- Chair of the Supervisory Board of Novartis Farma – Produtos Farmacêuticos, S. A.;
- Chair of the Supervisory Board of Glinnt – Global Intelligent Technologies, S. A..

João Salvador dos Santos Matias (Member of the Supervisory Board)

As of 31 December 2020 he held no positions in any other companies.

Rui Pedro Ferreira de Almeida (Alternate of the Supervisory Board)

As of 31 December 2020 he holds the following positions:

- *Chief Executive Officer* and Member of the Board of Directors of MONERIS, SGPS, S.A;
- Chairman of the *British-Portuguese Chamber of Commerce*;
- Alternate member of the Supervisory Board of EDP Ventures - Sociedade de Capital de Risco, S.A.;
- He is Co-Chair of the EMEA M&A Special Interest Group in the international association MSI Global Alliance; and
- Member of the Advisory Board of Start-Up Portimão.

c) Areas of competence and duties

37. Description of the procedures and criteria applicable to the intervention of the supervisory board for purposes of contracting additional services from the external auditor.

No services are contracted from the external auditor other than those related to the legal review of accounts and auditing, hence the present regulation is not applicable to TD,SA.

38. Other duties of the supervisory bodies and, if applicable, the Financial Matters Committee.

The supervisory bodies do not perform any duties other than those described above and legally defined.

IV. CHARTERED ACCOUNTANT

39. Identification of the chartered accountant and chartered accountant partner representing the former.

The position of official accounts auditor is held by "Moore Stephens & Associados - SROC, S.A.", represented by António Gonçalves Monteiro.

40. Indication of the number of years during which the chartered accountant has performed duties consecutively at the company and/or group.

The aforementioned "Moore Stephens & Associados - SROC, S.A.", represented by António Gonçalves Monteiro, was elected for the first time to the position of Official Accounts Auditor of "Teixeira Duarte, S.A." at the General Meeting of 30 May 2015, to perform its respective duties during the 2015/2018 four year period. At the General Meeting of 27 May 2019, following the approval of the proposal submitted by the Supervisory Board, this entity was re-elected to hold the same position during the current 2019/2022 four-year period.

41. Description of other services provided by the chartered accountant to the company.

The chartered accountant does not provide any services other than those related to the legal review of accounts and audit of TD,SA.

V. EXTERNAL AUDITOR

42. Identification of the external auditor appointed pursuant to article 8 and chartered accountant partner who represents the external auditor in compliance with these duties, as well as the partner's registration number at the CMVM.

The external auditor appointed under the terms of article 8 of the Securities Code, is the official accounts audit company "Moore Stephens & Associados - SROC, S.A.", represented by António Gonçalves Monteiro and registered with the Association of Account Auditor Companies (OROC) with number 173 and with the Securities and Exchange Commission (CMVM) with number 20161476.

43. Indication of the number of years during which the external auditor and respective chartered accountant partner who represents it in compliance with these duties, has performed duties consecutively at the company and/or group.

The external auditor and the respective official accounts auditor who represents it in the performance of these duties have held this

position at TD,SA since their first election at the General Meeting of 30 May 2015, i.e. for around six years.

44. Policy and frequency of rotation of the external auditor and respective chartered accountant partner who represents it in compliance with these duties.

There is no defined policy on the rotation of the external auditor and respective chartered accountant partner who represents it in compliance with these duties.

However, TD,SA follows the rotation rules provided for in Article 17 of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 and in article 54(2) and (3) of the Statutes of the Association of Official Accounts Auditors, approved by Law no. 140/2015, of 7 September, which provides that the maximum period of office of the partner responsible for the statutory audit is seven years (which can be extended for a further three years, under the terms of paragraph 4 of the aforementioned article), and the official accounts auditor company may, under the terms of paragraph 3 of the aforementioned article, be appointed as Official Accounts Auditor and External Auditor for a maximum period of two four year terms.

In this regard, it should be noted that the external auditor currently performing the duties was appointed for the first time for the 2015/2018 term of office and re-elected at the General Meeting of 27 May 2019 for the current 2019/2022 term of office.

45. Indication of the body responsible for the assessment of the external auditor and frequency with which this assessment is conducted.

The actions of the external auditor have been appraised by the Supervisory Board – which obtains from the external auditor and its team all information and elements that are deemed necessary to perform its duties – and by all other corporate bodies of TD,SA on an annual basis. No circumstances that could justify its dismissal or termination of the service provision contract with just cause have ever been encountered.

It is the case that the Board of Directors of TD,SA and the services that depend on it have taken on a commitment to ensure that all of the conditions for the provision of services by the external auditor within the Company are met, as these directly form part of the framework of the operational structure of TD,SA and have the physical resources, information and documentation required to provide the external auditor with appropriate conditions for performing its duties.

The main point of contact and primary recipient of the external auditor's reports is the Supervisory Board.

46. Identification of work, other than audit, carried out by the external auditor for the company and/or for the companies which are in a controlling relationship with it, as well as indication of the internal procedures for the purpose of approval of contracting such services and indication of the reasons for their contracting.

It should be noted that neither the External Auditor, nor any other entities in a holding relationship or which are part of the same network, provide TD,SA any services other than audit services.

47. Indication of the value of the annual remuneration paid by the company and/or legal persons in a controlling or group relationship with the auditor and other natural or legal persons belonging to the same network, and details of the percentage relative to the following services (for the effect of this information, the concept of network is as defined in European Commission Recommendation number C (2002) 1873, of 16 May):

The retribution paid by the company and/or legal persons in a controlling or group relationship with the auditor and other natural or legal persons belonging to the same network determined in accordance with the volume and quality of the services provided in the context of the duties entrusted under the terms of the Law and Articles of Association.

By the Company*		
Value of review of legal accounts services	61,000.00	100.00%
Value of reliability assurance services	-	-
Value of tax advisory services	-	-
Services other than legal review of accounts	-	-
By entities included in the Group*		
Value of review of legal accounts services	288,035.00	100.00%
Value of reliability assurance services	-	-
Value of tax advisory services	-	-
Services other than legal review of accounts	-	-

C. INTERNAL ORGANISATION

I. ARTICLES OF ASSOCIATION

48. Rules applicable to the alteration of the articles of association (Article 245-A, number 1, subparagraph h)).

There are no specific rules for any alterations to the Articles of Association, with the general rules established in the Commercial Companies Code being applicable, in particular the provisions in articles 85, 383, number 2 and 386.

II. COMMUNICATION OF IRREGULARITIES

49. Means and policy of communication of irregularities occurred in the company.

In 2018, following the approval of the "Code of Ethics and Conduct of the Teixeira Duarte Group", the policy for reporting alleged irregularities was adjusted, as part of strengthening the *compliance* system that was already being developed by the Company.

This Code aims to serve as guidelines for the professional and personal conduct of all employees, regardless of their position or duties that they perform, and sets out the principles and values of the Teixeira Duarte Group, as well as the currently applicable procedure for reporting any irregularities in internal and external relationships between all group companies and their *stakeholders*.

In effect, it is stated in this Code that, in order to monitor the application of its rules, it is the responsibility of the Employees - and the Indirect Recipients, under the terms and scopes set out above - to ensure compliance with this Code of Ethics and Conduct. This is done by publicizing it, quoting it in their defense, applying it and enforcing its application in the company's hierarchies, including their own chains of management, as well as by reporting any irregularities identified by the measures and procedures developed by each Company for this purpose, normally referred to as the "Ethics Channel".

Without prejudice to these means, this Code also assumes that any irregularities identified in relation to any external or internal regulations should be reported through the following means:

- Correspondence addressed to the Company's management or supervisory body.
- Correspondence addressed to the "Teixeira Duarte, S.A." Board of Directors or Supervisory Board;
- E-mail addressed to an independent body constituted within the Teixeira Duarte Group, whose address is compliance@teixeiraduarte.pt.

The Company guarantees the confidentiality of communications received, the absence of any reprisals by whistle-blower complainants in good faith and the protection of the reporter's and the suspected offender's personal data. Reprisals against the complainants are frowned upon by the Company and may give rise to disciplinary proceedings against its perpetrators and the persons who have allowed such reprisals.

As a result, TD,SA has mechanisms for the detection and prevention of irregularities, in line with Recommendation I.2.4, and has adopted a policy that guarantees adequate means for reporting and processing irregularities, while ensuring the confidentiality of any information that is transmitted and the identity of the reporter, whenever requested.

III. INTERNAL CONTROL AND RISK MANAGEMENT

50. People, bodies, committees or commissions responsible for internal audit and/or for the implementation of internal control systems.

The Internal Audit Services of the Teixeira Duarte Group have progressively played a fundamental role regarding the implementation of internal control systems.

As of 31 December 202, these services had five employees from Group companies and were hierarchically and functionally dependent on Director Manuel Maria Calainho de Azevedo Teixeira Duarte. This work was also coordinated at meetings attended by members of the Supervisory Bodies.

In this regard, we would also like to highlight the significant contribution made by the Accounting and Corporate Department to the financial information reporting and disclosure process.

Also of note is the *Compliance* implemented in the Teixeira Duarte Group.

51. Explanation, even if by inclusion of an organisational chart, of the relations of hierarchical and operational dependence in relation to other bodies, committees or commissions of the company.

As mentioned above, on 31 December 2020, the Internal Audit services were under the hierarchical and functional dependence of Director Manuel Maria Calainho de Azevedo Teixeira Duarte, who was not considered independent under the applicable regulatory provisions.

Nevertheless, it is considered that this Director is not under any circumstances capable of affecting his impartiality in analysis and decision-making.

It should be added that, since its creation within the Teixeira Duarte Group, the Internal Audit Services have always answered hierarchically to the Board of Directors and have always reported functionally to the Director responsible for the financial area.

In effect, the Board of Directors pays attention to the risks that affect the business and the objectives of the Teixeira Duarte Group, and focuses on ensuring that the Company's risk management is an effective and fundamental component of the Group's strategy, culture and value creation process. In this context, the Board of Directors is responsible for designing and planning the internal control and risk management systems which prove necessary and appropriate for the different situations which are identified, as well as monitoring their respective implementation, supervising and assessing their operation.

This model has proved to be appropriate, since this not only facilitates the communication, collaboration and exchange of information between the said Departments within the company's organisational structure, and the Director responsible for the area, but also, it should be stressed, has ensured that none of their impartiality has ever been placed in question.

However, the Supervisory Board is responsible for monitoring the work carried out by the Audit Services, by holding monitoring meetings and accessing documents issued by these Services, as well as monitoring the activities plan that they plan to carry out during the following year.

It is therefore within this framework that it is reported that the Board of Directors - and not the Supervisory Board, as stated in Recommendation VI.4. - that gives its opinion on the work plans and resources allocated to the Internal Audit Service, and that it is the recipient of all reports drawn up by this service, even when they cover matters relating to accounting, the identification or resolution of conflicts of interest and the detection of possible illegalities.

However, this situation is monitored by members of the supervisory bodies who, as part of their duties and in addition to the regular monitoring and supervision of the Group's activity, ensure that they are represented at monthly meetings of the Board of Directors, where a wide range of elements of different natures, reporting information and Group action plans in different markets and sectors are made available.

52. Existence of other operational areas with competence in risk control.

There are no other areas with exclusive competences in the area of risk control, and, in view of the model in force in the Group

on this matter, all areas share responsibility under the terms described above and the *Compliance* System implemented in the Teixeira Duarte Group applies to all of them.

53. Identification and description of the main types of risk (economic, financial and legal) to which the company is exposed during the exercise of its activity.

In addition to the direct and indirect impact that the current COVID-19 pandemic situation may have on the development of the Group's activity - albeit with different scopes and dimensions depending on the countries and sectors in question - the main economic, financial and legal risks to which the company is exposed during the course of its activities are as follows:

- alterations in the economic and business conditions in Portugal, as well as in the economic and business conditions of the Group's operations abroad, namely in Angola, Algeria, Brazil, Mozambique and Venezuela;
- fluctuations and volatility of interest rates, credit spreads and exchange rates, as well as ready cash of convertible currencies in markets in which the Group operates;
- alterations in government policies;
- regulatory and financial framework of banking activity; and
- alterations in the competitive environment of the activity sectors in which the Teixeira Duarte Group operates.

Furthermore, the activity of the Teixeira Duarte Group is dependent on the economic environment and on the consequences which certain macroeconomic situations might have on the levels of confidence of the different economic agents, on investment volumes, exports and global trade, as well as on employment levels and consumption patterns.

The evolution of the activity areas in which the Group operates, namely the construction area, is historically correlated, more or less directly, with the macroeconomic performance of the countries or markets in which the Teixeira Duarte Group operates, in particular, with the evolution of Gross Domestic Product (GDP) and corresponding market prices. Therefore, the Group's activity and its results may be significantly affected by the performance of the economies where the Teixeira Duarte Group operates, mainly through the effect of the growth or retraction of the construction market, the most representative business area in the Group's operating income.

As the construction business is the reference activity of the Teixeira Duarte Group, a description of the main risks inherent to this business is given below:

Large-scale construction business involves a major allocation of human and material resources, which implies a high fixed cost structure not only due to the necessary need to invest in the teams and their training, but also the significant investment required in the acquisition, maintenance and adaptation of equipment.

The costs associated to many of the tenders, both in the preparation of proposals and in the insurance, guarantees and completion bonds which are sometimes necessary to provide, also constitute another risk factor inherent to the activity, especially taking into account the penalties very often related to the large public contract works in which the Teixeira Duarte Group participates.

Similarly, the nature of the service often involves changes to the circumstances that are initially negotiated, as a result of difficulties with contracts in progress (climate change; discovery of characteristics of an adverse nature, different to those planned; natural, social and economic phenomena resulting from the impact of the project), and of changes to designs, often due to new choices made by project owners that require great flexibility and efficiency during their execution.

Yet another important aspect arises from the significant number of suppliers of goods and equipment and service providers with which the Company deals in this area of action and which might imply risks due to actions or omissions imputable to them, including interruptions or delays in the service or supply of goods.

From a commercial point of view, globalisation has enabled the entry of other major Construction Groups into the main and oldest markets of action of Teixeira Duarte - especially Portugal and Angola - forcing greater effort in the presentation of solutions and proposals, as well as the optimisation of costs to enable meeting the competitive strength of these entities.

Concessions are normally long term projects which involve increasingly more areas, such as those linked to planning, design, construction, financing and operation and, which, both due to their complexity and need for partners and the longevity of the processes, imply heavy risk in the evaluation of assets and projects in the long term, in an increasingly more dynamic world characterised by unexpected changes.

The Group's real estate activity is affected by more stringent requirements for new projects at all levels (administrative, economic, social, environmental, among others), and by changes in demand as a result of demographic effects, changes in interests rates and availability of financing.

Without prejudice to the extraordinary situation created by the COVID-19 pandemic, hotels in Portugal have historically suf-

ferred minor fluctuations, and hotels in Africa are naturally exposed to the characteristics of their respective countries and to competition that is increasing to an extent never seen before.

Distribution in Angola is very exposed due to the specific circumstances of the country and logistic difficulties related to supply, transport and travel.

The Automotive sector is currently subject to heavy competition, in particular in the Angolan market, where competitiveness is increasing considerably and the investment made by the Group implies strong optimisation of processes and costs, in a market which is becoming progressively more demanding.

The risks described above, should they occur, could have a negative impact on the net income of the Teixeira Duarte Group and its financial situation.

TD,SA is exposed to strategy risks, through the possibility of taking inadequate strategic decisions, failures in the implementation of decisions or lack of response capacity regarding changing market conditions.

The Teixeira Duarte Group's international business represents a significant portion of the Group's turnover (420,341 thousand euros in 2020). It is impossible to guarantee the full success of operations on the foreign markets in which the Group operates. Moreover, these operations are exposed to exchange risks arising from possibly adverse economic developments in the countries where they are established. These factors could adversely affect the activity, financial situation and net income of the Teixeira Duarte Group.

The Teixeira Duarte Group operates in various sectors of activity, of which emphasis should be placed on the Construction sector due to its contribution to the Group's operating income, as well as other sectors such as Real Estate, Distribution and Automotive, which can be described as very competitive. This competition environment, when associated to negative cycles in the activity areas in which the Group operates, may have a negative impact on the Company's marketing margins and on its net income and, consequently, on its financial situation.

The capacity of the Teixeira Duarte Group to successfully implement its strategy depends on its ability to recruit qualified and competent employees for each position. Although the human resources policy of the Teixeira Duarte Group is directed towards the achievement of these objectives, it is impossible to guarantee that, in the future, there will be no limitations in this area. Such circumstances could obstruct or delay the execution

of the defined strategy, which could have a negative effect on the Group's activity, financial situation, and net income.

The deterioration of global economic conditions or adversities that affect the economies at a local scale could result in the inability of the Group's customers to meet their obligations or significantly delay their payment, leading to the existing credit lines entering into a situation of default. This scenario would result in losses affecting the activity, financial situation and net income of the Teixeira Duarte Group.

The Teixeira Duarte Group might, in the future, be part of a number of disputes related to its activity, including those where the sentence has been favourable, totally or partially, and which might be subject to appeal or action for annulment by the counterparts under the terms of the applicable procedural rules and until the reading of the final judgement on these same sentences. The Teixeira Duarte Group cannot guarantee that it will win any lawsuits relative to its activities and a negative decision in this area might have an adverse effect of significance to the activity, financial situation and net income of the Teixeira Duarte Group.

The activities of TD,SA require investments. The Group finances part of these investments through the cash flow generated by its operating activities. However, TD,SA and its subsidiaries finance most of their investments through external sources, including bank loans and offers in capital markets.

The Teixeira Duarte Group is exposed to a series of risks, such as liquidity risks, interest rate risks and exchange rate risks, amongst others, and in the event of exceptionally adverse scenarios, the policies and procedures used by TD,SA to identify, monitor and manage risks might not prove to be totally effective.

As is the case of any other economic group integrated in a competitive environment, the Teixeira Duarte Group is also subject to risks related to liquidity. The Group considers that it is adequately provided with the means for the effective risk control of its activity. It considers that the actions taken by the administration to report elements that are provided to it by the Internal Audit department and the Accounting Department are effective. The Accounting Department is under the direct supervision of Director Manuel Maria Calainho de Azevedo Teixeira Duarte - who is also Chairman of the Board of Directors of the Group's sub-holding companies Teixeira Duarte - Engenharia e Construções and Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. - and monitoring by the super-

visory bodies, the control of the Teixeira Duarte Group's liquidity is a particular focus.

TD,SA manages the Group's liquidity risk by acting in two ways: ensuring that the Group's financial debt has a high medium and long term component with suitable maturities for the expected capacity for generating funds and negotiating credit facilities.

During its normal business, the Group is subject to certain operating risks, including interruption or delays in the provision of services, frauds, omissions, errors and delays in the implementation of requirements for risk management. These risks are monitored by the Group in an ongoing manner through administrative and information systems, amongst others, with some of the operating risks being covered by insurance policies.

The operations developed by the Teixeira Duarte Group are dependent on computer processing. The computer processing involves the maintenance of records, financial reporting and other systems, including systems for the monitoring and control of the different operations of the Group, in particular in human resources management, accounts, logistics, administration and storage. Notwithstanding the assessment which has been made of the computer systems and the belief that their capacities are appropriate, it is impossible to guarantee potential investors that all the problems related to the information technology systems will be fully identified and corrected in due time, nor systematic success in the implementation of technological improvements.

The cost of the vast majority of the financial debt incurred by the Teixeira Duarte Group is indexed to variable reference rates, whereby TD,SA is, through this means, exposed to interest rate risk.

The variation of the exchange rate of the Euro relative to other currencies, in particular the US Dollar, Angolan Kwanza, Algerian Dinar, Brazilian Real, Mozambican Metical and Venezuelan Bolivar might have an impact on the financial situation of TD,SA. The Teixeira Duarte Group operates in various markets, records revenue in foreign currency and has monetary assets and liabilities denominated in currencies other than the Euro and, therefore, in this way, is exposed to variations in the respective currencies.

In indirect terms, note should also be made of the fact that the Teixeira Duarte Group acquires a variety of materials, of special importance in the construction, distribution and automobile areas in currencies other than those in which the final products are subsequently sold, namely in Angola, which could partially

influence the net income achieved by the Group in the activity developed in these sectors.

Particular note should be made of the import and export of materials for construction and products which are essentially consumables to the companies established under Angolan law which operate in the area of distribution, as well as automobile vehicles, spare parts and equipment for the different local participated companies in the automobile sector in Angola.

Adverse variations in the price of oil and other commodities might also significantly affect the net income and financial situation of the Teixeira Duarte Group.

The volatility of the price of commodities constitutes a risk for the Teixeira Duarte Group, affecting the operating activity of the construction business area, although this is on occasions mitigated through supplier contracts with fixed prices and customer contrasts which enable reflecting these alterations in the prices paid by these customers.

In particular, the Teixeira Duarte Group is indirectly exposed to the price of oil. The Group's capacity to reflect increases in the price of oil in the prices of its final products and services is minor, therefore, negative consequences might arise in the direct margins of the final products sold and in the net contribution of the services rendered. Furthermore, an increase in the price of oil has a direct impact on the transport costs associated to the development of the Group's activity, therefore, adverse variations in the price of oil could have a negative material impact on the Group's activity, financial situation and net income.

More specifically, the evolution in the price of oil could significantly affect the net income of the Teixeira Duarte Group for three reasons:

- the cost of transport is one of the most important cost items in the Group's operating accounts;
- energy costs are of some significance in the price of external supplies and services;
- the evolution of the price of oil strongly influences the development of the actual economy of the markets in which the Teixeira Duarte Group operates, some of which in a very significant manner, due to the importance that this product represents in the GDP of these countries.

Any increase in taxes or reduction in tax benefits could have an adverse effect on the activity of the Teixeira Duarte Group.

The Teixeira Duarte Group could be affected by changes in the legislation and other tax regulations applicable in Portugal, in

the European Union and in the different countries in which the Group operates.

The financial statements of the Teixeira Duarte Group might be influenced by the change in value of the financial stakes owned.

The net position, equity and event, in certain situations of impairment, the results of the Teixeira Duarte Group may be influenced by the valuation/devaluation of financial investments that are held.

The entities of the Teixeira Duarte Group are subject to the risks inherent to any economic activity, which is the case of accidents, breakdowns or natural catastrophes that might lead to losses in the Group's assets or temporary interruptions in the respective activity. Likewise, these risks might affect the main customers and suppliers of the Teixeira Duarte Group, which would have a significant impact on profitability where it is not possible to find replacement customers in order to guarantee the turnover level or suppliers to enable maintaining the same cost structure.

In addition, both the Board of Directors of TD,SA and those of the other entities of the Teixeira Duarte Group are monitoring the development of the COVID-19 pandemic situation, which began at the end of 2019, and are acting in accordance with the recommendations issued by the World Health Organization and the public bodies responsible for health in the respective countries where Group companies operate.

Within this framework, contingency and preventive measures have been taken to follow the guidelines of these entities and to mitigate and contain the risk, and to balance these intentions with the steps necessary to safeguard the continuity of the business and the impact of the situation on all of its *stakeholders*. Currently, due to the direct and indirect nature of possible impacts and risks, as well as the unpredictable nature of their scale and duration, it is not possible to quantify them.

54. Description of the process of identification, assessment, monitoring, control and management of risks.

With regard to the Company's internal control and risk management systems, the Board of Directors is responsible for planning and designing the internal control and risk management systems that are necessary and appropriate for the various situations that are identified, as well as for following up on their implementation and monitoring and evaluating their operation, with proper aid from the other corporate areas that give support to the company.

The importance of weighing the cost of control in relation to the matters that are to be controlled is always taken into account. Based on the evaluation of the company, the way in which it is managed, the composition of staff and managers of the companies that form part of the Teixeira Duarte Group, and the fundamental principles and concepts that are applied, it is concluded that efficiency and control costs, as well as the creation of possible control commissions, would be much higher than the benefits that could result from controls performed through such commissions. The mere creation of committees for the effect, from a formal point of view, would eventually imply more bureaucratic obstacles that would not be reflected in their practical implementation.

Therefore, with regard to the Company's internal control and risk management, the Board of Directors is responsible in the first instance for gathering information and assessing the most relevant risks to which the Company is exposed, as well as for promoting any initiatives necessary for their prevention, duly supported by the Company's Corporate Area.

The procedures implemented in terms of internal control and risk management are characterised by promoting the autonomy of the Company's senior staff in the management and monitoring of matters, instilling an attitude of responsibility and strong stimulus to entrepreneurial behaviour.

This consistent relationship between autonomy and responsibility imposes, in a realistic manner, careful and strict compliance with the tasks allocated to each employee, thus representing, in itself, a solid, sustained and effective risk control system that delivers practical results considered satisfactory.

In terms of risk, the risk management process of TD,SA includes several risk assessments with different levels and complexity, taking into consideration the matters to be dealt with and after identification of the types of risk underlying the Group's different areas of activity. In this sense, different identification, analysis, processing, control and review methods can be used in order to meet the desired objectives for the implementation of the risk assessment system, taking into account the type of risk to be assessed.

In effect, the Board of Directors - and not the supervisory bodies as stated in Recommendation no. VI.2 is responsible for: - assessing the operation of these systems and proposing the respective adjustments to meet the needs of TD,SA, as this is a matter which, due to its nature and the specific aspects described above, falls within the framework of the scope of ac-

tivities of the Board of Directors and this body's control and supervision of the different departments of Group companies. This system has proven itself to be appropriate for the respective purposes.

Although the internal control and risk management system implemented in the company does not fully comply with all requirements listed in Recommendation no. VI.6, - to the extent that no written policy has been defined, even those a risk management system has been put in place - TD,SA remains convinced of its choice of the model described above.

55. Main elements of the internal control and risk management systems implemented in the company regarding the procedure for reporting financial information (article 245-A, number 1, subparagraph m)).

The financial information disclosure process is coordinated by the Board of Directors and always monitored by the Oversight bodies. Teams from the Accounting, Company and Corporate Departments, respectively, work especially to draw up and ascertain the accounts and other accounting and financial reports, and to draw up and publish the final document.

These two structures monitor the evolution of applicable regulations, both in the financial and legal areas, and interact with the Securities and Exchange Commission, specifically when updating reports and supplementary regulations on these matters, both reporting directly to the Board of Directors.

All employees who work for the Accounts Department and those who are on the Company and Corporate team who participate in drawing up and publishing the final document, are on the list provided for in article 248-A, item 7 of the Securities Code, and Article 18 of Regulation (EU) no. 596/2014, of the European Parliament and of the Council, of 16 April 2014 - to wit on employees with access to privileged information. All of these parties are notified, under the legally defined terms, of their inclusion on the aforementioned list and the legal consequences arising from the disclosure or misuse of privileged information.

Through meetings that it schedules with the external auditor and official accounts auditor, the supervisory body monitors the adequacy of the process of preparation and disclosure of financial information by the management body, including the suitability of accounting policies, estimates, judgments, relevant disclosures and their consistent application over several financial years, in a duly documented and reported manner.

IV. INVESTOR SUPPORT

56. Service responsible for investor support, composition, duties, information provided by these services and contact details.

In order to strengthen the information disclosure policy referred to above and with the aim of promoting permanent contact with the market and responding to investors' requests in good time, ensuring strict compliance with the principle of equality between shareholders and in order to prevent any imbalance in investors' access to information, the Company has an Investor Relations Office, which operates under the supervision of Director Manuel Maria Calainho de Azevedo Teixeira Duarte, coordinated by José Pedro Poiães Cobra Ferreira, who is the market relations representative duly registered with the Securities and exchange commission (CMVM).

All the information required by investors and available under the rules, regulations and other applicable directives is provided by this Office and may be accessed through the following means of communication:

Address: Lagoas Park, Edifício 2, 2740-265, Porto Salvo, Oeiras
Telephone: + 351 217 912 415
Fax: + 351 217 941 108
E-mail: representantemercado@teixeiraduarte.pt

The Investor Support Office also assures the maintenance of a record of the requests submitted by the different stakeholders and their subsequent treatment.

In addition, the aforementioned Market Relations Representative is also the Company Secretary and, in coordination with the Board of Directors, he discloses information to members of the management and supervisory bodies.

57. Representative for market relations.

As stated in paragraph 56 above, the position of Market Relations Representative is held by José Pedro Poiães Cobra Ferreira.

58. Information on the proportion and response time to requests for information entered during the year or outstanding from previous years.

The average response time to information requests in the year 2020 was 4 days.

V. INTERNET WEBSITE

59. Address(es).

TD,SA's official website is: www.teixeiraduarte.pt. The Company provides, on this website, in Portuguese and English, the information which is considered relevant and enables knowledge on its evolution and current reality in economic, financial and governance terms.

60. Location where information can be found on the corporate name, capacity as a public company, head office and other elements mentioned in article 171 of the Commercial Companies Code.

These elements may be consulted at:

www.teixeiraduarte.pt/investidores/identificacao-da-sociedade.

61. Location where the articles of association and operating regulations for the bodies and/or committees or commissions.

The Company's Articles of Association can be found at: www.teixeiraduarte.pt/investidores/estatutos.

As noted above, there are no operating regulations for the bodies and/or committees or commissions.

62. Location where information is provided on the identity of the members of the governing bodies, representative for market relations, Investor Support Office or equivalent structure, respective duties and means of access.

The information on the representative for market relations and the Investor Support Office may be consulted at: www.teixeiraduarte.pt/investidores/orgaos-sociais.

The information on the identity of the members of the governing bodies may be consulted at: www.teixeiraduarte.pt/investidores/gabinete-apoio-investidor.

63. Location providing the documents presenting the accounts, which should be accessible for at least five years, as well as the six-monthly calendar of corporate events, disclosed in the beginning of each semester, including, among others, general meetings, disclosure of annual, six-monthly and, when applicable, quarterly accounts.

The accountability documents can be found at www.teixeiraduarte.pt/investidores/informacao-financeira.

The six-monthly calendar of corporate events can be viewed at:

www.teixeiraduarte.pt/calendario-do-investidor.

64. Location disclosing the call notice of a general meeting and all the preparatory and subsequent information related to this meeting.

All the elements related to the General Meetings of TD,SA may be consulted at: www.teixeiraduarte.pt/assembleias-gerais.

65. Location providing the historical record with the deliberations taken at the company's general meetings, the share capital represented and the results of the voting, relative to the preceding 3 years

All these elements may be consulted at: www.teixeiraduarte.pt/assembleias-gerais.

D. REMUNERATIONS

I. COMPETENCE FOR DETERMINATION

66. Indication of competence to determine the remuneration of the governing bodies, members of the executive committee or chief executive officer and senior managers of the company.

Pursuant to article 11 of the Articles of Association of TD,SA and under the terms established in the Policy of Remuneration of the Management and Supervisory Bodies of the Company, the Remuneration Commission is competent to determine the remuneration of the governing bodies.

It should also be noted, as has already been clarified, there is no executive committee or chief executive officer, hence, in this regard, this issue is not applicable to TD,SA.

However, based on the criterion set out in Article 3(1)(25) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014, the only leaders of TD,SA are its own Directors. Because there are no non-executive directors, no rule on this matter is envisaged.

The Remunerations Committee is elected for a period of four years and the term of office for the 2019-2022 four-year period is in progress.

II. REMUNERATION COMMITTEE

67. Composition of the remuneration committee, including identification of natural or legal persons contracted to provide support and statement of the independence of each member and adviser.

The Remunerations Committee currently has the following members:

- Pedro Maria Calainho Teixeira Duarte
- António Carlos Calainho de Azevedo Teixeira Duarte
- Manuel Ferreira

All of the identified members of the Supervisory Board were elected at the General Meeting of 27 May 2019, to serve on that body for the 2019/2022 four year period.

The Chairman of the Remunerations Committee Pedro Maria Calainho Teixeira Duarte is not considered to be independent from the members of the Board of Directors, since he is also the Chairman of that management body.

As TD,SA is majority-owned by companies owned by members of the Teixeira Duarte family, and also directly by members of the Teixeira Duarte family, it is only natural that they should sit on the respective Remunerations Committee. This has traditionally been the practice followed for decades, always in accordance with the rules and recommendations established by the Portuguese securities and exchange commission (CMVM) at any given time on remuneration for members of the Body of Directors, so no reasons to change it are envisaged.

It is important to stress that this is a Company which, following the example of the Group's former holding company ("Teixeira Duarte - Engenharia e Construções, S.A."), with its own specific way of acting and its strongly distinctive business image, has adopted a very particular way of being and a healthy management policy which has been recognised as such by the public and market.

In addition, no natural or legal persons have been engaged to assist the Remunerations Committee in the performance of its duties, as decided by the Committee itself.

Moreover, we disclose that the External Auditor, under its competence, is responsible for verifying the application of the policies and systems of remuneration of the governing bodies.

For the purposes of Recommendation no. V.2.4., it is reported that the Chairman of the Remuneration Committee and, generally, the other members are always present at the Annual General Meetings of the Company.

68. Knowledge and experience of the members of the remuneration committee on matters of remuneration policy.

Pedro Maria Calainho Teixeira Duarte and António Carlos Calain-

ho de Azevedo Teixeira Duarte have remuneration policy and experience, taking into account that they have performed these duties for several years in other companies.

III. STRUCTURE OF THE REMUNERATIONS

69. Description of the policy of remuneration of the management and supervisory bodies referred to in article 2 of Law number 28/2009, of 19 June.

The Remuneration Committee of TD,SA issued the respective statement on the remuneration policy of members of the Management and Supervisory Bodies, which was unanimously approved at the company's General Meeting, held on 22 June 2020, the content of which is reproduced herein:

I. REGULATORY FRAMEWORK

According to the provisions laid down in Law no. 28/2009, of 19 June, and article eleven of the company's articles of incorporation, this Committee is responsible for submitting a statement on the remuneration policy for members of this company's administration and oversight bodies on an annual basis for the approval of the General Meeting; in addition to this piece of legislation, consideration should be given to article 399 of the Commercial Companies Code.

II. SCOPE OF THE STATEMENT

Depending on the corporate model adopted by "Teixeira Duarte, S.A.", this statement covers all members of the Board of Directors, the Audit Committee and the official accounts auditor company.

III. INTRODUCTION:

This "Statement on the Remuneration Policy for Members of Management and Supervisory Bodies" was prepared by taking into account the historical situation and framework of the issue within the Teixeira Duarte Group over the years, in addition to the applicable legal provisions.

IV. BOARD OF DIRECTORS:

In terms of the Board of Directors, the Remunerations Committee must determine the amounts of the fixed and variable components of its remunerations, based on guidelines linked to the Company's overall performance and results, as well as the overall activity of the management body, with reference to targets that are set.

The remuneration policy and its implementation under the terms

described herein should take into account the company's long term performance, compliance with the rules applicable to the company's activity, restraint in excessive risk-taking and market knowledge.

The variable amount should be established for each member of the Board of Directors as supplementary remuneration and performance bonus, where this component is totally unrelated to the evolution of the stock market price of the Company's shares, but rather depends on the evolution of corporate business, financial indicators such as net indebtedness and financial autonomy, dedication by each member to the achievement of the tasks and objectives inherent to their respective duties, as well as the net income for the year and corresponding policy on its appropriation, which has progressively favoured the reinforcement of the Company's equity and ensuring the continued and balanced distribution of dividends to shareholders.

No Director is entitled to any right to the variable component of his remuneration until its specific attribution by this Remuneration Committee. Likewise, there is no provision stipulating the possibility of the payment of the variable component taking place, totally or partially, after the calculation of the accounts for the years corresponding to the entire term of office. Furthermore, there are no mechanisms limiting the variable remuneration, in the event of the net income showing a considerable deterioration in the company's performance in the last reported year or when such is expected for the year in progress.

However, the Committee should consider whether a significant part of the variable remuneration should be deferred for a period not less than three years, and if its payment should be subject to the continued positive performance of the company over this period, where this is defined as the occurrence of at least one of the following facts:

- Increased equity;
- Average EBITDA in financial years 2020 to 2022 higher than the EBITDA recorded in 2019;
- Average Consolidated Net Income for financial years 2020 to 2022 higher than Consolidated Net Income in financial year 2019.

There will be no system for the attribution of shares or rights to acquire options on shares or any other share incentive scheme.

For the overall remuneration of the members of the Board of Directors, no sum will be paid in the form of profit-sharing.

The Directors of "Teixeira Duarte, S.A." may only receive remuneration,

in any form, paid by one of the following entities: "Teixeira Duarte, S.A.", "Teixeira Duarte – Engenharia e Construções, S.A." or "Teixeira Duarte – Gestão de Participações e Investimentos Imobiliários, S.A.".

There should not be any other relevant non-cash benefits, apart from those established by this Committee.

The members of the Board of Directors will be paid daily allowances under the terms and with the amounts usually set for other employees of "Teixeira Duarte, S.A.", specifically when traveling at the service of the Company.

No sums have been paid, and nor are there any foreseen sums payable, relative to the dismissal or termination of office of Directors.

V. SUPERVISORY BOARD:

All the members of the Supervisory Board should, pursuant to the current system established in the Commercial Companies Code, receive a fixed remuneration for the performance of the duties inherent to their respective positions, determined by this Remuneration Committee, where none of these members should receive any other retribution from "Teixeira Duarte, S.A." or other company with which it was in a controlling or group relationship, in particular for any other services provided to these entities.

Likewise, and as referred to above on the Management Board, there should not be any scheme for the attribution of shares and/or rights to acquire options on shares and/or any other share incentive scheme, nor any sum paid under the form of profit-sharing, nor any other relevant non-cash benefits.

VI. CHARTERED ACCOUNTANT:

The remuneration of the Chartered Accountants Firm should be determined in accordance with the volume and quality of the services provided in the context of the duties entrusted under the terms of the Law and Articles of Association.

In the case of "Teixeira Duarte, S.A.", this supervisory body is responsible for conducting all the examinations and verification required for the review and legal certification of the Company's accounts, for which an amount should be established in the form of an annual overall value to be paid under the terms and within the periods of time defined with the Board of Directors, according to its sensitivity and monitoring of the business and activity of this Supervisory Body.

It should be noted in particular that this same Chartered Accountants Firm also provides legal review of accounts and auditing services, exclusively of the same nature, to other entities included

in the Teixeira Duarte Group, receiving the corresponding retributions from these companies, whose overall value shall be disclosed under the terms of the Law, especially through the publication of the Corporate Governance Report.

Since the Supervisory Board has played an active role in monitoring the work of the Chartered Accountants Firm, this board should be consulted in order to issue an opinion on the establishment of the remunerations of this firm.

VII. CONCLUSION:

Therefore, it shall be based on the remuneration policy presented above that this Committee should, specifically, establish the exact values of the remunerations of the members of the indicated management and supervisory bodies of the company, in accordance with the personal opinion of their members, expressed in a deliberation drawn up in minutes and whose content is then communicated to the Board of Directors for implementation, under the strict terms defined therein.

These amounts shall be disclosed annually whenever so required by the law, especially in the Corporate Governance Reports.

To conclude, it is emphasised that many of the aspects established above seek to comply with the applicable regulations, and may be altered in accordance with any changes that these rules might undergo.

70. Information on how the remuneration is structured so as to permit the alignment of the interests of the members of the management board with the long-term interests of the company, as well as on how it is based on the assessment of performance and discourages excessive risk taking.

In addition to the obligations inherent to performing the duties themselves, the Directors' remuneration is determined such as to align their interests with those of the Company. Indeed, the remuneration is determined by this Committee elected at the General Meeting, which establishes these values in accordance with guidelines related to the performance and results of the Company as a whole, as well as the overall activity of the management board, relative to the defined objectives, taking into account the conditions and amounts of the remunerations of the other employees of the company 100% held by it, Teixeira Duarte - Engenharia e Construções, S.A.

The establishment of remunerations also takes into account the company's long term performance, compliance with the rules applicable to the company's activity, restraint in excessive risk-taking and market knowledge.

In addition, in determining the remuneration received by members of the Board of Directors, account is taken of the fact that some of these members have duties and positions in other Group entities, as part of which they exercise management and management powers in greater proximity to the actions of the companies and with direct responsibility for them.

71. Reference, if applicable, to the existence of a variable component of the remuneration and information on any impact of the assessment of performance on this component.

As set out in the "Statement on the Remuneration Policy for Members of Management and Supervisory Bodies", described in item 69, Director remuneration consists of a variable component - known as "performance bonuses" - which are awarded within the scope and limits of the distribution of part of the results from the financial year in question to employees and members of the Board of Directors, as resolved at the respective Annual General Meetings. This bonus is subsequently set based on the terms, conditions, amounts and periods to be established by the Remunerations Committee, taking into account the stipulations of the current "Declaration on the Remunerations Policy for the Company's Administration and Supervisory Bodies".

This variable component of remuneration is unrelated to the evolution of the stock market prices of the Company's shares, but rather depends on the evolution of corporate business, financial indicators such as net debt and financial autonomy, the dedication shown by each member in the accomplishment of the tasks and objectives inherent to their duties, as well as the net income for the year and the corresponding policy of its appropriation, which has also always prioritised the reinforcement of the Company's equity and assurance of the continued and balanced distribution of dividends to shareholders.

Accordingly, there is no maximum ceiling for each component, but rather an attribution in conformity with the parameters identified above, the remuneration policy defined for the Company, and the assessment of the performance and execution of duties of each Director. The variable component has always been reasonable as a whole in relation to the fixed component.

Although part of the variable component attributed by the Remuneration Committee may be deferred over time, it is important to note that no Director is entitled to any right to the variable component of his remuneration until a specific allocation has been made by the Remuneration Committee, under the terms and on the grounds established by this committee.

It is also reported that the members of the Board of Directors did

not enter into contracts, either with the company or with third parties, that would have the effect of mitigating the risk inherent to the variable nature of the remuneration set for them by the company.

72. Deferral of the payment of the variable component of remuneration, mentioning the period of deferral

As decided by the Remunerations Committee, part of the variable component will be paid in October 2023 on a date to be set by the Remunerations Committee. This payment shall depend on the continuation of the Company's positive performance over the financial years 2020 to 2022, defined as the occurrence of at least one of the following facts:

- Increase in equity, in relation to 31 December, 2019;
- Average EBITDA in financial years 2020 to 2022 higher than the EBITDA recorded in 2019;
- Average Consolidated Net Income for financial years 2020 to 2022 higher than Consolidated Net Income in financial year 2019;

73. Criteria underlying the attribution of variable remuneration in shares as well as on the holding, by the executive directors, of these shares, on any conclusion of contracts relative to these shares, namely, hedging or risk transfer contracts, the respective limit, and their relation to the value of the annual total remuneration.

Not applicable. The variable retribution is not attributed in shares and no contracts have been signed with the characteristics described above.

74. Criteria underlying the attribution of variable remuneration in options and indication of the deferral period and price for exercise of the option.

Not applicable. The variable retribution is not attributed through options.

75. Main parameters and grounds of any system of annual bonuses and any other non-cash benefits.

The bonus (referred to as "performance bonus") is attributed under the scope and within the limits of the distribution of part of the net income for the year in question to the employees and members of the Board of Directors, deliberated at the respective Annual General Meetings. This attribution is subsequently materialised pursuant to the terms, conditions, amounts and time limits established by the Remuneration Committee, taking into account the provisions established in the "Declaration on the Remuneration Policy of the Management and Supervisory Bodies of the

Company" in force.

Therefore, the Remuneration Committee takes into consideration, in the attribution of annual bonus, the performance and net income of the Company as a whole, as well as the overall activity of the management board, in view of the defined objectives, taking into account the conditions and values of the remunerations of its employees and the other employees.

The annual bonuses were established taking into account the Company's long term performance, compliance with the rules applicable to the company's activity, restraint in excessive risk-taking and market knowledge, as already indicated above.

Furthermore, no relevant non-cash benefits were attributed to the Directors of the Company.

76. Main characteristics of schemes for supplementary pensions or early retirement pensions for the directors and date on which they were approved at the general meeting, on an individual basis.

Regarding any retired former Directors, it should be mentioned that the Remuneration Committee is responsible for establishing all the amounts paid in this context, under all circumstances. The aforesaid Remuneration Committee is also responsible for conducting an annual review of the amounts attributed.

As to the attribution of supplementary pension schemes, the actual Articles of Association establish, in article 22, transcribed below, the terms and criteria on which the Remuneration Committee should base the establishment of such amounts:

ARTICLE TWENTY TWO

ONE - When people who have performed duties as Directors cease to hold office, the Company may grant them a retirement pension for life, whenever they meet one of the following requirements:

a) Have held that position in this Company for over ten years, counting, for the effect, the years of service under the same position at "Teixeira Duarte - Engenharia e Construções, S.A. ";

b) Have provided, even with a shorter period of holding this position, a total of over twenty-five years of service to this Company, counting, for the effect, the years of service at "Teixeira Duarte - Engenharia e Construções, S.A. ";

TWO - The value of this pension will be determined taking into consideration the time or relevance of the services provided and the situation of the beneficiary, and should be reviewed on an annual basis but can never be greater than the highest remuneration received any given time by the permanent Directors.

THREE - Through delegation of the General Meeting, hereby established, the Remuneration Committee referred to in Article Eleven will be responsible for the assessment of the cases submitted to it and establishing the values and other procedures for the award of pensions.

The General Meeting reserves the right to appoint the members of the Remuneration Committee which is exclusively competent to decide on these matters.

The determination of the Memorandum and Articles of Association referred to above does not invalidate that the Remuneration Committee may submit such a matter to the General Meeting, however, this has actually never taken place because this has never proved necessary or appropriate in view of the established statutory rule.

To all due effects, it is reported that at no time between the incorporation of the company, in 2009, and today's date has the General Meeting approved any retirement benefit systems being established for members of corporate bodies, as this competence is expressly assigned to the Remuneration Committee, under the terms of the aforementioned provisions of the articles of incorporation.

IV. DISCLOSURE OF THE REMUNERATIONS

77. Indication of the annual value of the remuneration received, as a whole and individually, by the members of the management bodies, derived from the company, including fixed and variable remuneration and, relative to the latter, reference to its different components.

During the 2020 financial year, the following remunerations, in a broad sense, were earned individually by members of the Board of Directors:

	Fixed remuneration	Variable remuneration			Sub-Total	Travel compensation	Total
		Assigned in 2020	Created in 2012	Extraordinary Bonus 2020			
Board of Directors							
Pedro Maria Calainho Teixeira Duarte	100 000,00	30 000,00	30 000,00	-	160 000,00	-	160 000,00
Manuel Maria Calainho de Azevedo Teixeira Duarte	158 987,50	20 000,00	-	80 000,00	258 987,50	8 055,95	267 043,45
Carlos Gomes Baptista	137 200,00	52 000,00	7 000,00	-	196 200,00	-	196 200,00
Maria da Conceição Maia Teixeira Duarte	35 000,00	6 000,00	-	-	41 000,00	-	41 000,00
Diogo Bebiano Branco de Sá Viana Rebelo	158 168,48	20 000,00	-	70 000,00	248 168,48	5 562,65	253 731,13
	589 355,98	128 000,00	37 000,00	150 000,00	904 355,98	13 618,60	917 974,58

The amounts paid as "Extraordinary Bonuses" to directors Manuel Maria Calainho de Azevedo Teixeira Duarte and Diogo Bebiano Branco de Sá Viana Rebelo were decided by the Remuneration Committees of Teixeira Duarte - Engenharia e Construções, S.A. and Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., companies directly 100% owned by Teixeira Duarte, S.A. and in which they are also members of the respective

Boards of Directors.

The members of the Remuneration Committees of Teixeira Duarte - Engenharia e Construções, S.A. and Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. are the same as those of the Remuneration Committee of Teixeira Duarte, S.A..

In 2020, the overall amount of variable remuneration paid by TD,-SA represented 34.3% of the total amount earned.

In addition to the information indicated above on the amounts paid, it is reported that in 2020 the Remuneration Committee decided to award variable remuneration amounts to the members of the Board of Directors, part of which were paid in the same year - which are indicated above on the map - and part of which were deferred to 2023, the respective payment of this part being dependent on each of the members of the Board of Directors in question continuing to perform their functions and the positive performance of "Teixeira Duarte, S.A." throughout that period, with this being defined as the occurrence of at least one of the following facts:

- Increase in equity, in relation to 31 December, 2019;
- Average EBITDA in financial years 2020 to 2022 higher than the EBITDA recorded in 2019;
- Average Consolidated Net Income for financial years 2020 to 2022 higher than Consolidated Net Income in financial year 2019;

Board of Directors	Variable remuneration paid in 2020		
	To 2020	To 2023	Total
Pedro Maria Calainho Teixeira Duarte	30,000.00	35,000.00	65,000.00
Manuel Maria Calainho de Azevedo Teixeira Duarte	20,000.00	25,000.00	45,000.00
Carlos Gomes Baptista	52,000.00	55,000.00	107,000.00
Maria da Conceição Maia Teixeira Duarte	6,000.00	8,000.00	14,000.00
Diogo Bebianco Branco de Sá Viana Rebelo	20,000.00	25,000.00	45,000.00
	128 000,00	148 000,00	276 000,00

78. Amounts paid, for any reason, by other companies in a controlling or group relationship or which are subject to common control.

Notwithstanding that mentioned above in item 77 of this Report on the award of an Extraordinary Bonus to two members of the Board of Directors, in the 2020 financial year, the members of the Board of Directors did not receive any remuneration whatsoever paid by other companies that are in a group or control relationship with TD,SA.

79. Remuneration paid in the form of profit-sharing and/or payment of bonuses and the reasons for the granting of such bonuses and/or profit-sharing.

In the overall remuneration of the members of the Board of Directors, no sum is paid in the form of profit-sharing.

In effect, members of the Board of Directors are paid a premium amount - known as the "performance premium" - which is allocated within the limits of distribution of part of the results of the financial year in question, to employees and members of the Board of Directors. This is decided at the respective Annual General Meetings and the terms, conditions, amounts and deadlines of the allocation are subsequently established by the Remuneration Committee, taking into account the stipulations of the current "Statement on the Remunerations Policy for Administration and Company Oversight Bodies".

In 2020, the bonuses that were paid were established due to the performance and results of the Company as a whole, as well as by the activity of the management body as a whole, compared to the targets that had been set, taking into account the remuneration conditions and amounts of its employees and other workers.

The establishment of the bonuses also took into account the Company's long term performance, compliance with the rules applicable to the company's activity, restraint in excessive risk-taking and market knowledge.

80. Compensation paid or owed to former executive Directors relative to their termination of office during the financial year;

No compensation has been paid, or is owed, to any former executive Directors relative to their termination of office during the financial year.

81. Indication of the annual value of the remuneration received, as a whole and individually, by the members of the supervisory bodies, pursuant to Law number 28/2009, of 19 June.

All the members of the Supervisory Board receive, under the current system established in the Commercial Companies Code, and as determined by the Remuneration Committee, fixed remunerations for the performance of the duties inherent to their respective positions.

Thus, in 2020, the remuneration earned by the members of TD,-SA's Supervisory Board was distributed as follows:

Supervisory Board	Fixed remuneration	Variable remuneration	Total Remuneration
Óscar Manuel Machado Figueiredo	30 000,00	-	30 000,00
Ana Cristina Louro Ribeiro Doutor Simões	18 000,00	-	18 000,00
João Salvador dos Santos Matias	18 000,00	-	18 000,00
Rui Pedro Ferreira de Almeida	0.00	-	0.00
	66,000.00	-	66,000.00

The total value of annual fees paid to the Official Accounts Auditor Company “MOORE STEPHENS & ASSOCIADOS, SROC, S.A.” and to other individuals and legal entities forming part of the same network supported by the Company and/or by legal entities with a controlling or group relationship, for the services provided by it, to wit legal accounts review and auditing, was:

	Remuneration
Legal review of accounts services for the Group	349,035.00
Other reliability assurance services	-
Tax advisory services	-
Services other than legal review of accounts	-
	349,035.00

All of the the amounts listed above relating to the remuneration of the members of the Supervisory Board and the Statutory Auditors were paid during the 2020 financial year, so there are no portions with deferred payment.

Furthermore, it should also be noted that, as established in the Policy of Remuneration of the Management and Supervisory Bodies, the remuneration of the members of the supervisory body does not include any component whose value depends on the performance of the company or its value.

82. Indication of the remuneration of the chairman of the board of the general meeting for the year in question.

With the exception of the said Secretary of the Board of the General Meeting, the remaining members of this Board, under the current system established in the Commercial Companies Code, namely the provisions in 422-A, through number 3 of article 374-A, receive a fixed remuneration for the performance of the duties inherent to the respective positions, determined by the Remuneration Committee established in article 11 of the Articles of Association.

Under these terms, it is reported that the remuneration of the Chairman of the General Meeting Board, during the 2020 financial year, was €5,000.00 (five thousand euros).

V. AGREEMENTS WITH REMUNERATIVE IMPLICATIONS

83. Contractual limitations established for the compensation payable for dismissal without fair grounds of a director and its relationship with the variable component of the remuneration.

There is no contractual limit established for the compensation payable for the unfair dismissal of a member of the Board of

Directors, considering, firstly, that no contract us signed for the performance of the duties of the position of Director, nor is any agreement signed on any possible compensation payable for fair or unfair dismissal. The existence of a contractual limit under the terms referred to above would be incoherent, in view of the characteristics of the existing relationship between the Company and the members of its Management board.

No legal mechanisms are put in place - other than those legally established - for any indemnity or compensation, beyond that which is legally due, to not be payable when the removal of a Director is not due to a serious breach of his or her duties or to his or her unfitness for the normal exercise of his or her respective duties, but is nevertheless attributable to inadequate performance.

There has never been a situation of dismissal of a Director since the incorporation of the company, nor the payment of any compensation for termination of a contract, so it is therefore considered inappropriate to establish any legal mechanisms in the sense described above.

84. Reference to the existence and description, indicating the amounts involved, of agreements between the company and members of the management board and senior managers, in observance of number 3 of article 248-B of the Securities Market Code, which establish compensation in the case of resignation, unfair dismissal or termination of the work relation following a change of control of the company. (Article 245-A, number 1, subparagraph I).

There are no agreements with these characteristics. The Company follows the policy of not undertaking any payments related to the early termination of the exercise of duties by the Directors or other senior managers, as well as not signing any agreements relative to these matters.

VI. PLANS TO ATTRIBUTE SHARES OR STOCK OPTIONS

85. Identification of the plan and respective beneficiaries.

There are no plans relative to the attribution of shares or attribution of options for the acquisition of shares.

86. Characterisation of the plan (conditions of attribution, clauses on the inability to dispose of shares, criteria relative to the price of the shares and price for the exercise of options, period during which the options can be exercised, characteristics of the shares to be attributed, existence of incentives for the acquisition of shares and/or exercise of options).

As described in 85 above, there are no plans relative to the attribution of shares or attribution of options for the acquisition of shares, hence the present provision is not applicable.

87. Option rights attributed for the acquisition of shares (stock options) whose beneficiaries are the company's workers and employees.

As described in 85 above, there are no plans relative to the attribution of shares or attribution of options for the acquisition of shares, hence the present provision is not applicable.

88. Control mechanisms established for any system of participation of the workers in the share capital to the extent that voting rights are not exercised directly by them (Article 245-A, number 1, subparagraph e)).

There is no system of participation of the workers in the share capital, therefore there is no justification for the existence of control mechanisms to the extent that the voting rights are not exercised directly by them.

E. TRANSACTIONS WITH RELATED PARTIES

I. CONTROL MECHANISMS AND PROCEDURES

89. Mechanisms implemented by the company for the purpose of control of transactions with related parties (the concept arising from IAS 24 is used for this effect).

All transactions between entities of the Teixeira Duarte Group with related parties are conducted at market prices. The Concept is clear and undertaken by all business managers of the different areas of the Group who deal with related parties.

This attitude is transversal to all transactions of this nature, in other words, any transfer of resources, services or obligations between related parties, regardless of the existence of a price debit.

In addition to these general guidelines, all transactions between related parties are recorded electronically on a global basis by the Group. In addition to the business managers themselves, these electronic records can be accessed by the finance, accounting and audit teams, as well as the Board of Directors and, in addition, the supervisory bodies of the Company and Group.

It should be noted in this regard that, on 5 February 2018, the Board of Directors of TD,SA approved the new "Code of Ethics and Conduct of the Teixeira Duarte Group", mandatory for all Di-

rectors, employees and other representatives of those entities, under the terms defined in that document.

An excerpt of this text on "Customers and Suppliers" is quoted below:

5.2.2. Selection Criteria

Employees must act - and encourage the Indirect Recipients of this Code to also act - so that the decisions made by the clients and to be taken relatively by the suppliers follow objective, technical and professional selection criteria, that aim at the efficiency of the decision and safeguard the interests of the entities they represent, repudiating any possible criteria that privilege personal or diffuse interests, as well as any actions constituting power or position abuse.

5.2.3. Conflicts of Interest, Corruption and Reporting Illicit Acts

Employees must act - and ensure that the indirect recipients of this Code also act, to assess possible situations of conflicts of interest, which should be avoided. They must also actively and passively forbid any corrupt behavior, including payments or receiving facilitations, or creating, maintaining or promising irregular or favorable situations.

Furthermore, Employees shall be obliged to report - and encourage the Indirect Recipients of this Code to also report - any information that constitutes misconduct, including those that constitute possible illegal or illicit practices in financial and accounting matters, fraud, corruption and money laundering, as well as any actions related, directly or indirectly, to terrorist entities or those that may target or support terrorist practices.

It should be remembered that the Code of Ethics and Conduct is mandatory for all employees (this concept includes directors, employees and other representatives of Teixeira Duarte Group entities) and that any failure to apply the code may lead to disciplinary procedures and sanctions. Therefore, in view of this scope and effective linkage - which has been considered efficient - the management body has not defined, as suggested by Recommendation I.5.1, a more specific internal procedure for checking verifying transactions with related parties.

However, given the current legislation in force on this matter, the Board of Directors is, in conjunction with the Supervisory Board, concluding the approval of an internal procedure to allow the Supervisory Board to verify if the transactions the Company carries out with related parties are performed within the scope of its current activity and under market conditions.

90. Indication of transactions which were subject to control during the year under review.

Within this framework and given the mechanisms indicated above, all transactions with related parties were subject to control under the terms mentioned, and all transactions with related parties and their respective balances and additional information can be consulted in note 29 of the Notes to the consolidated financial statements as of December 31, 2020.

91. Description of the procedures and criteria applicable to the intervention of the supervisory body for the effects of the prior assessment of transactions to be carried out between the company and owners of the qualifying holdings or entities which are in any relationship with it, under the terms of article 20 of the Securities Market Code.

There are no procedures or criteria under the aforementioned terms, since the type of transactions carried out between the Company and holders of qualified shareholdings are of a current nature and for carrying out the activity, which is considered to be a matter over which the Board of Directors has exclusive responsibility and competence. They are naturally for the purpose of operations carried out under normal market conditions and it is deemed inappropriate to subject these transactions to prior opinions of the supervisory bodies.

II. ELEMENTS RELATIVE TO BUSINESS

92. Indication of the location of the documents presenting the accounts with available information on business with related parties, in accordance with IAS 24, or, alternatively, reproduction of this information.

Information on business with related parties, in accordance with IAS 24, is reproduced in note 29 of the Annex to the consolidated financial statements on 31 December 2020.

1. Identification of the adopted corporate governance code

The Corporate Governance Code to which the company is subject or has voluntarily decided to adopt should be identified, under the terms and for the effects of article 2 of the present Regulation.

In addition to the applicable legislation and regulations, specifically the Commercial Companies Code, the Securities Code and the CMVM Regulations, in particular Regulation no. 4/2013, TD,SA opted to adopt the IPCG's Corporate Governance Code.

Indication of the location where the texts on corporate governance codes to which the issuer is subject (Article 245-A, number 1, subparagraph p).

The aforementioned Corporate Governance Code issued by the IPCG can be consulted at www.cgov.pt.

2. Analysis of compliance with the adopted corporate governance code

Under the terms of article 245-A number 1, subparagraph o), the statement on the endorsement of the corporate governance code to which the issuer is subject should be presented, specifying which, if any, parts of this code there is divergence and the reasons for this divergence.

The information to be presented should include, for each recommendation:

- a) Information which enables appraising compliance with the recommendation or reference to the point of the report where the issue is discussed in detail (chapter, title, point and page);
- b) Justification for any non-compliance or partial compliance;
- c) In the case of non-compliance or partial compliance, identification of any alternative mechanism adopted by the company for the effect of pursuing the same objective of the recommendation.

The following table reproduces the text of these Recommendations as broken down on the table of multiple recommendations of the "Note on the interpretation of the Corporate Governance Code IPCG 2018 (revised 2020) - Note no. 3", with the numbering referred therein, following by an indication of whether or not they are adopted and reference to the point of this Report that covers the topic in question in which, respecting the principle "comply or explain" principle, justification is given of its possible non-adoption or partial adoption.

Out of the 74 Recommendations, the Company did not adopt twenty and partially adopted five.

Recommendation		Adoption	Reference
I.	GENERAL PART		
I.1.	The company's relationship with investors and information		
I.1.1.	The company must put in place mechanisms to ensure, in an appropriate and rigorous manner, the timely disclosure of information to its corporate bodies, shareholders, investors and other <i>stakeholders</i> , financial analysts and the market in general.	Yes	18., 22, 45, and 55. to 65;
I.2.	Diversity in the make-up and functioning of the corporate bodies		
I.2.1.	Companies must put in place criteria and requirements relating to the suitable profiles of new members of corporate bodies for the role to be performed and, in addition to individual attributes (such as competence, independence, integrity, availability and experience), these profiles must consider diversity requirements, paying particular attention to gender, which may contribute to improving the performance of the body and to balancing its respective composition.	Yes	16., 18. and 31.
I.2.2.(1)	The management body must have internal regulations - specifically on the exercise of its powers, chairmanship, frequency of meetings, operation and the duties of its members - fully disclosed on the company's website.	No	18 and 22.
I.2.2.(2)	Idem for the supervisory body.	No	34.
I.2.2.(3)	Idem in relation to internal committees	Not applicable	27.
I.2.2.(4)	Minutes of the meetings of the management body must be drawn up.	Yes	22.
I.2.2.(5)	Idem for the supervisory body.	Yes	22.
I.2.2.(6)	Idem for internal committees.	Not applicable	27.
I.2.3.(1)	The composition of the management and supervisory bodies and their internal committees must be disclosed on the company's website.	Yes	23. and 35.
I.2.3.(2)	The number of annual meetings of the management and supervisory bodies and their internal committees must be disclosed on the company's website.	Yes	23. and 35.
I.2.4.	A policy for reporting irregularities (<i>whistleblowing</i>) must be adopted that ensures appropriate means for reporting and dealing with such irregularities, safeguarding the confidentiality of the information transmitted and the identity of the whistleblower, whenever this is requested.	Yes	49.
I.3.	The company's relationship with investors and information		
I.3.1.	The articles of association or other equivalent means adopted by the company must put mechanisms in place to ensure that, within the limits of applicable legislation, members of the management and supervisory bodies are permanently allowed access to all information and company employees for the assessment of the performance, situation and development prospects of the company, specifically including minutes, documentation supporting decisions taken, notifications of meetings and archives of meetings of the executive management body, without prejudice to access to any other documents or persons from whom clarification may be requested.	Partial	18 and 22.
I.3.2.	Each of the company's bodies and committees must, in a timely and appropriate manner, ensure the flow of information, from the time of the respective meeting notifications and minutes, which is necessary to allow each of the other bodies and committees to exercise their legal and statutory powers.	Yes	12. 18., 22. and 45.
I.4.	Conflict of interests		
I.4.1.	By internal regulations or equivalent means, the members of the management and supervisory bodies and of the internal committees are under the obligation to inform the respective body or committee whenever there are facts that may constitute or give rise to a conflict between their interests and corporate interests.	Yes	22. and 89.
I.4.2.	Procedures must be adopted to ensure that the member affected by the conflict does not interfere in the decision-making process, without prejudice to the duty to provide information and clarification as requested by the body, the committee or its members.	Yes	89.
I.5.	Transactions with related parties		
I.5.1.	The management body must disclose the internal verification procedure for transactions with related parties, in the governance report or by other publicly available means.	No	10. 22. 89. and 91.
I.5.2.	The management body must report the results of the internal verification procedure for transactions with related parties, including transactions under analysis, to the supervisory body at least every six months.	No	10. 22. 89. and 91..
II.	SHAREHOLDERS AND GENERAL MEETING		
II.1.(1)	The company should not set an excessively high number of shares required to grant the right to one vote,	Yes	1 and 12

	Recommendation	Adoption	Reference
II.1.(2)	must explain its choice in the governance report whenever it implies deviating from the principle that each share corresponds to one vote.	Not applicable	
II.2.	The company should not adopt mechanisms which hinder the taking of deliberations by their shareholders, in particular establishing a deliberative quorum greater than that stipulated by law.	Yes	14.
II.3.	The company must implement adequate means for shareholders to remotely participate in the General Meeting at a distance, in terms proportional to their dimension	Yes	12.
II.4.	The company must also implement appropriate means for exercising remote voting rights, including by correspondence and electronically.	Partial	12.
II.5.	Any articles of association of the company which set a limit on the number of votes which may be held or exercised by a single shareholder, individually or jointly with other shareholders, must also establish the commitment that at least every five years the maintenance or not of this statutory provision will be subject to deliberation at the General Meeting - with no requirement of a quorum larger than that legally established - and that in this deliberation all the votes cast will be counted, without the application of the above limit.	Not applicable.	5 and 13
II.6.	Measures must not be adopted that determine payments or the assumption of burdens by the company in the event of a change in control or of a change in the composition of the management body, if they are likely to undermine economic interest in the transfer of shares and the free appraisal by shareholders of the performance of directors.	Yes	2. 4. and 6.
III.	NON-EXECUTIVE MANAGEMENT AND SUPERVISION		
III.1.	Without prejudice to the legal duties of the Chairman of the Board of Directors, if he/she is not independent, the independent directors must appoint a coordinator from among their ranks to, specifically, (i) act, whenever necessary, as a point of contact between the Chairman of the Board of Directors and the other directors, (ii) ensure that they have all of the necessary conditions and means to perform their duties; and (iii) coordinate them for the performance assessment by the management body provided for in recommendation V.1.1.	Not applicable	18.
III.2.(1)	The number of non-executive members of the management body must be appropriate for the size of the company and the complexity of the risks inherent to its activity, but sufficient to efficiently assure the functions that have been entrusted to them. The governance report must state how this judgment of adequacy is arrived at.	Yes	18.
III.2.(2)	Idem for the number of members of the supervisory body.	Yes	31.
III.2.(3)	Idem for the number of financial matters committee members.	Not applicable	27.
III.3.	In any case, the number of non-executive directors must be greater than the number of executive directors.	No	18.
III.4.	No less than one third of the non-executive directors of each company must meet the independence requirements, and these directors must always be plural. For the purposes of this recommendation, a person is deemed to be independent if he or she is not associated with any specific interest group in the company, and he or she is not in any circumstance likely to affect his or her impartiality when conducting analyses or making decisions, specifically by virtue of: <ul style="list-style-type: none"> - Having held positions in any corporate body for more than twelve years, continuously or with breaks; - Having been an employee of the company or companies which are in a controlling or group relationship with the former during the last three years; - Having, in the last three years, provided services or established significant business relations with the company or companies which are in a controlling or group relationship with the former, whether directly or as a partner, administrator, manager or director of a legal person; - Being a beneficiary of remuneration paid by the company or companies which are in a controlling or group relationship with the former in addition to the remuneration arising from the performance of directorship duties; - Living in a non-marital partnership or being the spouse or straight line relative or similar, up to and including the 3rd degree, in the collateral line, of directors of the company, of directors of a legal person that holds a qualified stake in the company or of individuals that directly or indirectly hold a qualified holding; - Holding a qualifying stake or representing a shareholder holding a qualifying stake. 	No	18.
III.5.	The provisions of paragraph (i) of recommendation III.4 do not preclude the qualification of a new director as independent if, at least three years have elapsed between the end of his or her functions in any corporate body and his or her new appointment (<i>cooling-off period</i>).	Not applicable	18.

	Recommendation	Adoption	Reference
III.6.(1)	With respect for the powers conferred on it by law, the supervisory body assesses and issues opinions on the strategic guidelines prior to their final approval by the management body.	No	50. and 51.
III.6.(2)	Idem for the risk policy.	No	50. and 51.
III.7.(1)	Companies must have a specialized corporate governance committee	No	22., 24. and 27
III.7.(2)	Idem in relation to appointments.	No	22., 24. and 27
III.7.(3)	Idem in relation to performance assessment	No	22., 24. and 27
IV.	EXECUTIVE MANAGEMENT		
IV.1.	The management body must approve, through internal regulations or equivalent means, the regime for actions taken by executive directors, applicable to their exercising of executive functions in entities outside the group.	No	22.
IV.2.(1)	The management body shall ensure that the company acts in a manner consistent with its objectives and shall not delegate powers, particularly with regard to: i) definition of the company's strategy and main policies;	Not applicable	9 and 21
IV.2.(2)	ii) organization and coordination of the corporate structure;	Not applicable	21.
IV.2.(3)	iii) matters that should be considered strategic due to their monetary value, risk or special characteristics.	Not applicable	21.
IV.3.	In the annual report, the management body explains how the defined strategy and main policies seek to ensure the long-term success of the company and, and what main contributions result from the report for the community at large	Yes	53 and 54
V.	PERFORMANCE ASSESSMENT, REMUNERATION AND APPOINTMENTS		
V.1.	Annual Performance Assessment		
V.1.1.(1)	The management body must assess its performance on an annual basis, taking into account compliance with the company's strategic plan and budget, risk management, its internal operation and the contribution of each member for this purpose, as well as the relationship between the company's bodies and committees.	No	24 and 25
V.1.1.(2)	Idem for the performance of management body committees.	Not applicable	22. and 24.
V.1.1.(3)	Idem for the performance of executive directors.	No	22., 24. and 25.
V.2	Remuneration		
V.2.1.	The company must set up a remuneration committee, the composition of which should ensure that it is independent from the administration. This may be the remuneration committee designated under the terms of article 399 of the Portuguese Companies Code.	Yes	66. and 67.
V.2.2.	The remuneration is to be set by the remuneration committee or by the general meeting, following a proposal by that committee	Yes	66. and 67.
V.2.3.	For each term of office, the remuneration committee or the general meeting, acting on a proposal from the committee, must also approve the maximum amount of all compensation to be paid to a member of any corporate body or committee as a result of the termination of his or her functions, and must disclose the aforementioned situation and amounts in the governance report or remunerations report.	No	76. and 80.
V.2.4.	In order to provide information or clarification to shareholders, the chairman or, in his or her absence, another member of the remuneration committee must be present at the annual general meeting and at any other meeting, if the respective agenda includes a matter related to the remuneration of members of the company's bodies and committees, or if his or her presence has been requested by the shareholders.	Yes	67.
V.2.5.	Within the company's budget limitations, the remuneration committee shall be free to decide on the hiring, by the company, of any consultancy services that may be necessary or appropriate for performing its duties	Yes	67.
V.2.6.	The remuneration committee must ensure that these services are provided independently and that the respective providers are not contracted to provide any other services to the company itself or to others that are in a control or group relationship with it, without the express authorization of the committee.	Not applicable	67.

	Recommendation	Adoption	Reference
V.2.7.	With a view bringing the interests of the company into line with those of the executive directors, part of their remuneration shall have a variable nature, reflecting the sustained performance of the company and not encouraging the taking of excessive risks.	Yes	69., 70. and 71.
V.2.8.	A significant part of the variable component must be partially deferred over time, for a period of not less than three years, and it must necessarily be associated with the confirmation of sustained performance, under the terms laid down in the company's internal regulations.	Yes	70, 71 and 72
V.2.9.	If the variable remuneration includes share options or other instruments directly or indirectly dependent on the value of the shares, the beginning of the financial year period must be deferred for a period of not less than three years.	Not applicable	73. and 74.
V.2.10.	The remuneration of non-executive directors must not include any component whose value depends on the performance of the company or its value.	Not applicable	18. and 66.
V.3.	Remuneration of directors		
V.3.1.	The company must, under the terms it deems appropriate, ensure that proposals for the election of members of corporate bodies are accompanied by justifications in terms of suitability for the profile, knowledge and CV, for the role to be performed by each candidate, in a way that can be demonstrated.	Yes	16 and 17.
V.3.2.	Unless this is not justified by the size of the company, the role of monitoring and supporting appointments of management staff must be assigned to an appointments committee.	Yes	27.
V.3.3.	This committee includes a majority of independent non-executive members.	Not applicable.	27.
V.3.4.	The appointments committee shall make its terms of reference available and must, to the extent of its powers, foster transparent selection processes that include effective mechanisms for identifying potential candidates, ensuring that those with the greatest merit and who are best suited to the requirements of the role are selected, and that suitable diversity, including gender diversity is promoted.	Not applicable	27.
VI.	INTERNAL CONTROL		
VI.1.(1)	The management body must discuss and approve the strategic plan.	Yes	53 and 54
VI.1.(2)	The management body must discuss and approve the company's risk policy, which includes setting limits on risk-taking.	Yes	53 and 54
VI.2.	The supervisory body must organize itself internally, by implementing mechanisms and periodic control procedures with a view to ensuring that the risks to which the company is effectively exposed are consistent with the objectives set by the management body	No	54.
VI.3.	The internal control system, consisting of the risk management, compliance and internal audit functions, shall be structured in terms that are appropriate to the size of the company and the complexity of the risks inherent to its activity. The supervisory body shall assess it and, within the scope of its duties to supervise the effectiveness of this system, propose any adjustments that may be necessary.	Partial	51. and 54.
VI.4.	The supervisory body must issue an opinion on the work plans and resources assigned to the internal control system services, including the risk management, compliance and internal audit functions, and may propose any adjustments that may be necessary.	No	51. and 54.
VI.5.	The supervisory body must be a recipient of reports drawn up by the internal control services, including the risk management, compliance and internal audit functions, at least when matters in question are related to accountability, identification or resolution of conflicts of interest and detection of potential irregularities.	No	54.
VI.6.(1)	Based on its risk policy, the company must establish a risk management function, identifying (i) the main risks to which it is subject during the course of its activity,	Yes	53 and 54
VI.6.(2)	(ii) the probability of their occurrence and their impact,	Yes	53 and 54
VI.6.(3)	(iii) the instruments and measures to be adopted for their mitigation and	Yes	53 and 54
VI.6.(4)	(iv) monitoring procedures, with the aim of follow-up.	Partial	53 and 54
VI.7.	The company must put in place procedures for the supervision, periodic assessment and adjustment of the internal control system, including an annual assessment of the level of internal compliance and performance of this system, as well as the prospects for changing the previously defined risk framework.	No	53 and 54
VII.	FINANCIAL INFORMATION		
VII.1.	Financial Information		

	Recommendation	Adoption	Reference
VII.1.1.	The internal regulations of the supervisory body shall require it to supervise the suitability of the management body's process to prepare and disclose financial information, including the suitability of accounting policies, estimates, judgments, relevant disclosures and their consistent application from one financial year to the next, in a duly documented and communicated manner.	Partial	55.
VII.2.	Statutory audit and supervision		
VII.2.1.	The supervisory body must use internal regulations to define the supervisory procedures aimed at ensuring the independence of the official accounts auditor, under the terms of the applicable legal regime.	No	45. and 55.
VII.2.2.(1)	The supervisory body should be the main point of contact of the Statutory Auditor within the company and the primary recipient of the respective reports,	Yes	45.
VII.2.2.(2)	it is specifically responsible for proposing the respective remuneration and ensuring that suitable conditions for rendering the services are provided within the company.	Yes	45. and 47.
VII.2.3.	On an annual basis, the supervisory body must assess the work done by the statutory auditor, its independence and suitability for performing the duties. The supervisory body must propose to the competent body its dismissal or termination of the contract for the provision of its services, whenever there is just cause to do so.	Yes	45.

3. Other information

The company should provide any elements or additional information which, not having been presented in the preceding points, are relevant for the comprehension of the model and governance practices that have been adopted.

At a meeting of its Board of Directors on 11 September 2020, "Teixeira Duarte, S.A." approved - based on current guidelines (Article 1(c)) and Article 4 of Regulatory Order no. 18/2020 - an Equality Plan, in accordance with the provisions of Article 7(a) of Law 62/2017, which, as stipulated in Article 3(3) of Regulatory Order 18/2019, was communicated in the SDI (Information Disclosure System) of the Securities and Exchange Commission, the description of which is disclosed herein:

1. Legal Framework

Law no. 62/2017, of 1 August determined that the management and supervisory bodies of companies issuing shares admitted for trading on a regulated market shall progressively implement a balanced composition in terms of gender, which Teixeira Duarte, S.A. complies with.

The same law established that companies listed on the stock exchange will now have to approve annual equality plans aimed at achieving effective equal treatment and opportunities for women and men, promoting the elimination of gender discrimination and encouraging a balance between personal, family and professional life, and must publish the plans on their respective website by 15 September each year.

The aforementioned Law no. 62/2017 was subsequently regulated by Regulatory Order no. 18/2019, of 17 June 2019, which specifically stipulated:

- The procedures for making communications that are mandatory for corporate public sector entities and companies listed on the stock exchange.
- The production of guidelines for the preparation of annual equality plans, which was later made available by the Commission for Equality at Work and in Employment (CEWE).

In accordance with the aforementioned laws and guidelines, the annual process for drawing up and implementing the Equality Plan for companies listed on the stock exchange consists of the following phases:

- Performing a preliminary self-assessment, based on the "Guidelines for the Implementation of Equality Plans";
- Production and approval of an annual Equality Plan with measures adapted to suit the company's situation and its subsequent publication on its website;
- Implementation and monitoring of the Equality Plan;
- Evaluation of the impact of the measures set out in the Equality Plan.

2. Framework in Teixeira Duarte, S.A.

(TD, S.A.) has always been concerned with ensuring the dignified treatment of its employees, with respect for their human and labor rights, including effective equality among all.

On September 13, 2019, "Teixeira Duarte, S.A." approved at a meeting of its Board of Directors its Equality Plan for 2019/2020, which served as a basis for the preparation of the Equality Plan for 2021.

Besides disclosing new measures to be implemented, the Equality Plan aims to update and disclose procedures and practices

already implemented and in force in the Teixeira Duarte Group under the Gender Equality framework defined by the Portuguese legislation.

An internal Task Force was set up to carry out the preliminary self-assessment, to monitor the implementation of the 2019/2020 equality plan and to assess the impact of the measures set out in that plan, as well as to draw up and implement the 2021 Equality Plan. This task force consisted of four members - two men and two women - from different areas of activity within the Teixeira Duarte Group (Sustainability / Human Resources / Company and Corporate / Management System and Technology and Innovation), acting under the supervision of the Board of Directors.

The Equality Plan for 2021 - based on the guidance in the "Guidelines for the Implementation of Equality Plans for Companies" established in Regulatory Order no.18/2019 - was developed based on the results of the implementation of the 2020 Equality Plan and includes the results of (i) the newly performed Self-diagnosis, (ii) the implementation of the comments of the CITE Technical Analysis performed with reference to the 2020 Equality Plan and, also, (iii) any internal and external changes that could in some way affect the implementation of equality measures, specifically the situations ordered during the state of emergency to contain the COVID-19 pandemic outbreak. Six equality dimensions were identified and the measures, the people responsible for their implementation, the indicators and the goals to be achieved by the subsidiaries of Teixeira Duarte, S.A. were indicated, allowing comprehensive action to be taken within the organization.

The 2021 equality plan can be consulted at the address: <https://www.teixeiraduarte.pt/informacao-sobre-plano-para-a-igualdade-2021/>



Teixeira Duarte

Reports and Accounts 2020

Individual Financial Statements 2020

I. BALANCE SHEET

Items	Notes	31/12/2020	31/12/2019
Asset			
Non-current asset:			
Fixed tangible assets	7	-	588
Goodwill	8 and 9	16,253	19,503
Intangible assets	6	-	127
Shares - Equity method	9	980,588	1,085,154
Other financial investments	15.1	-	13
Assets for deferred tax	14	5,375	8,023
		1,002,216	1,113,408
Current asset:			
Customers	15.1 and 22	11,942	7,072
Government and other public entities	15.1	4,606	5,493
Other credits receivable	15.1	28,693	31,154
Deferrals	15.1	790	891
Cash and bank deposits	4	53	167
		46,084	44,777
Total of Asset		1,048,300	1,158,185
Equity and Liability			
Equity:			
Subscribed capital	23	210,000	210,000
Legal reserves	23	42,000	42,000
Other reserves	23	242,551	234,672
Retained income:			
Retained income		6,116	6,116
Non-attributed profit - application of the equity method		(355,592)	(320,574)
Adjustments / other changes in equity			
Non-attributed profit - application of the equity method		355,592	320,574
Other adjustments in financial assets		(231,966)	(119,122)
		268,701	373,666
Net result for that period	23	(17,904)	7,879
Equity total		250,797	381,545
Liability			
Non-current liabilities:			
Obtained financing	15.2 and 22	229,559	219,314
Other debts payable	15.2 and 22	174,286	216,786
		403,845	436,100
Current liability:			
Suppliers	15.2 and 22	69,695	68,180
Government and other public entities	15.2 and 22	6,644	6,590
Obtained financing	15.2 and 22	47,236	49,520
Other debts payable	15.2 and 22	270,083	216,249
Deferrals	15.2	-	1
		393,658	340,540
Total of liability		797,503	776,640
Total of Equity and Liability		1,048,300	1,158,185

(Values in thousand euros)

The annex forms an integral part of the Balance Sheet at 31 December 2020.

II. INCOME STATEMENT BY NATURE

Income and expenses	Notes	2020	2019
Sales and services rendered	11	4,303	8,230
Gains / losses attributable to subsidiaries	10	9,032	35,018
External supplies and services	19	(3,333)	(4,337)
Expenses with staff	18	(1,354)	(7,223)
Other income	20	1,188	3,253
Other expenses	21	(1,381)	(298)
Result before depreciation, financing expenses and taxes		8,455	34,643
Depreciation and amortisation expenses	6, 7, 8 and 9	(3,330)	(3,456)
Operational result (before financing expenses and taxes)		5,125	31,187
Interests and similar income obtained	11 and 17	28	1,521
Interests and similar expenses borne	17	(25,268)	(27,552)
Result before taxes		(20,115)	5,156
Income tax for that period	14	2,211	2,723
Net result for that period		(17,904)	7,879

(Values in thousand euros)
The annex forms an integral part of the Income Statement by Nature, at 31 December 2029.

III. STATEMENT OF CHANGES IN EQUITY

		Equity attributed to the holders of capital							
Description		Notes	Sub-scribed capital	Legal reserves	Other reserves	Retained income	Adjustments to financial assets of subsidiaries:	Net result for that period	Total
Balance on January 1st, 2019	1		210,000	42,000	230,000	(281,096)	248,438	4,672	454,014
Alterations for the period:									
Application of equity method		9	-	-	-	(33,362)	(46,986)	-	(80,348)
Application of results			-	-	4,672	-	-	(4,672)	-
	2		-	-	4,672	(33,362)	(46,986)	(4,672)	(80,348)
Net result for that period	3							7,879	7,879
Integral income of the period	4=2+3								(72,469)
Balance on December 31, 2019	5=1+2+3		210,000	42,000	234,672	(314,458)	201,452	7,879	381,545
Balance on January 1st, 2020	6		210,000	42,000	234,672	(314,458)	201,452	7,879	381,545
Alterations for the period:									
Application of equity method		9	-	-	-	(35,018)	(77,826)	-	(112,844)
Application of results		23	-	-	7,879	-	-	(7,879)	-
	7		-	-	7,879	(35,018)	(77,826)	(7,879)	(112,844)
Net result for that period	8							(17,904)	(17,904)
Integral income of the period	9=7+8								(130,748)
Balance on 31 December 2020	10=6+7+8		210,000	42,000	242,551	(349,476)	123,626	(17,904)	250,797

(Values in thousand euros)

The annex forms an integral part of the Statement of changes in equity at 31 December 2020.

IV. CASH FLOWS STATEMENT

Description	Notes	2020	2019 "Restatement"
Operational activities:			
Receipts from customers		6,405	8,497
Payment to suppliers		(4,704)	(4,640)
Payment to staff		(1,008)	(4,670)
Cash generated by operations		693	(813)
Payment/receipt of income tax		3,902	494
Other receipts/payments		(1,003)	(3,827)
Cash flows of operational activities (1)		3,592	(4,146)
Investment activities:			
Payments related to:			
- Fixed tangible assets		-	(38)
- Intangible assets		-	(51)
- Related parties		(12,680)	(34,158)
Receipts related to:			
- Fixed tangible assets		721	-
- Interests and similar income		28	1,794
- Dividends	4	-	1,500
- Related parties		9,115	44,939
Cash flows of investment activities (2)		(2,816)	13,986
Financing activities:			
Receipts related to:			
- Obtained financing	15.2	115,050	116,653
- Related parties	15.2	23,920	34,149
Payments related to:			
- Obtained financing	15.2	(120,196)	(126,023)
- Interests and similar expenses		(1,814)	(13,623)
- Related parties	15.2	(17,850)	(22,432)
Cash flows of financing activities (3)		(890)	(11,276)
Variation of cash and cash-equivalent items (1+2+3)		(114)	(1,436)
Cash and cash-equivalent items at the beginning of the period	4	167	1,603
Cash and cash-equivalent items at the end of the period	4	53	167

(Values in thousand euros)
The annex forms an integral part of the Cash flow statement at 31 December 2020.

ANNEX

1. INTRODUCTION

Teixeira Duarte, S.A. (hereinafter referred to as Teixeira Duarte or the Company), with company number 509,234,526, has its head office in Porto Salvo and was incorporated on 30 November 2009. Its main activity is investment management and the coordination and supervision of other companies that form part of, or are related to its business group. It essentially operates in the areas of strategic and organizational planning.

The financial statements in annex refer to the Company in individual terms with the financial investments in subsidiaries registered by the equity method, as explained in Note 3.2.a).

All the values of these Notes are expressed in thousand euros.

2. ACCOUNTING REFERENCE

These financial statements were elaborated pursuant to the Accounting Standards and Financial Reporting (NCRF) foreseen by the Accounting Standardisation System (SNC), approved by Decree-Law No. 158/2009, of July 13, with the rectifications of the Declaration of Rectification No. 67-B/2009, of September 11, and with amendments introduced by Law No. 20/2010, of August 23, and by Decree-Law no. 98/2015, of 2 June, which introduced into the Accounting Standardisation System (SNC) changes considered essential to guarantee its compliance with Directive no. 2013/34/EU, of the European Parliament and of the Council, of 26 June, with subsequent alterations being made to Directives and Notices relating to the accounting instruments that make up the SNC.

None of the provisions of the Accounting Standardisation System (SNC) were derogated considering the need for these to show a true and appropriate image of the asset, liability and the income of the entity, by which there are no effects on the financial statements resulting from this situation.

2.1 IN THE PERIOD ENDED 31 DECEMBER 2020 THE COMPANY MADE THE FOLLOWING "RESTATEMENTS"

Cash Flow Statement

For the purposes of comparison with the same period of the previous year, the "restatements" made in relation to the period ending 31 December 2019 are as follows:

Description	2019	"Restatement"	2019 "Restated"
Operational activities			
Receipts from customers	8,497	-	8,497
Payment to suppliers	(4,640)	-	(4,640)
Payment to staff	(4,670)	-	(4,670)
Cash generated by operations	(813)	-	(813)
Payment/receipt of income tax	494	-	494
Other receipts/payments	(3,827)	-	(3,827)
Cash flows of operational activities (1)	(4,146)	-	(4,146)
Investment activities:			
Payments related to:			
- Fixed tangible assets	(38)	-	(38)
- Intangible assets	(51)	-	(51)
- Related parties	(34,158)	-	(34,158)
Receipts related to:			
- Interests and similar income	1,794	-	1,794
- Dividends	1,500	-	1,500
- Related parties	44,939	-	44,939
Cash flows of investment activities (2)	13,986	-	13,986
Financing activities:			
Receipts related to:			
- Obtained financing	1,603	115,050	116,653
- Related parties	34,149	-	34,149
Payments related to:			
- Obtained financing	(10,973)	(115,050)	(126,023)
- Interests and similar expenses	(13,623)	-	(13,623)
- Related parties	(22,432)	-	(22,432)
Cash flows of financing activities (3)	(11,276)	-	(11,276)
Variation of cash and cash-equivalent items (1+2+3)	(1,436)	-	(1,436)
Cash and cash-equivalent items at the beginning of the period	1,603	-	1,603
Cash and cash-equivalent items at the end of the period	167	-	167

In the period ended 31 December 2020, the restatement is related to the reclassification of the commercial paper usage and amortization amounts.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 BASIS OF MEASUREMENT

The financial statements have been prepared according to the convention of recorded expenses, on an assumption of the continuity of operations, from the accounting records of the Company, maintained in accordance with the SNC's Accounting and Financial Reporting Standards.

3.2 RELEVANT ACCOUNTING POLICIES

Assumed continuation

The attached financial statements were prepared with the assumption of the continuity of operations, from the accounting record books of the Company maintained according to the SNC's Accounting and Financial Report Standards.

a) Financial investments

The financial investments in subsidiaries are recorded by the equity method, the participation initially being calculated by the cost of acquisition, which was added or deducted by the difference between that cost of acquisition and the proportional value from the participation in the capital belonging to those companies, reported on the date of acquisition or the first application of the mentioned method.

The differences between the acquisition cost of the investments in subsidiaries and the investor's share of the net fair value of the identifiable assets and contingent liabilities of the subsidiary, if positive, are recorded as *Goodwill* or kept under the "investments" item of subsidiaries. In cases when the cost of acquisition is less than the fair value of the identified net assets, the calculated difference (negative *Goodwill*) is registered as gain from the period when the acquisition occurs, under "Other income".

Amortisations are calculated, by the straight line method according to the utility period expected by the company for the *Goodwill* in cause. Amortisation is calculated in accordance with the following estimated useful life:

	Service life in years
<i>Goodwill</i>	10

In accordance with the equity method, financial investments are periodically adjusted by the amount corresponding to the participation in the net results of subsidiaries against "Gains / losses attributed to subsidiaries" and other changes in equity for counterpart of "Other adjustments to financial assets", as well

as recognition of impairment losses. Furthermore, the dividends received from these companies are recorded as a reduction in the value of financial investments.

When the losses in subsidiaries exceed the investment in those entities, provision is recognised up to the limit of the holdings in them.

b) Fixed tangible assets

The fixed tangible assets used for the provision of services or for administrative use, are registered with the cost of acquisition, including the expenditures imputable to the purchase, deducted from the accumulated depreciation and impairment losses, when applicable.

The fixed tangible assets are depreciated by the straight line method according to its estimated useful life, from the date when the same is found available to be used for the intended use and stops when the assets are disposed or become classified as non-current assets held for sale. Depreciation is calculated in accordance with the following estimated useful lives:

	Service life in years
Buildings and other constructions	10
Transportation equipment:	4 - 5
Administrative equipment	3 - 10

The gains or losses arising from the sale or write-off of fixed tangible assets are determined as the difference between the sale price and the net book value on the date of alienation/write-off, being recorded at the net value in the income statement under the headings "Other income" or "Other expenses".

c) Intangible Assets

Intangible assets comprise essentially contractual rights over computer programs, and are recorded at acquisition cost less accumulated depreciation and impairment losses. The intangible assets are only recognised if it is probable for future economic benefits for the company to result from them, they are controllable by the company and the respective value may be accurately measured.

The internal expenses associated with maintenance and the development of *software* are recorded as expenses in the income statement when incurred, except when these expenses are directly associated with projects that are likely to generate future economic benefits for the company. In these situations, these expenses are capitalised as intangible assets.

Amortisations are calculated, from the date when they become available to be used for their intended use, by the straight line method according to the utility period expected by the company for the assets in cause. Amortisation is calculated in accordance with the following estimated useful lives:

	Service life in years
Software	3 - 6

d) Accrual basis

Income and expenditure are recorded on an accrual basis of accounting, through which they are recognized as they are generated.

Income and expenditure whose actual value is unknown are estimated based on the best information available on the date of preparation of the financial statements.

Differences between the amounts received and paid and the corresponding income and costs are recorded under "Other credits receivable" and "Deferrals" in the assets and under "Other debts payable" and "Deferrals" in the liabilities.

c) Costs of loans obtained

Loan costs are recognised in the income statement for the period to which they refer, except to the extent that the financial costs of the loans received directly related to the acquisition, construction and production of assets that take a substantial period of time to become ready for their intended use are capitalised as part of the costs of the assets. The capitalisation of these costs begins after the beginning of the preparation of construction activities or development of the asset and is interrupted after the beginning of use or end of production or construction of the asset or when the project concerned is suspended. Any financial gain arising from loans obtained in advance and which may be allocated to a specific investment is deducted from financial costs eligible for capitalisation.

f) Revenue

Revenue associated with the provision of services is recognized with reference to the stage of completion of the transaction on the balance sheet date, when the outcome of a transaction can be estimated reliably. The outcome of a transaction can be reliably estimated when all of the following conditions are met:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will go to the Company;

- The stage of completion of the transaction at the balance sheet date can be reliably measured; and,
- The costs incurred with the transaction and the costs to complete the transaction can be measured reliably.

Interest revenue is recognized using the effective interest method, when it is probable that future economic benefits will flow to the Company and the related amount can be reliably valued and measured.

g) Balances and transactions expressed in foreign currencies

The transactions in foreign currency (currency different than the functional currency of the Company) are registered at the exchange rates of the transaction dates. On each reporting date, the recorded quantities of the monetary items shown in foreign currency are updated to the exchange rate of that date.

The exchange differences calculated on the date reception or payment of the transactions in foreign currency and those resulting from the updates mentioned above are recorded in financing gains and losses of the period when they are generated.

h) Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party in the contractual relationship.

Cash and bank deposits

The amounts included under the item entitled Cash and bank deposits correspond to the amounts of cash and bank deposits that mature in less than three months and that can be immediately mobilized with insignificant risk of change in value.

Accounts receivable (trade and other receivables)

The accounts receivable are measured, when initially recognised, by the respective fair value and, subsequently, by the respective amortised cost, which usually does not defer from its nominal value. When there is evidence that they are impaired, the corresponding adjustment is recorded in income. The recognised adjustment is measured by the difference between the value by which the accounts receivable are recognised and the actual value of the cash flows discounted from the effective interest rate determined at the initial recognition.

Investments

Investments are recognised on the date when the inherent risks and rewards are transferred substantially. They are initially recorded at their acquisition value, which is the fair value of the price paid, including transaction costs.

Financial liabilities and equity instruments

The financial liabilities and the equity instruments are classified according to the contractual substance independent from the legal form they assume. The equity instruments are contracts that show a residual interest in the company's assets after deduction of the liabilities.

The equity instruments issued by the company are recorded by the net received value of costs supported by its issuance.

Accounts payable (Trade and other payables)

The accounts payable are initially recognised by the respective fair value and, subsequently, by the respective amortised cost, which usually does not defer from its nominal value.

Financing obtained and granted

Loans obtained are initially recorded and recognized as liabilities at the amount received, net of costs of issuing such loans and later measured by the amortized cost method. Financial costs, calculated in accordance with the effective interest rate and including premiums payable, are accounted for in accordance with the accrual basis of accounting, being added to the book value of the loan if they are not settled during the financial year.

Loans granted are initially recorded and recognised as assets at the nominal value paid, net of fees for issuing these loans, and are subsequently measured using the amortised cost method. Financial costs, calculated in accordance with the effective interest rate and including premiums payable, are accounted for in accordance with the accrual basis of accounting.

i) Responsibilities with pensions

The Company offers its employees a reform insurance policy established in the scope of a social policy and incentives for the workers. It is characterised by its optional nature, it is the exclusive decision of the Administration that the contributions are made which are always adequate, taking into consideration performance and economic and financial situation. Therefore, the contributions made are recorded as expenses on the date they are due.

Notwithstanding its optional origin, the availability of the contributions made by the Company are those exclusively foreseen in the applicable tax legislation.

j) Income tax

The Company is subject to the Special Taxation Regime for Groups of Companies (RETGS) provided for in article 69 of the Corporate Income Tax Code, under which it has been the dominant company since 1 January 2021.

The "Income tax for that period" recorded in the income statement shows the sum of the current tax and the deferred tax.

Current tax on income is calculated based on the taxable profits of the company in accordance with the tax rules in force. The taxable profits can defer from the accounting results, as they can exclude diverse expenses and profits that are only deductible or taxable in years to come, as well as expenses and profits that will never be deductible or taxable.

Deferred tax is the result of the temporary differences between the amount of assets and liabilities for the purpose of accounting (book value) and the respective amounts for the purposes of taxation (tax basis), according to the dispositions in NCRF 25 - Income taxes.

Deferred tax assets and liabilities are calculated and assessed annually using the taxation rates which are in force or announced to be in force on the expected date of the reversal of the temporary differences.

Deferred taxes assets are recognised only when there are reasonable expectations of sufficient future taxable profits for their use, or in situations where there are temporary differences for taxation purposes which compensate the deductible temporary differences in the period of their reversal. Deferred tax assets and liabilities are calculated and assessed periodically using the tax rates expected to be in force when the timing differences reverse.

At the end of each period the deferred income tax is reviewed, the amount of the same being adjusted in function with the expectations of future use.

Deferred taxes are recorded as a cost or income for the year, unless they result from values recorded directly under equity, in which case the deferred tax is also recorded under the same heading.

k) Contingent assets and liabilities

Contingent assets are possible assets derived from past events and whose existence will only be confirmed by the occurrence, or not, of one or more uncertain future events, not totally under the control of the entity.

Contingent assets are not recognised in the consolidated financial statements of the entity, but are disclosed when the existence of a future economic benefit is probable.

Contingent liabilities are defined as: (i) possible liabilities arising from past events and whose existence will only be confirmed by the occurrence, or not, of one or more uncertain future events not totally under the control of the entity; or (ii) present liabilities which arise from past events but are not recognised because it is unlikely that an outflow of resources affecting economic benefits will be required to settle the liability or the amount of the liability cannot be measured reliably.

Contingent liabilities are not recognised in the entity's consolidated financial statements, but are disclosed, unless the possibility of an outflow of funds affecting future economic benefits is remote, in which case they are not subject to disclosure.

3.3 VALUE JUDGEMENTS OF THE BOARD OF DIRECTORS

When preparing the financial statements, the Company adopted certain assumptions and estimates which affect the reported assets, liabilities, income and costs. All the estimates and assumptions made by the Board of Directors were based on the best existing knowledge, at the date of the approval of the financial statements, of the events and transactions in progress.

The most significant accounting estimates reflected on the financial statements include: i) useful lives of tangible and intangible fixed assets; ii) impairment analyses, specifically of accounts receivable, financial investments and *goodwill*; iii) accruals and deferrals; and iv) deferred tax assets.

The estimates were determined based on the best information available at the time of the preparation of the financial statements, and based on the best knowledge and experience of past and/or current events. However, situations may occur in subsequent periods that, since they are not being predictable at this time, were not considered in those estimates. The changes to these estimates which may occur after the date of the financial statements will be corrected in the profit and loss account in a prospective way.

4. CASH FLOWS

Cash and bank deposits

On December 31, 2020 and 2019, the cash and bank deposits details were as follows:

	31/12/2020	31/12/2019
Cash	2	-
Bank deposits	51	167
	53	167

The payments received from dividends in the periods ending on December 31, 2020 and 2019, were as follows:

	2020	2019
TDGI, S.A.	-	1,500
	-	1,500

5. RELATED PARTIES

Remuneration of members of corporate bodies and of the Company's senior management

The remunerations attributed to the members of the Company's governing bodies for the periods ended on 31 December 2020 and 2019 were as follows:

	2020	2019
Executive Directors:		
Short-term benefits	918	727
Supervisory Board:		
Short-term benefits	66	66
	984	793

The remunerations attributed to the members of the Company's senior management for the periods ended on 31 December 2020 and 2019 were as follows:

	2020	2019
Senior staff:		
Short-term benefits	-	865

Balances and transactions

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

The main balances for the periods ended 31 December 2020 and 2019 with subsidiaries and other related parties can be broken down as follows:

	Customers (Note 15.1)		Suppliers (Note 15.2)		Financing obtained (Note 15.2)	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Subsidiaries:						
TEIXEIRA DUARTE - E.C., S.A.	5,351	-	68,988	67,268	3,212	-
TEIXEIRA DUARTE - E.C., S.A. (Suc. of Angola)	1,798	1,798	-	-	-	-
TEIXEIRA DUARTE - E.C., S.A. (E.E. of Algeria)	162	162	-	-	-	-
TEIXEIRA DUARTE - E.C., S.A. (Suc. of Brazil)	-	20	-	-	-	-
TEIXEIRA DUARTE - E.C., S.A. (Suc. of Venezuela)	15	16	-	-	-	-
TDGPIL, S.A.	55	61	85	84	25,534	22,679
TDGI, S.A.	76	160	-	-	-	-
	7,457	2,217	69,073	67,352	28,746	22,679
Other related parties:						
ALVALADE, Lda.	335	323	-	-	-	-
AUTO COMPETIÇÃO, Lda.	126	126	-	-	-	-
CND, Lda.	961	986	-	-	-	-
COMERCIO DE AUTOMÓVEIS, Lda.	151	151	-	-	-	-
EDUCARE, Lda.	69	86	-	-	-	-
EMPA, S.A.	127	127	-	-	-	-
GO CORP, S.A.	-	-	-	23	-	-
HOTEL BAÍA, Lda.	276	276	-	-	-	-
HOTEL TRÓPICO, S.A.	63	104	-	-	-	-
IMOPEDROUÇOS, S.A.	-	90	-	-	-	-
LAGOAS HOTEL, S.A.	-	-	2	2	-	-
OCC, Lda.	95	175	-	-	-	-
SOMAFEL, S.A.	5	5	-	-	-	-
TDA, Lda.	1,059	972	-	-	-	-
TDGI, Lda.	186	165	-	-	-	-
TDO, Lda.	6	-	-	-	-	-
TEIXEIRA DUARTE (Angola), Lda.	690	671	-	-	-	-
TEIXEIRA DUARTE (Moçambique), Lda.	63	204	-	-	-	-
Other	245	320	-	-	3	-
	4,457	4,781	2	25	3	-
	11,914	6,998	69,075	67,376	28,749	22,679

	Deferrals		Other credits receivable and Other debts payable	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Subsidiaries:				
TEIXEIRA DUARTE - E.C., S.A.	257	257	(420,634)	(404,003)
TEIXEIRA DUARTE - E.C., S.A. (Suc. of Angola)	-	2	-	-
TDGP II, S.A.	-	-	(18,015)	(18,072)
TDGI, S.A.	-	-	3,284	2,633
	257	259	(435,365)	(419,442)
Other related parties:				
BONAPARTE, S.A.	-	-	567	658
C+PA, S.A.	-	-	1,358	858
CND, Lda.	-	-	135	-
EPOS, S.A.	-	-	2,343	1,598
ESTA, S.A.	-	-	257	435
GO CORP, S.A.	-	-	1,784	1,519
IMOPEDROUÇOS, S.A.	-	-	2,263	2,238
IMOTD, S.A.	-	-	389	379
LAGOAS HOTEL, S.A.	-	-	2,209	2,614
QUINTA DE CRAVEL, S.A.	-	-	248	252
SINERAMA, S.A.	-	-	254	252
SMOTORS, S.A.	-	-	(72)	(277)
TDA, Lda.	-	-	53	-
TDD, S.A.	-	-	1,866	2,085
TDGI, Lda.	-	-	23	-
TDO, Lda.	-	-	6,082	2,146
TDVIA, S.A.	-	-	(1,546)	(1,153)
TDHC, S.A.	-	-	(278)	(237)
TEDAL, S.A.	-	-	705	404
TRANSBRITAL, S.A.	-	-	997	1,019
Other	-	-	489	37
	-	-	20,126	14,827
	257	259	(415,239)	(404,615)

The main transactions with subsidiaries and other related parties during the periods ended 31 December 2020 and 2019 were as follows:

	Services rendered		Interests and similar income obtained		Other income	
	2020	2019	2020	2019	2020	2019
Subsidiaries:						
TEIXEIRA DUARTE - E.C., S.A.	3,713	7,585	16	1,521	104	1,912
TEIXEIRA DUARTE - E.C., S.A. (Suc. of Angola)	-	1	-	-	-	-
TEIXEIRA DUARTE - E.C., S.A. (Suc. of Brazil)	-	1	-	-	-	-
TEIXEIRA DUARTE - E.C., S.A. (Suc. of Venezuela)	(1)	-	-	-	-	-
TDGP II, S.A.	21	140	-	-	-	-
TDGI, S.A.	61	220	-	-	48	148
	3,794	7,947	16	1,521	152	2,060
Other related parties:						
ALVALADE, Lda.	12	24	-	-	-	-
AUTO COMPETIÇÃO, Lda.	-	(16)	-	-	-	-
CND, Lda.	317	(11)	-	-	-	-
EDUCARE, Lda.	-	29	-	-	-	-
EMPA, S.A.	-	10	-	-	-	-
EPOS, S.A.	-	66	-	-	-	-
ESTA, S.A.	(41)	74	-	-	23	123
HOTEL BAÍA, Lda.	-	(9)	-	-	-	-
IMOPEDROUÇOS, S.A.	-	74	-	-	-	-
LAGOAS HOTEL, S.A.	10	1	-	-	-	-
RECOLTE, S.A.	-	1	-	-	-	-
SMOTORS, S.A.	3	2	-	-	-	-
SOMAFEL, S.A.	-	54	-	-	-	-
TDA, Lda.	124	32	-	-	-	-
TDD, S.A.	-	123	-	-	-	-
TDGI, Lda.	54	20	-	-	-	-
TDGI - Manutenção, A.C.E.	-	1	-	-	-	-
TDO, Lda.	-	1	12	-	-	-
TDSP - Alta Vista IV, Lda.	-	(31)	-	-	-	-
TDSP - Gualaxos, Lda.	-	(12)	-	-	-	-
TEIXEIRA DUARTE (Angola), Lda.	19	(37)	-	-	-	-
TEIXEIRA DUARTE (Moçambique), Lda.	-	(52)	-	-	-	-
VAUCO, LDA	-	(27)	-	-	-	-
Other	-	(46)	-	-	-	-
	498	271	12	-	23	123
	4,292	8,218	28	1,521	175	2,183

	External supplies and services		Interests and similar expenses borne	
	2020	2019	2020	2019
Subsidiaries:				
TEIXEIRA DUARTE - E.C., S.A.	472	878	15,912	17,820
TEIXEIRA DUARTE - E.C., S.A. (Suc. of Angola)	2	(2)	-	-
TDGPIL, S.A.	-	-	1,053	733
TDGI, S.A.	-	35	-	-
	474	911	16,965	18,553
Other related parties:				
GO CORP, S.A.	2	4	-	-
LAGOAS HOTEL, S.A.	25	27	-	-
SOMAFEL, S.A.	-	(14)	-	-
TDGI - Manutenção, A.C.E.	-	2	-	-
TDO - SGPS, S.A.	-	-	-	9
	27	19	-	9
	501	930	16,965	18,562

6. INTANGIBLE ASSETS

During the period ended on 31 December 2020, the movements that occurred in the intangible assets, as well as in the respective accumulated amortizations, were as follows:

	Opening balance	Additions	Transfers and write-offs	Sales	Closing balance
Gross asset:					
Software	266	-	(39)	(227)	-
	266	-	(39)	(227)	-
Amortisations depreciations					
Software	139	9	(38)	(110)	-
	139	9	(38)	(110)	-
Net value of intangible assets	127				-

During the period ended on 31 December 2019, the movements that occurred in the intangible Assets, as well as in the respective accumulated amortizations, were as follows:

	Opening balance	Additions	Transfers and write-offs	Closing balance
Gross asset:				
Software	171	33	62	266
Intangible assets underway	62	-	(62)	-
	233	33	-	266
Amortisations depreciations				
Software	99	40	-	139
	99	40	-	139
Net value of intangible assets	134			127

7. FIXED TANGIBLE ASSETS

During the period ended on 31 December 2020, the movements that occurred in the fixed tangible Assets, as well as in the respective accumulated depreciations, were as follows:

	Initial balance	Additions	Transfers and write-offs	Sales	Closing balance
Gross asset:					
Buildings and other constructions	612	-	-	(612)	-
Transport equipment	11	-	-	(11)	-
Administrative equipment	434	-	(14)	(420)	-
	1,057	-	(14)	(1,043)	-
Accumulated depreciations:					
Buildings and other constructions	146	51	-	(197)	-
Transport equipment	11	-	-	(11)	-
Administrative equipment	312	20	(14)	(318)	-
	469	71	(14)	(526)	-
Net value of tangible fixed assets	588				-

During the period ended on 31 December 2019, the movements that occurred in the fixed tangible Assets, as well as in the respective accumulated depreciations, were as follows:

	Initial balance	Additions	Sales	Closing balance
Gross asset:				
Buildings and other constructions	612	-	-	612
Transportation equipment:	11	-	-	11
Administrative equipment	426	10	(2)	434
	1,049	10	(2)	1,057
Accumulated depreciations:				
Buildings and other constructions	85	61	-	146
Transportation equipment:	6	5	-	11
Administrative equipment	213	100	(1)	312
	304	166	(1)	469
Net value of tangible fixed assets	745			588

8. GOODWILL

The amounts relating to *Goodwill* at 31 December 2020 and 2019, were:

	31/12/2020		
	Gross quantities	Amortizations depreciations	Net quantities
Investments in subsidiaries - TDGI, S.A. (Note 9)	32,504	(16,251)	16,253

	31/12/2019		
	Gross quantities	Amortizations depreciations	Net quantities
Investments in subsidiaries - TDGI, S.A. (Note 9)	32,504	(13,001)	19,503

In the period ending 31 December 2019, based on the business plan of the subsidiary TDGI, S.A., management did not identify any signs of impairment.

9. SHARES - EQUITY METHOD

On December 31, 2020 and 2019, the Company had recorded the following different investment amounts under the item "Financial stakes - Equity method:

	31/12/2020	31/12/2019
	Net quantities	Net quantities
Investments in subsidiaries	980,588	1,085,154

Subsidiary companies

As of 31 December 2020, the Company held stakes in the following subsidiary companies:

Corporate name	Head Office	Percentage of effective participation
TEIXEIRA DUARTE - Engenharia e Construções, S.A.	Edifício 2, Lagoas Park, Oeiras	100.00%
TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.	Edifício 2, Lagoas Park, Oeiras	100.00%
TDGI - Tecnologia de Gestão de Imóveis, S.A.	Edifício 2, Lagoas Park, Oeiras	100.00%

The main financial information, adjusted for the application of the equity method related to subsidiaries as of December 31, 2020 and 2019, is as follows:

	Assets		Liabilities		Income		Net result	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	2020	2019	2020	2019
TEIXEIRA DUARTE - E.C., S.A.	1,268,070	1,381,875	897,492	955,910	359,111	514,902	(9,179)	8,924
TDGPIL, S.A.	842,252	873,235	241,655	221,788	60,429	70,961	15,353	21,780
TDGI, S.A.	24,885	26,938	15,472	19,196	40,540	47,146	2,104	4,314
	2,135,207	2,282,048	1,154,619	1,196,894	460,080	633,009	8,278	35,018

On January 1, 2018, the Teixeira Duarte Group considered the companies in Angola and Venezuela as forming part of hyperinflationary economies, in compliance with the application of IAS 29, with significant impacts on the equity of the companies, and which were translated into the Business through its subsidiaries. However, on 1 January 2019, the Angolan economy was no longer considered as a hyperinflationary economy, for which reason IAS 29 ceased to apply to companies domiciled in that geographical region. Also on 31 December 2018, the Teixeira Duarte Group changed the measurement model of a group of "homogeneous class" assets from the cost model to the revaluation model, applied again in the 2020 period, which resulted in an increase in the equity of the companies holding these assets.

Therefore, the financial statements of the companies for the purpose of applying the equity method, as of 31 December 2020 and 2019, include the set of impacts mentioned above, with a very significant effect on the Company's equity.

The following movements occurred in the holdings in the subsidiaries during the period ended on 31 December 2020 and 2019:

	Equity stakes	Goodwill	Total
Balance on January 1st, 2019	1,131,984	22,753	1,154,737
Amortisation	-	(3,250)	(3,250)
Effects of the application of equity method:			
- Effect on the result of the period	35,018	-	35,018
- Effect on equity	(80,348)	-	(80,348)
- Received dividends	(1,500)	-	(1,500)
Balance on December 31, 2019	1,085,154	19,503	1,104,657
Balance on January 1st, 2020	1,085,154	19,503	1,104,657
Amortisation	-	(3,250)	(3,250)
Effects of the application of equity method:			
- Effect on the result of the period	8,278	-	8,278
- Effect on equity	(112,844)	-	(112,844)
Balance on 31 December 2020	980,588	16,253	996,841

The detail of investments in subsidiaries in the periods ended 31 December 2020 and 2019 is as follows:

	Equity stakes	
	31/12/2020	31/12/2019
TEIXEIRA DUARTE - E.C., S.A.	370,578	425,965
TDGPIL, S.A.	600,597	651,447
TDGI, S.A.	9,413	7,742
	980,588	1,085,154

Effects of the application of the equity method in the periods ending on 31 December 2020 and 2019, are detailed as follows:

	Gains/Losses		Equity adjustments		Dividends	
	2020	2019	31/12/2020	31/12/2019	2020	2019
TEIXEIRA DUARTE - E.C., S.A.	(9,179)	8,924	(46,208)	(71,272)	-	-
TDGPIL, S.A.	15,353	21,780	(66,203)	(9,085)	-	-
TDGI, S.A.	2,104	4,314	(433)	9	-	(1,500)
	8,278	35,018	(112,844)	(80,348)	-	(1,500)

10. GAINS / LOSSES ATTRIBUTED TO SUBSIDIARIES

During the periods ending 31 December 2020 and 2019, the company presented the following changes in investments in financial stakes in subsidiaries:

	2020	2019
Gains:		
Application of equity method	17,457	35,018
Other	754	-
	18,211	35,018
Losses:		
Application of equity method	(9,179)	-
	(9,179)	-
	9,032	35,018

11. REVENUE

In the periods ending on 31 December 2020 and 2019, the revenue recognised by the company had the following decomposition:

	2020	2019
Services rendered	4,303	8,230
Interest (Note 17)	28	1,521
	4,331	9,751

In the periods ending on 31 December 2020 and 2019, the Company's turnover was geographically distributed as follows:

	Services rendered	
	2020	2019
Angola	527	(25)
Brazil	-	(51)
Spain	-	1
Mozambique	-	(52)
Portugal	3,777	8,357
Venezuela	(1)	-
	4,303	8,230

12. CONTINGENT LIABILITIES

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

(a) Application of article 51 of the corporation tax (IRC) code

	Corrected tax	Canceled Tax
2013	811	811
2014	1,097	1,097
2015	559	559
2016	653	653
2017	663	-
	3,783	3,120

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 Sur-tax, calculated under the scope of application of the RETGS, and were contested in court by the Company, in its capacity as parent company.

Following delivery of these legal actions, the Company was notified of a change in understanding by AT and, in mid 2020, new settlement statements were issued disregarding this correction.

Despite this change in AT's position, at the end of 2020 the Company was notified of the Report of Conclusions of the inspection performed on the Corporation Tax (IRC) calculation within the scope of the RETGS for the 2017 financial year, in which AT once again made this correction, amounting to 663 thousand euros.

The Company, as the parent company, will challenge this correction in court.

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

During the 2018 period, the Company was notified of the Report on Conclusions on the inspection carried out by the AT on corporate income tax payable by the RETGS for the 2015 period, 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 periods under the scope of article 67 of the Corporation Tax Code, was challenged by the Company in its capacity as parent company.

13. EFFECTS FROM EXCHANGE RATE CHANGES

The exchange rates used to convert the assets and liabilities expressed in foreign currency to Euros at December 31, 2020 and 2019, were as follows:

	Closing exchange rate		
	31/12/2020	31/12/2019	Variation
American Dollars (USD)	1.1452	1.1234	1.94%

14. INCOME TAX

The Company is the parent company of a group of companies taxed under the Special Taxation Regime for Company Groups (RETGS), which covers all companies in which it directly or indirectly holds at least 75% of the respective share capital, provided that the stake in question gives it more than 50% of voting rights and, at the same time, its head offices and effective

management are in Portugal and it is taxed under the general Corporation Income Tax regime ("IRC").

The Company is subject to Taxation on the Income of Legal Persons (IRC) at 21% on the collectable material. In the event of taxable profit, it is also subject to the Municipal Sur-tax, the rate of which can vary up to a maximum of 1.5%, as well as the State Sur-tax, levied on the part of taxable profit exceeding the amount of 1,500, 7,500 and 35,000 thousand euros, at the rates of 3%, 5% and 9% respectively. It is 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.

Pursuant to the terms of the IRC (Corporation Tax) Code, tax losses are reportable for a period of 5 (five) years for those that occurred during the tax period of 2018 onwards, and may be deducted from the taxable gains subsequently earned. This deduction is limited to 70% of the taxable gains earned during the tax period in which it is made.

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 Board of Directors believes that any corrections resulting from tax reviews/inspections of these statements will have no significant effect on the financial statements reported at 31 December 2020.

The item relating to "Income Tax for the Period" represents the sum of current tax and deferred tax, the latter being the recognition of temporary differences between accounting and tax results, as provided for in NCRF 25 - Income Taxes.

Current tax on income is calculated based on the taxable revenue earned by the Company, in accordance with the tax rules in force.

Deferred tax assets and liabilities are calculated and assessed annually using the taxation rates which are in force or announced to be in force on the expected date of the reversal of the temporary differences.

Deferred taxes assets are recognised only when there are reasonable expectations of sufficient future taxable profits for their use, or in situations where there are temporary differences for taxation purposes which compensate the deductible temporary differences in the period of their reversal. Deferred tax assets and liabilities are calculated and assessed periodically using the tax rates expected to be in force when the timing differences reverse.

Deferred taxes are recorded as expense or income for the period, unless they related to temporary differences posted under equity, in which case the deferred tax is recorded under the same heading.

At the end of each period, deferred taxes are reviewed and reduced whenever their future use is no longer likely.

The relationship, in Portugal, between the book expense and profit in the periods ended on 31 December 2020 and 2019, is as follows:

	2020	2019
Net result for that period	(17,904)	7,879
Adjustments for taxable profit:		
Definite differences:		
To add	38,053	30,019
To deduct	(20,693)	(39,241)
Tax loss	(544)	(1,343)
Collectable Material	-	-
Deferred tax	2,211	2,723
Income tax expense	2,211	2,723

The movements occurred in the assets and liabilities by deferred taxes in the periods ending on December 31, 2020 and 2019, were as follows:

	31/12/2020			
	Opening balance	Constitution	Adjustment	Final balance
Assets by deferred taxes:				
Reportable tax losses	7,984	609	(3,257)	5,336
Double international taxation	39	-	-	39
Financing net expenses	-	1,602	(1,602)	-
	8,023	2,211	(4,859)	5,375

	31/12/2019			
	Opening balance	Constitution	Adjustment	Final balance
Assets by deferred taxes:				
Reportable tax losses	8,369	282	(667)	7,984
Double international taxation	18	-	21	39
Financing net expenses	-	2,441	(2,441)	-
	8,387	2,723	(3,087)	8,023

Verified incorporations were recognized as a gain or income for the period under the heading "Income tax for the period".

The adjustment recorded in the period ended 31 December 2020 and 2019, is related to its use under the RETGS (Note 3.2 j)).

15. FINANCIAL INSTRUMENTS

The current financial assets and liabilities for the periods ended on 31 December 2020 and 2019 were broken down as follows:

15.1 FINANCIAL ASSETS

Customers

On 31 December 2020 and 2019, the "Customers" items had the following breakdown:

	31/12/2020		
	Non-group	Group	Total
Current account customers (Note 5)	28	11,914	11,942

	31/12/2019		
	Non-group	Group	Total
Current account customers (Note 5)	74	6,998	7,072

Other credits receivable

On 31 December 2020 and 2019, the "Other accounts receivable" item had the following breakdown:

	31/12/2020	31/12/2019
	Chain	Chain
Debtors by accrued income	2,868	7,910
Other debtors:		
Advance payments to suppliers	354	354
Shareholders/partners	3,565	-
Staff	1	-
RETGS	20,874	18,424
Related parties	999	-
Other	32	4,466
	25,825	23,244
	28,693	31,154

At 31 December 2020 and 2019, the item “Accrued income debtors” essentially relates to services rendered and not invoiced.

Other Assets

On 31 December 2020 and 2019 the remaining current assets had the following breakdown:

	31/12/2020	31/12/2019
Government and other public entities:		
Income tax	4,499	5,493
Added value tax	107	-
	4,606	5,493
Deferrals:		
Expenses to be recognized	790	891

Other financial investments

On 31 December 2020 and 2019 the heading “Other financial investments” net of impairment” had the following breakdown:

	31/12/2020	31/12/2019
Employment Compensation Fund	-	13

15.2 FINANCIAL LIABILITIES

Suppliers

On 31 December 2020 and 2019, the “Suppliers” item had the following breakdown:

	31/12/2020		
	Non-group	Group	Total
Current account suppliers (Note 5)	620	69,075	69,695

	31/12/2019		
	Non-group	Group	Total
Current account suppliers (Note 5)	804	67,376	68,180

Other debts payable

On 31 December 2020 and 2019 the heading “Other debts payable” is broken down as follows:

	31/12/2020		31/12/2019	
	Chain	Non-current	Chain	Non-current
Creditors for accrued expenses	17,050	-	2,517	-
Other Creditors:				
Staff	707	40	983	40
RETGS	36,931	-	39,596	-
Related parties	215,322	174,246	172,822	216,746
Other	73	-	331	-
	253,033	174,286	213,732	216,786
	270,083	174,286	216,249	216,786

On 31 December 2020 the item “Accrued expenses creditors” essentially concerns interest to be billed by group companies.

Other liabilities

At 31 December 2020 and 2019, the remaining liabilities had the following breakdown:

	31/12/2020	31/12/2019
Government and other public entities:		
Income tax	6,583	6,426
Retention of income tax	35	28
Added value tax	-	103
Contributions for Social Security	26	28
Other taxes	-	5
	6,644	6,590
Deferrals:		
Income to be recognised	-	1

Obtained financing

On 31 December 2020 and 2019, the item entitled “Current and non-current loans obtained” had the following breakdown:

		31/12/2020			31/12/2019		
		Current	Non-current	Total	Current	Non-current	Total
Bank loans	a)	18,438	220,709	239,147	26,841	208,861	235,702
Bank overdrafts	a)	49	-	49	-	1,603	1,603
Securities market - Other financing	b)	-	8,850	8,850	-	8,850	8,850
Supplies and other mutuals	(Note 5)	3	-	3	-	-	-
Subsidiary companies	(Note 5)	28,746	-	28,746	22,679	-	22,679
		47,236	229,559	276,795	49,520	219,314	268,834

The Company has adhered to the statutory moratorium on principal and interest for all outstanding credit operations under the COVID-19 pandemic statutory credit protection regime.

During the period ended on 31 December 2020, the following movements occurred in “financing obtained”:

		31/12/2020			
		Opening balance	Increase	Decrease	Interest on arrears
Bank loans (a)		235,702	-	(3,592)	7,037
Bank overdrafts (a)		1,603	-	(1,554)	-
Securities market - Other financing (b)		8,850	115,050	(115,050)	-
Supplies and other mutuals		-	3	-	-
Subsidiary companies		22,679	23,917	(17,850)	-
		268,834	138,970	(138,046)	7,037

During the period ended on 31 December 2019, the following movements occurred in “financing obtained”:

		31/12/2019 "Restated"			
		Opening balance	Increase	Decrease	Closing balance
Bank loans		242,804	-	(7,102)	235,702
Bank overdrafts		3,871	1,603	(3,871)	1,603
Securities market - Other financing		8,850	115,050	(115,050)	8,850
Subsidiary companies		10,962	34,149	(22,432)	22,679
		266,487	150,802	(148,455)	268,834

On 31 December 2020 the heading “Obtained financing” contains the different contracted operations along with various financial institutions and related parties, bearing interest at normal market rates.

(a) Bank loans

On 31 December 2020, the bank loans bank related to the overdrafts and the secured accounts bore interest at normal market rates.

The bank loans contracted by the Company essentially correspond to:

Bank	Type of Financing	Date date	Maturity date	Financing	Currency	Total amount financed (€)	Limit used by the Company (€)	Limit used by rest of the Group (€)
Banco Comercial Português, S.A.	Bank Loans	27 November 2017	30 December 2033	Group	Euros	31,705	32	31,673
Banco Comercial Português, S.A.	Bank Loans	30 January 2018	30 November 2021	Group	Euros	13,072	47	13,025
Banco Comercial Português, S.A.	Bank Loans	5 January 2009	17 June 2035	Group	Euros	145,604	145,604	-
Banco Comercial Português, S.A.	Bank Loans	12 August 2016	30 December 2033	Group	Euros	9,166	-	9,166
Banco Comercial Português, S.A.	Escrow account	June 7th, 2014	31 December 2033	Group	Euros	12,143	-	12,143
Caixa Geral de Depósitos, S.A.	Bank Loans	30 September 2014	15 December 2033	Group	Euros	85,697	70,008	15,689
Caixa Geral de Depósitos, S.A.	Bank Loans	12 August 2016	30 December 2033	Group	Euros	6,523	-	6,523
Banco Santander, S.A.	Escrow account	31 October 2012	30 December 2033	Single	Euros	6,006	6,006	-
Banco BIC, S.A.	Bank Loans	2 July 2020	2 July 2025	Group	Euros	5,123	-	5,123
Banco BIC, S.A.	Escrow account	6 August 2015	31 December 2033	Group	Euros	22,450	17,450	-
Banco Português de Investimento, S.A.	Bank Loans	July 5th, 2016	5 May 2023	Group	Euros	6,213	-	6,213
Novo Banco, S.A.	Bank Loans	12 August 2016	30 December 2033	Group	Euros	8,800	-	8,800
Novo Banco, S.A.	Bank overdrafts	1 February 2007	31 December 2033	Group	Euros	18,280	49	5,881
						370,782	239,196	114,236

(b) Commercial paper

On December 31, 2020, the Company has negotiated the following commercial paper programs:

Bank	Type of Financing	Start date	Due date	Financing	Currency	Total amount financed (€)	Limit used by the Company (€)	Limit used by the rest of the group (€)
Novo Banco, S.A.	Commercial Paper	28 December 2015	15 June 2027	Group	Euros	95,000	8,850	85,350
Novo Banco, S.A.	Commercial Paper	30 December 2013	31 December 2033	Group	Euros	182,750	-	182,750
Novo Banco, S.A.	Commercial Paper	14 January 2016	31 December 2033	Group	Euros	16,700	-	16,700
						294,450	8,850	284,800

The Obtained financing above is refundable according to the following terms of redemption:

	31/12/2020	31/12/2019
Less than a year	47,236	49,520
1 to 2 years	8,533	10,217
2 to 3 years	13,416	11,437
3 to 4 years	15,735	16,292
4 to 5 years	21,354	20,769
Over 5 years	170,521	160,599
	276,795	268,834

To guarantee the financing obtained as described above, mortgages were constituted and several pledges were made (Note 16).

16. GUARANTEES AND COMMITMENTS

Guarantees

On 31 December 2020 and 2019, the Company had granted bank guarantees to third parties, as follows:

	31/12/2020	31/12/2019
Bank guarantees	719	5,033

The guarantees were provided for the purposes of suspending tax enforcement proceedings brought against the Company relating to corporate income tax debts assessed under the RETGS for the 2015 and 2016 periods, in the form of bank guarantees. As a result of the deferral obtained by the Company, some of the bank guarantees provided were reduced and, in some cases, canceled. The details of those that are still active, with reference to 31 December 2020, can be found below:

Correction period	Amount of the bank guarantee
2015	125
2016	594
	719

The following liens and mortgages were also provided, in addition to the aforementioned guarantees:

Bank	Type of Financing	Start date	Due date	Amount	Collateral
Banco BIC, S.A.	Escrow account	6 August 2015	31 December 2033	22,450	BG from BIC AO (€23M) to BIC PT; Mortgage on Building 2554 (TD Angola, Lda) Shopping Complex and Automotive Center Workshops - Talatona
Banco Comercial Português, S.A.	Bank Loans	27 November 2017	31 December 2033	31,705	Pledge on all shares: Shares Automóvel Angola + Soc. Distribution Angola + TDSP Brazil + TD Angola Lda ; Angola Hotels Mortgage: Alvalade and Baía and Mozambique hotels: Avenida and Tivoli Beira
Banco Comercial Português, S.A.	Bank Loans	30 January 2018	30 November 2021	13,072	Pledge on all shares: Shares Automóvel Angola + Soc. Distribution Angola + TDSP Brazil + TD Angola Lda ; Angola Hotels Mortgage: Alvalade and Baía and Mozambique hotels: Avenida and Tivoli Beira
Banco Comercial Português, S.A.	Bank Loans	5 January 2009	17 June 2035	145,604	Pledge on all shares: Shares Automóvel Angola + Soc. Distribution Angola + TDSP Brazil + TD Angola Lda ; Angola Hotels Mortgage: Alvalade and Baía and Mozambique hotels: Avenida and Tivoli Beira
Banco Comercial Português, S.A.	Escrow account	June 7th, 2014	31 December 2033	12,143	Pledge on all shares: Shares Automóvel Angola + Soc. Distribution Angola + TDSP Brazil + TD Angola Lda ; Angola Hotels Mortgage: Alvalade and Baía and Mozambique hotels: Avenida and Tivoli Beira
Banco Comercial Português, S.A.	Bank Loans	12 August 2016	30 December 2033	9,166	Pledge on all shares: Shares Automóvel Angola + Soc. Distribution Angola + TDSP Brazil + TD Angola Lda Angola Hotels Mortgage: Alvalade and Baía Mortgage on Mozambique Hotels: Avenida and Tivoli Beira; Mortgage: Lot 26 of the Magnolia Development (TDGPil) + Land designated as Troviscais (Transbrital) + Lezíria Park II (TDVIA) + Vila Rio, 50 plots of land (TDVIA) + Land designated as Jardins da Póvoa and Parque Logístico da Póvoa (TDVIA)

Bank	Type of Financing	Start date	Due date	Amount	Collateral
Caixa Geral de Depósitos, S.A.	Bank Loans	30 September 2014	15 December 2033	85,697	Pledge on all shares: Shares Automóvel Angola + Soc. Distribution Angola + TDSP Brazil + TD Angola Lda ; Angola Hotels Mortgage: Alvalade and Baía and Mozambique hotels: Avenida and Tivoli Beira
Caixa Geral de Depósitos, S.A.	Bank Loans	12 August 2016	30 December 2033	6,523	Pledge on all shares: Shares Automóvel Angola + Soc. Distribution Angola + TDSP Brazil + TD Angola Lda Angola Hotels Mortgage: Alvalade and Baía Mortgage on Mozambique Hotels: Avenida and Tivoli Beira; Mortgage: Lot 26 of the Magnolia Development (TDGPIL) + Land designated as Troviscais (Transbrital) + Lezíria Park II (TDVIA) + Vila Rio, 50 plots of land (TDVIA) + Land designated as Jardins da Póvoa and Parque Logístico da Póvoa (TDVIA)
Novo Banco, S.A.	Bank overdrafts	1 February 2007	31 December 2033	18,280	Pledge on all shares: Shares Automóvel Angola + Soc. Distribution Angola + TDSP Brazil + TD Angola Lda ; Angola Hotels Mortgage: Alvalade and Baía and Mozambique hotels: Avenida and Tivoli Beira
Novo Banco, S.A.	Bank Loans	12 August 2016	30 December 2033	8,800	Pledge on all shares: Shares Automóvel Angola + Soc. Distribution Angola + TDSP Brazil + TD Angola Lda Angola Hotels Mortgage: Alvalade and Baía Mortgage on Mozambique Hotels: Avenida and Tivoli Beira; Mortgage: Lot 26 of the Magnolia Development (TDGPIL) + Land designated as Troviscais (Transbrital) + Lezíria Park II (TDVIA) + Vila Rio, 50 plots of land (TDVIA) + Land designated as Jardins da Póvoa and Parque Logístico da Póvoa (TDVIA)
Novo Banco, S.A.	Commercial Paper	30 December 2013	31 December 2033	182,750	Pledge on all shares: Shares Automóvel Angola + Soc. Distribution Angola + TDSP Brazil + TD Angola Lda ; Angola Hotels Mortgage: Alvalade and Baía and Mozambique hotels: Avenida and Tivoli Beira + Pledge 12,500,000 EPOS Shares and 200,000,000 C+PA Shares (TEDAL) + Pledge 1,325,000 Participation Units TDF (TDGPIL) + Mortgage on Operations Center TD Montijo (TDGPIL) + Mortgage 9 Lots Mafamude (Quinta Cravel) + Mortgage 10 Lots Santa Marinha Design District venture - Santa Marinha (V8)
Novo Banco, S.A.	Commercial Paper	14 January 2016	31 December 2033	16,700	Pledge on all shares: Shares Automóvel Angola + Soc. Distribution Angola + TDSP Brazil + TD Angola Lda ; Angola Hotels Mortgage: Alvalade and Baía and Mozambique hotels: Avenida and Tivoli Beira + Pledge 1,000,000 TDGI shares (TD SA)
Novo Banco, S.A.	Commercial Paper	28 December 2015	15 June 2027	95,000	Pledge on all shares: Shares Automóvel Angola + Soc. Distribution Angola + TDSP Brazil + TD Angola Lda ; Angola Hotels Mortgage: Alvalade and Baía and Mozambique hotels: Avenida and Tivoli Beira + Pledge of 1,045,610 shares of Recolte Espanha (TEDAL) + Pledge of 50% of the shares of TDE
				647,890	

On 31 December 2020, the Company issued comfort letters in favor of group companies as follows:

	Values in thousand euros
BONAPARTE - Imóveis Comerciais e Participações, S.A.	1,000
BONAPARTE - Imóveis Comerciais e Participações, S.A.	17,000
RECOLTE, Servicios y Medioambiente, S.A.	585
RECOLTE, Servicios y Medioambiente, S.A.	4,500
	23,085

Sureties

At 31 December 2020 and 2019, the Company had posted the following surety:

	31/12/2020	31/12/2019
Surety	10,139	10,139

The surety was issued 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 the 2010 period, for which the Company submitted a surety, amounting to 10,139 thousand euros, which was accepted by the Tax Authority (AT).

17. FINANCIAL RESULTS

In the periods ended on 31 December 2020 and 2019, the financial results were broken down as follows:

	2020	2019
Financial charges:		
Supported interests - Interest from obtained financing	(24,954)	(24,294)
Other supported interests	-	(8)
Other financing expenses:	(314)	(3,250)
	(25,268)	(27,552)
Financial income:		
Interest earned (Note 11)	28	1,521
	28	1,521
	(25,240)	(26,031)

18. EMPLOYEE BENEFITS

During the periods ended 31 December 2020 and 2019, the average number of employees was 9 and 98 people, respectively.

In the periods ended on those dates, personnel expenses had the following breakdown:

	2020	2019
Remuneration of corporate bodies	677	741
Remuneration of staff	54	3,341
Indemnity	433	2,126
Charges on earnings	147	829
Industrial accidents and occupational diseases insurance	25	46
Social Action expenses	10	-
Other staff costs	8	140
	1,354	7,223

19. EXTERNAL SUPPLIES AND SERVICES

In the periods ended on 31 December 2020 and 2019, the supplies and external services heading was broken down as follows:

	2020	2019
Subcontracts	-	1
Specialised Services	3,042	3,684
Materials	6	69
Energy and fluids	1	2
Travel, stays and transport	171	321
Different Services	113	260
	3,333	4,337

20. OTHER INCOME

During the periods ending 31 December 2020 and 2019, other income was as follows:

	2020	2019
Performance of social body responsibilities	70	271
Other supplementary income	-	1,817
Alienation of fixed tangible assets	32	-
Corrections referring to previous periods	8	-
Estimated surplus for tax	240	-
Indemnity	125	-
Interest on arrears	3	-
Other	710	1,165
	1,188	3,253

The value of Other income - Other, includes, in the period ended 31 December 2020, the amount of 615 thousand euros, relating to the Value Added Tax that the Company recovered from the expenses incurred in the sale operation of the subsidiary Lagoas Park, S.A..

21. OTHER EXPENSES

During the periods ending 31 December 2020 and 2019, other expenses were as follows:

	2020	2019
Taxes and rates	3	51
Insufficiency for tax estimate	1,360	126
Other	18	121
	1,381	298

22. FINANCIAL RISKS MANAGEMENT**General principles**

The Company is exposed to a number of financial risks arising from its activities, among which the following deserve special mention:

- Interest rate risks arising from financial liabilities;
- Credit risk, particularly from amounts receivable from customers related to the company's operating activities; and
- Liquidity risk, as regards the maintenance of cash balance stability.

The Company's Financial Department ensures the centralised management of the financing operations, applications of cash surplus, exchange transactions as well as the counterpart risk of the Company.

It is also responsible for the identification, quantification and for the proposal and implementation of measures aimed at the management/mitigation of the financial risks to which the Company is exposed.

Following is a more detailed description of Company's main financial risks and measures implemented to manage them.

(a) Interest rate risk

The objective of the interest rate risk management policy is the minimization of the cost of debt subject to the maintenance of a low level of volatility of financial costs.

As of 31 December 2020 financial liabilities, consist of 41% variable interest rate (39% as of 31 December 2019) and 59% fixed interest rate (61% as of 31 December 2019).

In case the market interest rates were less by 1% during the periods ended on December 31, 2020 and 2019, the income of those periods would have diminished by 2,727 thousand euros and 2,317 thousand euros, respectively. In case the same market interest rates had been greater by 1% during the same periods, the income of those periods would have increased by 2,727 thousand euros and 2,317 thousand euros, respectively. The financial results for the 2019 period are not comparable because a different criterion was adopted for their calculation, which now includes only the interest rate and *spread*.

(b) Credit risk

On 31 December 2020 and 2019, the accounts receivable balances of clients for whom adjustments were not recorded by the Board of Directors, considering that the same are realizable, are the following:

	31/12/2020	31/12/2019
Balances		
Unexpired	5,423	919
Up to 180 days	322	5
From 180 to 360 days	663	1,116
Over 360 days	5,534	5,032
	11,942	7,072

(c) Settlement risk:

This risk can occur if the sources of financing, such as the cash flows from operating activities, divestment, credit lines and from financing operations, do not meet the financing needs, such as the cash outflows for operating activities and financing, investments, remuneration of shareholders and debt repayment.

In order to mitigate this risk, the Company seeks to maintain a

liquidity position and an average maturity of debt that allows it to repay its debt within reasonable periods of time.

The financial liability valid up to a year is, whenever deemed appropriate, substituted by medium and long term maturity.

The maturity of the financial liabilities at 31 December 2020 and 2019 is as follows:

31/12/2020					
	Until 1 year	From 1 to 2 years	From 2 to 3 years	Over 3 years	Total
Suppliers	69,695	-	-	-	69,695
Obtained financing	47,236	8,533	13,416	207,610	276,795
Government and other public entities	6,644	-	-	-	6,644
Other debts payable	270,083	42,540	42,500	89,246	444,369
	393,658	51,073	55,916	296,856	797,503

31/12/2019					
	Until 1 year	From 1 to 2 years	From 2 to 3 years	Over 3 years	Total
Suppliers	68,180	-	-	-	68,180
Obtained financing	49,520	10,217	11,437	197,660	268,834
Government and other public entities	6,590	-	-	-	6,590
Other debts payable	216,249	42,500	42,540	131,746	433,035
	340,539	52,717	53,977	329,406	776,639

23. CAPITAL

Share capital

As at 31 December 2020, the Company's paid-in capital, totally underwritten and paid-up, was composed of 420 000 000 shares with a par value of 0.50 euros each.

As of 31 December 2020 and 2019, the Company's share capital is 210,000 thousand euros.

Legal reserve

Commercial legislation establishes that at least 5% of annual net profit must be appropriated to a legal reserve until the reserve equals at least 20% of capital. This reserve is not distributable, except in the case of the Company's liquidation, but may be used to absorb losses, after all the other reserves have been depleted, or incorporated in the share capital.

At 31 December 2020 and 2019, the Legal Reserve stands at

42,000 thousand euros.

Other reserves

The other reserves are composed only and exclusively by free reserves.

At 31 December 2020 and 2019, Other reserves were €242,551 thousand and €234,672 thousand, respectively.

Application of results

The accounts for the 2019 period were approved by a decision of the General Meeting held on 22 June 2020, and it was decided that the net result, calculated at the amount of €7,878,767.21 (seven million, eight hundred seventy-eight thousand, seven hundred sixty-seven euros and twenty one cents) should be distributed as follows:

	Value
Other reserves	7,878,767.21

As presented in the Management Report, the proposed distribution of results for the period ending 31 December 2020, with a negative amount of 17,904,404.60 euros (seventeen million, nine hundred and four thousand, four hundred and four euros and sixty cents) is as follows:

	Value
Retained income	(17,904,404.60)

24. OTHER INFORMATION

The Board of Directors approved and authorized the issuance of the financial statements for the year 2020 on 13 April 2021.

The Board of Directors discloses that the Company does not have any debts to the State in a situation of late payment.

The Board of Directors reports that the Company's Social Security status is regularised, within the legally stipulated periods.

Additional disclosures

The total fees billed by the official accounts auditor company for the statutory audit of the financial statements were as follows:

	2020	2019
Accounts Auditor Fees	61	61

25. SUBSEQUENT EVENTS AT THE DATE OF THE BALANCE SHEET

Between the closing of the period and the preparation of this report, there were no events that could modify the situation disclosed in the accounts.



Teixeira Duarte

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CONSOLIDATED STATEMENTS OF THE FINANCIAL POSITION AT 31 DECEMBER 2020 AND 2019

	Notes	2020	2019
Non-current assets:			
Goodwill	18	12,203	12,214
Intangible assets	19	56,109	60,267
Fixed tangible assets	20	399,484	479,776
Investment Properties	21	234,235	208,478
Usage right	22	33,434	41,603
Investments in associates and joint-ventures	7 and 23	18,863	22,235
Other financial investments at amortized cost	24	2,569	2,806
Other financial investments at fair value through other comprehensive income	7 and 24	11,638	15,866
Assets for deferred tax	26	145,766	147,993
Customers	27	12,489	16,458
Other debtors	27	10,986	12,694
Total of non-current assets		937,776	1,020,390
Current assets:			
Inventories	9 and 10	171,419	202,111
Customers	27	151,642	236,183
Other debtors	27	31,467	38,517
Other financial investments at fair value through other comprehensive income	7 and 24	10	10
Cash and cash equivalents	29	116,215	135,380
Other current assets	30	156,217	182,528
		626,970	794,729
Assets for sale	25	34,897	34,897
Total of current assets		661,867	829,626
TOTAL OF ASSET	7	1,599,643	1,850,016
Equity:			
Equity	32	210,000	210,000
Adjustments of shareholdings in associates and joint-ventures	23	(209)	(443)
Currency conversion adjustments	45	(608,954)	(444,577)
Reserves and retained income	33	605,197	520,545
Consolidated net result	16	3,558	14,414
Equity attributable to shareholders		209,592	299,939
Non-controlling interests	34	28,673	36,585
EQUITY TOTAL		238,265	336,524
Non-current liabilities:			
Obtained financing	35	697,106	692,004
Provisions	36	41,328	45,053
Lease liabilities	38	29,173	34,594
Liabilities by deferred taxes	26	84,166	111,672
Other Creditors	37	5,367	376
Other non-current liabilities	39	57,091	80,002
Total of non-current liabilities		914,231	963,701
Current liabilities:			
Obtained financing	35	77,285	119,899
Lease liabilities	38	6,157	6,919
Suppliers	37	106,197	148,122
Other Creditors	37	15,970	26,920
Other current liabilities	39	217,977	224,370
		423,586	526,230
Liabilities for sale	25	23,561	23,561
Total of current liabilities		447,147	549,791
TOTAL OF LIABILITY	7	1,361,378	1,513,492
TOTAL OF LIABILITY AND EQUITY		1,599,643	1,850,016

(Values in thousand euros)

The accompanying notes form an integral part of the consolidated statement of the financial position on 31 December 2020.

CONSOLIDATED STATEMENTS OF RESULTS FOR THE PERIODS ENDED 31 DECEMBER 2020 AND 2019

	Notes	2020	2019 "restatement"
Operating income:			
Sales and services rendered	7 and 8	608,366	877,497
Other operating income	8	114,200	164,643
Total operating income	8	722,566	1,042,140
Operating expenses:			
Cost of sales	9	(182,454)	(210,866)
Production changes	10	1,287	1,690
External supplies and services	11	(206,169)	(338,332)
Expenses with staff	12	(167,115)	(239,174)
Depreciation and amortization (expenses) / reversals	7, 19, 20 and 22	(46,312)	(57,713)
Impairment (losses) / reversals of depreciable/amortizable assets and <i>Goodwill</i>	7, 19, 20 and 22	1,221	(1,586)
Impairment (losses)/reversals of accounts receivable	27	(8,128)	1,924
Impairment (losses)/reversals of inventories	9 and 10	7,014	(10,362)
Provisions (increases / reductions)	7 and 36	(2,979)	(286)
Other operational expenses	13	(66,507)	(56,985)
Total operating expenses		(670,142)	(911,690)
Operational income	7	52,424	130,450
Financial Expenses and Losses	7 and 14	(91,026)	(118,692)
Income and Financial Earnings	7 and 14	49,647	30,488
Earnings from investment activities:			
Income related to affiliates and joint-ventures	7 and 14	576	1,407
Other	7 and 14	1,563	309
Financial Results		(39,240)	(86,488)
Earnings before tax	7	13,184	43,962
Income tax	15	(10,233)	(27,292)
Consolidated net result for the period		2,951	16,670
Net results attributable to:			
Shareholders	16	3,558	14,414
Non-controlling interests	34	(607)	2,256
Income by share:			
Basic (euros)	16	0.01	0.03
Diluted (euros)	16	0.01	0.03

(Values in thousand euros)

The accompanying notes form an integral part of the consolidated income statement for the period ended 31 December 2020.

CONSOLIDATED STATEMENTS OF RESULTS AND OTHER COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 DECEMBER 2020 AND 2019

	Notes	2020	2019
Consolidated net result for the period		2,951	16,670
Income and expenses that will not be reclassified for results			
Other equity variations		19,261	(9,750)
Other financial investments at fair value through other comprehensive income, net of taxes	24	(532)	(127)
Revaluation surplus, net of tax	20	55,814	76,234
		74,543	66,357
Income and expenses that could be reclassified for results			
Currency conversion adjustments	45	(175,987)	(150,093)
Adjustments of shareholdings in associates and joint-ventures	23	234	230
		(175,753)	(149,863)
Result known directly in equity		(101,210)	(83,506)
Comprehensive income for the financial year		(98,259)	(66,836)
Comprehensive income attributable to:			
Shareholders		(90,347)	(67,685)
Non-controlling interests		(7,912)	849

(Values in thousand euros)

The accompanying notes form an integral part of the consolidated statement of other comprehensive income for the period ended 31 December 2020.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIODS ENDED 31 DECEMBER 2020 AND 2019

	Notes	Equity	Adjustments of shareholdings in associates and joint-ventures	Effect of currency adjustments	Reserves and retained income					Consolidated net result	Total equity attributable to shareholders	Non-controlling interests	Total
					Legal reserve	Other reserves	Fair value reserve - financial investments	Revaluation reserve - real estate	Retained income				
Balance on January 1st, 2019	32	210,000	(673)	(303,790)	42,000	253,326	598	162,085	(7,049)	11,127	367,624	35,736	403,360
<i>Comprehensive income for the financial year:</i>													
Consolidated net result for the period		-	-	-	-	-	-	-	-	14,414	14,414	2,256	16,670
Variation in currency conversion adjustments	45	-	-	(140,787)	-	-	-	-	-	-	(140,787)	(9,306)	(150,093)
Changes in the fair value of other investments through other comprehensive income, net of taxes	24	-	-	-	-	-	(127)	-	-	-	(127)	-	(127)
Revaluation surplus, net of tax	20	-	-	-	-	-	-	73,675	-	-	73,675	2,559	76,234
Effect of the application of equity method:	23	-	230	-	-	-	-	-	-	-	230	-	230
Purchase of non-controlling interests	34	-	-	-	-	-	-	-	(1,641)	-	(1,641)	1,641	-
Other		-	-	-	-	-	-	(5,963)	(7,486)	-	(13,449)	3,699	(9,750)
<i>Operations with equity owners for that period:</i>													
Appropriation of the consolidated net income for 2018:													
Transfer to other reserves and results carried forward		-	-	-	-	4,672	-	-	6,455	(11,127)	-	-	-
Balance on December 31, 2019		210,000	(443)	(444,577)	42,000	257,998	471	229,797	(9,721)	14,414	299,939	36,585	336,524

	Notes	Equity	Adjustments of shareholdings in associates and joint-ventures	Effect of currency adjustments	Reserves and retained income					Consolidated net result	Total equity attributable to shareholders	Non-controlling interests	Total
					Legal reserve	Other reserves	Fair value reserve - financial investments	Revaluation reserve - real estate	Retained income				
Balance on January 1st, 2020	32	210,000	(443)	(444,577)	42,000	257,998	471	229,797	(9,721)	14,414	299,939	36,585	336,524
<i>Comprehensive income for the financial year:</i>													
Consolidated net result for the period		-	-	-	-	-	-	-	-	3,558	3,558	(607)	2,951
Variation in currency conversion adjustments	45	-	-	(164,377)	-	-	-	-	-	-	(164,377)	(11,610)	(175,987)
Changes in the fair value of other investments through other comprehensive income, net of taxes	24	-	-	-	-	-	(532)	-	-	-	(532)	-	(532)
Revaluation surplus, net of tax	20	-	-	-	-	-	-	53,776	-	-	53,776	2,038	55,814
Effect of the application of equity method:	23	-	234	-	-	-	-	-	-	-	234	-	234
Other		-	-	-	-	-	-	(9,548)	26,542	-	16,994	2,267	19,261
<i>Operations with equity owners for that period:</i>													
Appropriation of the consolidated net income for 2019:													
Transfer to other reserves and results carried forward		-	-	-	-	7,879	-	-	6,535	(14,414)	-	-	-
Balance on 31 December 2020		210,000	(209)	(608,954)	42,000	265,877	(61)	274,025	23,356	3,558	209,592	28,673	238,265

(Values in thousand euros)

The accompanying notes form an integral part of the consolidated statement of changes in equity for the period ended 31 December 2020.

CONSOLIDATED CASH FLOW STATEMENTS FOR THE PERIODS ENDED 31 DECEMBER 2020 AND 2019

	Notes	2020	2019 "restatement"
OPERATIONAL ACTIVITIES			
Receipts from customers		712,372	868,704
Payment to suppliers		(429,995)	(533,399)
Payment to staff		(171,656)	(235,144)
Cash flow generated by operations		110,721	100,161
Payment/receipt of income tax		(10,119)	(12,892)
Other receipts/payments related to the operational activity		(22,030)	(27,099)
Cash flows of operational activities [1]		78,572	60,170
INVESTMENT ACTIVITIES:			
Receipts related to:			
Financial investments	29	-	25,467
Tangible fixed assets and investment properties		27,120	19,637
Intangible assets		1,110	-
Interests and similar gains		6,043	7,291
Dividends	29	2,202	626
		36,475	53,021
Payments related to:			
Financial investments	29	(13)	-
Tangible fixed assets and investment properties		(52,775)	(47,142)
Intangible assets		(3,436)	(2,479)
		(56,224)	(49,621)
Cash flows from investment activities [2]		(19,749)	3,400
FINANCING ACTIVITIES:			
Receipts related to:			
Obtained financing	35	4,036,107	4,247,815
Payments related to:			
Obtained financing	35	(4,074,828)	(4,285,187)
Lease liabilities		(7,120)	(10,171)
Interests and similar costs		(11,645)	(25,924)
		(4,093,593)	(4,321,282)
Cash flows from financing activities [3]		(57,486)	(73,467)
Variation of cash and cash-equivalent items (4)=(1)+(2)+(3)		1,337	(9,897)
Effect of exchange rate differences		(20,502)	(21,660)
Perimeter alteration		-	(5,054)
Cash and cash-equivalent items at the beginning of the period	29	135,380	171,991
Cash and cash-equivalent items at the end of the period	29	116,215	135,380

(Values in thousand euros)

The accompanying notes form an integral part of the cash flow statement for the period ended 31 December 2020.

NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2020

1 - INTRODUCTION NOTE

Teixeira Duarte, S.A. (the "Company" or "TD, S.A.") is headquartered in Porto Salvo, was incorporated on November 30, 2009, with share capital of 210,000,000 euros, represented by 420,000,000 shares with a par value of 0.50 euros (Note 32), and its main activity is the realization and management of investments, and the coordination and supervision of other companies integrated 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. The operations conducted abroad are included in the consolidated financial statements pursuant to the policy described in Notes 2.9 and 2.10.

2 - MAIN ACCOUNTING POLICIES

2.1 - Basis of presentation

The consolidated financial statements were prepared on a going concern basis from the accounting books and records of the companies included in the consolidation (Note 4), adjusted in the consolidation process to be in accordance with the International Financial Reporting Standards as adopted by the European Union, effective for periods beginning on January 1, 2020. With regard to Group companies that use different accounting standards, adjustments were made for conversion to the IFRS.

These standards include the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), the International Accounting Standards ("IAS") issued by the International Accounting Standards Committee ("IASC") and respective interpretations, issued by the IFRS Interpretation Committee ("IFRIC") and Standing Interpretation Committee ("SIC"), respectively, whose adoption has been approved by the European Union. Hereinafter, these standards and interpretations shall be referred to in general as "IFRS".

The financial statements have been prepared according to the historical cost convention, modified by applying fair value to investment property and financial assets at fair value through other comprehensive income. The Group also adopted the revaluation model for certain classes of tangible fixed assets, according to note 20.

Fair value is the amount for which an asset can be exchanged, or a liability settled between knowledgeable and willing parties in an arm's length transaction, regardless of whether that price can be directly observed or estimated using other valuation techniques. When estimating the fair value of an asset or liability, the Group considers the characteristics that market participants would also take into consideration when valuing the asset or liability at the measurement date.

Restatement of the Consolidated Statement of Results for the period ended 31 December 2019

Given the change in the structure of the consolidated statement of results, particularly with regard to its component items, the Group has restated this statement for the period ended 31 December 2019 to ensure proper comparability with the current period. This

restatement is due to the reclassification of the items “operating revenue” and “operating expenses” to the new individual items presented in this statement, namely “Impairment (losses) / reversals of accounts receivable” and “Impairment (losses) / reversals of inventories”. The item “Impairment provisions and losses in depreciable/amortizable assets and *Goodwill*” was also disaggregated into “Provisions (increases/reductions)” and “Impairment (losses) / reversals of depreciable/amortizable assets and *Goodwill*”.

The restatements made can be summarized as follows:

	2019	"Restatement"	2019 "Restated"
Operating income:			
Sales and services rendered	877,497	-	877,497
Other operating income	171,511	(6,868)	164,643
Total operating income	1,049,008	(6,868)	1,042,140
Operating expenses:			
Cost of sales	(210,866)	-	(210,866)
Production changes	1,690	-	1,690
External supplies and services	(338,332)	-	(338,332)
Expenses with staff	(239,174)	-	(239,174)
Depreciation and amortization (expenses) / reversals	(57,713)	-	(57,713)
Impairment (losses) / reversals of depreciable/amortizable assets and <i>Goodwill</i>	(1,586)	-	(1,586)
Impairment (losses)/reversals of accounts receivable	-	1,924	1,924
Impairment (losses)/reversals of inventories	-	(10,362)	(10,362)
Provisions (increases / reductions)	(286)	-	(286)
Other operational expenses	(72,291)	15,306	(56,985)
Total operating expenses	(918,558)	6,868	(911,690)
Operational income	130,450	-	130,450
Financial expenses and losses:	(118,692)	-	(118,692)
Income and Financial Earnings	30,488	-	30,488
Earnings from investment activities:			
Income related to affiliates and joint-ventures	1,407	-	1,407
Other	309	-	309
Financial Results	(86,488)	-	(86,488)
Earnings before tax	43,962	-	43,962
Income tax	(27,292)	-	(27,292)
Consolidated net result for the period	16,670	-	16,670
Net results attributable to:			
Shareholders	14,414	-	14,414
Non-controlling interests	2,256	-	2,256

Restatement of the Consolidated Cash Flow Statement for the period ended 31 December 2019

The Group has also restated the consolidated cash flow statement for the 2019 period to ensure comparability between periods of the items "Revenue from financing obtained" and "Payments relating to finance obtained" of financing activities. This restatement relates to the separate recognition of issues and repayments of commercial paper programs contracted by the Group.

Standards, interpretations, amendments and revisions that came into force in the period

Prior to the date of approval of these financial statements, the European Union endorsed the following mandatory accounting standards, interpretations, amendments and revisions for the period beginning on 1 January 2020:

Standard/Interpretation	Effective date (periods starting on or after)	Contents
Amendments to IAS 1 and IAS 8 - Definition of Materiality	01/jan/20	The amendments consist of (a) replacing the term "can influence" with "can reasonably be expected to influence"; (b) including the concept of "concealment" along with the concepts of "omission" and "misrepresentation" of information in the definition of materiality; (c) clarifying that the "users" referred to are the primary users of the general purpose financial statements referred to in the Conceptual Framework; and (d) bringing the definition of materiality into alignment across IFRS publications. The amended definition of materiality therefore states that "Information is material if its omission, misstatement, or concealment could reasonably be expected to influence the decisions that primary users of general purpose financial statements will make based on those financial statements, which provide financial information regarding a particular reporting entity."
Amendment to IFRS 3 - Definition of business	01/jan/20	This amendment constitutes a revision of the definition of business for the purposes of accounting for business combinations. The new definition requires an acquisition to include an <i>input</i> and a substantive process that together generate <i>outputs</i> . <i>Outputs</i> are now defined as goods and services that are provided to customers, that generate income from financial investments and other income, excluding returns in the form of cost reductions and other economic benefits to shareholders. "Combination tests" are now permitted to determine whether a transaction refers to the acquisition of an asset or a business.
Amendments to IFRS 9, IAS 39 and IFRS 7 - Reform of benchmark interest rates - phase 1	01/jan/20	This amendment sets out certain temporary and restricted exemptions related to hedge accounting under IAS 39/IFRS 9 - Financial Instruments, with the practical effect being that hedge accounting is not discontinued in cases where the only amendment is related to a change in the benchmark interest rate. However, any ineffectiveness of the hedging relationship in place should continue to be recorded on the statement of results
Amendment to IFRS 16 - COVID-19 related rent allowances	01/jun/20	This amendment to IFRS 16 introduces a practical expedient for lessees (but not for lessors), which exempts them from assessing whether bonuses granted by lessors under the scope of COVID -19, and exclusively these bonuses, qualify as amendments to leases. Lessees who elect to apply this exemption account for the change in rent payments as variable lease rents in the period(s) in which the event or condition that led to the reduction in payment occurs.

Standards, interpretations, amendments and revisions that will come into force in future periods

The following standards, interpretations, amendments and revisions, the application of which will be mandatory in future economic periods, have, on the date of approval of these financial statements, been endorsed by the European Union:

Standard/Interpretation	Effective date (periods starting on or after)	Contents
Amendment to IFRS 4 - Insurance Contracts Deferral of the application of IFRS 9	01/jan/21	This amendment refers to the temporary accounting consequences that result from the difference between the effective date of IFRS 9 - Financial Instruments and the future IFRS 17 - Insurance Contracts.

Despite being endorsed by the European Union, this standard was not adopted in 2020, as its application is not yet mandatory.

Standards, interpretations, amendments and revisions not endorsed by the European Union

The following accounting standards and interpretations were issued by the IASB and have not yet been endorsed by the European Union:

Standard/Interpretation	Effective date (periods starting on or after)	Contents
Amendments to IFRS 9, IAS 39 and IFRS 7 - Reform of benchmark interest rates - phase 2	01/jan/21	Amendments to IFRS 9, IAS 39 and IFRS 7 related to the benchmark interest rate reform project (IBOR reform), aimed at reducing the potential impact of changes in benchmark interest rates on financial reporting, specifically in hedge accounting.
Amendment to IAS 16 - Revenue earned before start-up	01/jan/22	With this amendment, IAS 16 - 'Property, Plant and Equipment' now prohibits the deduction of amounts received as consideration for items sold, resulting from test phase production of property, plant and equipment, at the book value of these same assets. Operational testing of property, plant and equipment before they are put on a firm footing may involve the production of <i>outputs</i> for which a market exists and on which they can be commercialized. The consideration received for the sale of the <i>outputs</i> obtained during the testing phase must be recognized under income for the period, in accordance with the applicable regulations. This amendment applies retrospectively, without the restatement of comparisons.
Amendment to IAS 37 - Onerous contracts	01/jan/22	This amendment specifies which expenses the entity should consider when it is assessing whether or not a contract is onerous. Only expenses directly related to compliance with the contract are accepted, and these may include: a) incremental costs to comply with the contract, such as direct labor and materials; and b) the allocation of other expenses that relate directly to compliance with the contract, such as the allocation of depreciation expenses for a given tangible fixed asset used to perform the contract. This amendment should be applied to those contracts which, at the beginning of the first annual reporting period to which the amendment is applied, still include unfulfilled contractual obligations, without it being necessary to restate the comparison. Any impact should be recognized against retained earnings (or other component of equity, as appropriate), on that same date.

Standard/Interpretation	Effective date (periods starting on or after)	Contents
Amendment to IFRS 3 - Conceptual framework	01/jan/22	This amendment updates the references to the Conceptual Framework in the text of IFRS 3, and no changes have been made to the accounting requirements for business combinations. The amendment also introduces references to contingent liabilities and liabilities under IAS 37 and IFRIC 21 incurred separately, versus contingent liabilities and liabilities assumed in a business combination. The application of this amendment is prospective.
IAS 1 (amendment) - Classification of liabilities as current or non-current	01/jan/23	Clarification on the classification of liabilities as current or non-current balances depending on the rights an entity has to defer their payment, at the end of each reporting period (the standard no longer makes reference to unconditional rights, since loans are rarely no dependent on meeting specific conditions). Further clarification is made regarding the meaning of 'liquidation' of a liability, which is now defined as the extinguishing of a liability through the transfer of: (a) cash or other economic resources or (b) the entity's own equity instruments. This amendment applies retroactively.
IFRS 17 - Insurance contracts	01/jan/23	This standard replaces IFRS 4 and applies to all entities that issue insurance contracts, reinsurance contracts and investment contracts with discretionary participation characteristics. IFRS 17 is based on the current measurement of technical liabilities at each reporting date. The current measurement may be based on a complete model ('building block approach') or a simplified model ('premium allocation approach'). The recognition of the technical margin differs according to whether it is positive or negative. IFRS 17 is applied retrospectively.

These standards have not yet been endorsed by the European Union and, as such, have not been applied by the Group in the period ended 31 December 2020.

It is not estimated that the future adoption of these standards and interpretations, issued by the IASB but not yet endorsed by the European Union, will have a significant impact on the attached financial statements.

2.2 - Judgments and estimates

The preparation of the consolidated financial statements in conformity with the recognition and measurement principles of the IFRS requires the Board of Directors to make judgements, estimates and assumptions that can affect the reported amounts of assets and liabilities.

These estimates are based on the best knowledge existing at all times and on the planned actions, and are periodically reviewed based on the available information. Changes in facts and circumstances may lead to the need to review the estimates, hence the actual future results may differ from these estimates.

The significant estimates and assumptions made by the Board of Directors in preparing these consolidated financial statements include, namely, the assumptions used to estimate the following aspects:

Impairment of non-current assets (except goodwill)

The determination of a possible impairment loss can be triggered by the occurrence of different events, many of which are outside the sphere of influence of the Group, such as the availability of future financing, the cost of capital or any other changes.

The identification of impairment indicators, the estimate of future cash flows and the determination of the recoverable amount of assets imply a high degree of judgement by the Board of Directors regarding the identification and evaluation of various impairment indicators, expected cash flows, applicable discount rates, useful lives and residual values.

Impairment of goodwill

Goodwill is subject to annual impairment tests or whenever there are indications of a possible loss in value. The recoverable values of the cash flow generating units to which the *goodwill* is allocated, are determined based on expected cash flow. These calculations require the use of estimates by the Board of Directors regarding the future evolution of the business and discount rates considered.

Useful lives of intangible assets and tangible fixed assets

The useful life of an asset is the time over which an entity expects an asset to be available for use, and this should be reviewed at the end of each economic period, as a minimum.

The determination of the useful lives of the assets, the amortization / depreciation method to be applied, and the estimated losses arising from the replacement of equipment before the end of its useful life due to technological obsolescence is essential to determine the amount of amortization / depreciation to be recognized in the consolidated statement of results for each period.

These three parameters are defined according to the management's best estimate for the assets and business in question, also considering the practices adopted by companies in the operational segments in which the Group operates.

Contingent provisions and liabilities

The Group periodically analyses possible obligations arising from past events that must be recognised or disclosed. The subjectivity inherent in determining the likelihood of the existence of a present liability and amount of internal resources necessary for the payment of the obligations could lead to significant adjustments, either by changing the assumptions made, or by the future recognition of provisions previously disclosed as contingent liabilities.

Recognition of deferred tax assets

Deferred tax assets are only recognised when there is a reasonable expectation that there will be sufficient future taxable profits to use them or when there are deferred tax liabilities whose reversal is expected to occur in the same period of the reversal of the deferred tax assets. Deferred tax assets are assessed based on the management at the end of each period, taking into account the expectation of future tax performance.

Impairment losses of accounts receivable

The credit risk associated to accounts receivable is evaluated at the end of each reporting date, taking into account the debtor's historical information and risk profile. The accounts receivable are adjusted according to the management's assessment of the estimated risks of recovery existing on the reporting date, which may prove to be erroneous.

On the other hand, expected impairment losses on granted credits are calculated by taking into account a set of historical information and assumptions, which may not be representative of future uncollectability from Group debtors.

Recognition of revenue from construction contracts

The Group recognises the earnings of construction contracts in accordance with the input method, which is defined as the relationship between the incurred costs in each contract up to the reporting date and the sum of these costs with the estimated costs to complete the contract. The assessment of the degree of completion of each contract is periodically reviewed, taking into consideration the most recent production indicators.

Revaluation of tangible fixed assets

Tangible fixed assets are measured at acquisition or construction cost, including expenses attributable to the purchase, less accumulated depreciation and impairment losses, when applicable. However, for a homogeneous class of assets, the revaluation model (revalued value less accumulated amortisation) may be adopted as the accounting policy for the subsequent measurement of these assets. Thus, the revalued amount corresponds to its fair value on the revaluation date.

Valuation of investment properties

Investment properties are measured at their fair value, which is determined based on valuations made by independent specialised entities and in accordance with generally accepted valuation criteria for the real estate market. These valuations are based on observable market data and require judgments by the valuator with respect to the transaction conditions of each property in the market, which might diverge from the outcome recorded in the future.

2.3 - Principles of consolidation

a) Controlled companies

Controlled companies in each accounting period are consolidated by the full integration method. Control exists when the Group directly or indirectly holds a majority of the voting rights in the General Meeting, or has the power to determine the financial and operating policies.

Third party participation in the equity and net income of these companies is presented separately in the consolidated statement of profit and loss and other comprehensive income, under the respective headings of "Non-controlling interests"

Significant transactions and balances between these companies were eliminated during the consolidation process. Capital gains arising from the disposal of participated companies, made within the Group, were also annulled.

Whenever appropriate, adjustments are made to the financial statements of the subsidiaries with a view to the standardisation of their accounting policies with those of the Group.

b) Concentration of business activities

Concentration of business activities, namely the acquisition of jointly controlled companies, are recorded through the acquisition method.

The acquisition cost corresponds to the sum of the fair values of the assets acquired, liabilities incurred or assumed and the equity instruments issued by the Group in exchange for the acquired control. Costs related to the acquisition are recognised as a cost when incurred. When applicable, the acquisition cost also includes the fair value of contingent payments measured on the acquisition date. Subsequent alterations in the value of contingent payments are recorded in accordance with the accounting rules which regulate the recording of the assets or liabilities in question, unless they qualify as an adjustment in the provisional measurement period (with a maximum of 12 months).

The identifiable assets, liabilities and contingent liabilities of a subsidiary that meet the criteria to be recognised in accordance with IFRS 3 - Business Combinations ("IFRS 3"), are measured by their fair value on the acquisition date, except for non-current assets (or groups of assets) which are classified as held for sale, in accordance with IFRS 5 - Non-current assets held for sale and discontinued operations ("IFRS 5"), which are recognised and measured at the respective fair value minus the costs to be incurred in their future sale.

Any excess of the acquisition cost increased by the value of the non-controlled interests relative to the fair value of the acquired assets and liabilities is recognised as Goodwill. If the cost of acquisition is less than the fair value of the identified net assets, the difference is recorded as net income gain for the period when the acquisition occurs, after re-confirmation of the attributed fair value.

If the process of accounting for business combinations is incomplete at the end of the period in which the combination occurs, the Group discloses this situation, and the amounts considered may be adjusted during the measurement period (the period between the acquisition date and the date on which the Group obtains full information about the facts and circumstances that existed at the acquisition date is a maximum of 12 months), or new assets and liabilities may be recognized to reflect facts and

circumstances that existed on the financial position date and that, if known, would have affected the amounts recognized on the acquisition date.

Non-controlling interests are identified separately in equity by the equity attributable to the shareholders of the Parent Company. Non-controlling interests may be measured initially either at their fair value or by the proportion of the fair value of the assets and liabilities of the acquired subsidiary. This option is made separately for each transaction.

After the initial recognition the book value of the minority interests is determined as the value recognised initially plus the proportion of alterations of equity of the subsidiary.

The full income of a subsidiary is attributed to the non-controlling interests even if it is negative.

Changes in the percentage control of subsidiaries that do not result in a loss in control are recorded as equity transactions. The value of the Group's interests and the non-controlled interests is adjusted to reflect the percentage changes. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the transaction price is recognised directly under equity and attributed to the shareholders of the Parent Company.

When the Group loses control over a subsidiary, the gain or loss in the sale is calculated as the difference between (i) the aggregate amount of the fair value of the price and the fair value of the retained interests and (ii) the book value of the assets (including goodwill) and the liabilities of the subsidiary and of the non-controlling interests. Amounts previously recognized as other comprehensive income are transferred to the results of the period, or transferred to retained earnings in the same manner as they would be if the related assets or liabilities were disposed of. The fair value of the retained interests corresponds to the fair value in the initial recognition for the effect of subsequent recording under IFRS 9 - Financial instruments or, as and when applicable, the cost for the effect of the initial recognition of an investment in an associate or joint venture.

c) Investments in associates and joint-ventures

An associate or joint-venture is a company in which the Group exercises significant influence, through participation in decisions relative to its financial and operating policies, but does not have control over it.

Financial investments in most of the associates and joint-ventures (Note 23) are recorded through the equity method, except when they are classified as held for sale, with the shares initially stated at acquisition cost, which is increased or decreased according to the difference between this cost and the proportional value of the holding in the equity of these companies reported on the date of acquisition or first application of this method.

Pursuant to the equity method, financial holdings are adjusted periodically by the amount corresponding to the participation in the net income of the associates and joint-ventures against "Earnings from associates and joint-ventures", and through other changes in their equity against "Adjustments of holdings in associates and joint-ventures", as well as through the recognition of impairment losses. Furthermore, the dividends received from these companies are recorded as a reduction in the value of financial investments.

Losses in associates and joint ventures which exceed the investment made in these entities are not recognised unless the Group has undertaken liabilities for losses concerning these associates or joint ventures.

Any excess of the acquisition cost over the fair value of the identifiable net assets is recorded as "Investments in associates and joint-ventures - goodwill". In cases where the acquisition cost is lower than the fair value of the identified net assets, the difference is recorded as a gain on the statement results for the period in which the acquisition occurs.

Unrealised gains on transactions with associates and joint-ventures are eliminated in proportion to the Group's interest in the associate and joint-venture, against the investment made in that associate and joint-venture. Unrealised losses are eliminated in a similar manner, but only to the extent that the loss does not show that the transferred asset is impaired.

d) Goodwill

Differences between the acquisition cost of the investments in subsidiaries, associates and joint-ventures, plus, in the case of subsidiaries, the value of the non-controlled interests and fair

value of the identifiable assets and liabilities of these companies on their acquisition date, if positive, are recorded as goodwill (in the case of subsidiaries and joint-ventures) or maintained under the heading of investments in associates.

Goodwill is recorded as an asset and is not subject to amortization. It is presented separately in the consolidated statement on the financial position or under the item entitled "Investments in associates and joint ventures" (Notes 18 and 23). Regarding the goodwill of subsidiaries, annually, or whenever there are indications of a possible loss in value, the goodwill values are subject to impairment tests. Any impairment loss is immediately recorded as a cost in the consolidated income statement for the period and is not subject to subsequent reversal.

Upon the disposal of a subsidiary, associate or joint-venture, the corresponding *Goodwill* is included in the determination of the capital gain or loss.

Where the acquisition cost is less than the fair value of the identified net assets, the difference is recognised as a gain for the period in which the acquisition occurs.

2.4 - Intangible assets

Intangible assets essentially comprise contractual rights and costs incurred in specific projects with future economic value, and are stated at cost, minus accumulated depreciation and impairment losses. Intangible assets are recognised only if it is probable that they will produce future economic benefits for the Group, are controllable by the Group and their value can be measured reliably.

Internally generated intangible assets, specifically current research and development expenses, are recorded as expenses in the period in which they are incurred.

The internal expenses associated with maintenance and the development of software are recorded as expenses in the income statement when incurred, except when these expenses are directly associated with projects that are likely to generate future economic benefits for the Group. In these situations, these expenses are capitalised as intangible assets.

Amortisation is calculated, after the beginning of use of the assets, through the straight-line method, in accordance with the year of utility that the Group expects of the assets concerned.

2.5 - Tangible fixed assets

Tangible fixed assets used in production, services rendered or for administrative use are recorded at acquisition or construction cost, including the expenses incurred with their acquisition, minus accumulated depreciation and impairment losses, when applicable.

However, for a homogeneous class of assets, on 31 December 2018 the Group adopted the revaluation model (revalued value less accumulated depreciation) as the accounting policy for the subsequent measurement of these assets. Thus, the revalued amount corresponds to its fair value on the revaluation date.

Revaluations will be performed every two years, or whenever there are indications of changes in the value of assets, by independent valuers so as to ensure that the carrying amount is not materially different from the amount which would be determined using fair value at the end of the reporting period.

If an asset's carrying amount is increased as a result of a revaluation, the increase is recognised under other comprehensive income and accumulated under equity in the "revaluation surplus" account. However, the increase is recognised under results, as it reverses a decrease in the revaluation of the same asset that was previously recognised under results.

If the carrying amount of an asset is decreased as a result of a revaluation, the decrease is recognised under results. However, the decrease is recognised under other comprehensive income, up to the point of any credit balance existing in the revaluation surplus with respect to this asset. The decrease recognised under other comprehensive income reduces the amount accumulated under equity, in the "Revaluation surplus" account.

Tangible fixed assets are depreciated through the straight-line method, according to their estimated useful life, from the date on which they are available to be used for the intended purpose and cease when the assets become classified as non-current assets held for sale. Depreciation is calculated in accordance with the following estimated useful lives:

	Service life in years
Buildings and other constructions	5 - 50
Basic equipment	4 - 8
Transportation equipment:	3 - 7
Tool and utensils	3 - 7
Administrative equipment	2 - 10
Other fixed tangible assets	1 - 4

Improvements and upgrades are only recognised as assets when they correspond to the replacement of goods, which are written-off, or lead to an increase in future economic benefits.

The fixed tangible assets underway represent assets even during construction, being recorded in the cost of acquisition, deducted from the possible impairment. These tangible fixed assets are depreciated as from the time when the underlying assets are able to be used for the intended purposes.

The gains and losses arising from the sale or write-off of property, plant and equipment are determined by the difference between the net realizable value and the net book value at the date of sale / write-off, and are recorded at the net income in the income statement under "Other operational revenue" or "Other operating expenses", as applicable.

2.6 - Lease Liabilities

Assets acquired under lease contracts, as well as the corresponding liabilities, are accounted for by recognizing the asset under usage right, the corresponding accumulated depreciation and the debts pending settlement in accordance with the contractual financial plan.

In addition, interest included in the value of rent payments and usage right depreciations are recognized as expenses on the statement of results, and other comprehensive income of the period to which they relate.

Low value leases are excluded from this procedure. These are leases whose total contract amount is lower than 5000 euros, which are recorded under results according to the period to which they refer.

2.7 - Impairment of non-current assets, excluding goodwill

Impairment is assessed whenever events or changes in circumstances indicate that the amount at which an asset is recognised might not be recovered. When such indications exist, the Group determines the recoverable value of the asset, so as to determine the possible extent of the impairment loss.

In situations where the individual asset does not generate *cash-flows* independently of other assets, the recoverable value is estimated for the cash flow generating unit to which the asset belongs.

Whenever an asset's recorded value is higher than its recoverable amount, an impairment loss is recognized for the difference, which is recorded on the income statement under the item entitled "Impairment (losses) / reversals of depreciable/amortizable assets and Goodwill".

The recoverable amount is either the fair value less divestment costs, or usage value, whichever is higher. The net fair value is the amount that would be obtained from the sale of the asset in a transaction between independent and knowledgeable parties, minus the costs directly attributable to the sale. The value in use is the present value of estimated future cash flows that are expected from continued use of the asset and from its disposal at the end of its useful life. The recoverable amount is estimated for each individual asset or, when this is not possible, for the cash-generating unit to which the asset belongs.

The reversal of impairment losses is recorded when there are indications that the recognised impairment losses no longer exist or have decreased. The reversal of impairment losses is recognized on the statement of results under the item "Impairment (losses) / reversals of depreciable/amortizable assets and Goodwill" for the period in which the reversal occurs. However, the impairment loss is reversed up to the amount that would have been recognized (net of amortization or depreciation) if the impairment loss had not been recorded in prior years.

2.8 - Investment properties

Investment properties, which include land and buildings held for leasing, capital appreciation, or both, are recorded initially at their acquisition price or at construction cost (in the case of own construction investment), including any directly attributable expenditure.

After their initial recognition, all the investment properties, including those that are under construction, are measured at their fair value reflecting market conditions on the reporting date. All the gains or losses resulting from changes in the fair value of investment properties are recognized in the income for the period in which they occur, and recorded under the item entitled "Change in fair value of investment properties", included under "Other operating revenue" or "Other operating expenses", depending on whether they are gains or losses.

The fair value of each investment property is determined by the evaluations made by the independent specialised entity and in

compliance with evaluation criteria generally accepted by the real-estate market.

The expenses incurred with investment properties in use, namely maintenance, repairs, insurance and taxes, are recognized in the income statement of the period they refer to. Improvements or upgrades are only recorded as assets when they correspond to the replacement of goods, which are written-off, or lead to an increase in future economic benefits.

2.9 - Assets, liabilities and transactions in foreign currency

These financial statements are presented in euros, as this is the currency of the parent company.

Transactions in currencies other than the Euro are recorded at the rates in force on the date of the transaction. On each reporting date, the monetary assets and liabilities expressed in foreign currencies are converted into Euro using the exchange rates in force on that date. Non-monetary assets and liabilities recorded at fair value denominated in foreign currencies are converted into Euro using the exchange rate in force on the date when the fair value was determined.

Favorable and unfavorable exchange rate differences, caused by differences between the exchange rates in force on the transaction date and those in force on the date of collection, payment or on the financial statement date, of these same transactions, are recorded as revenue and expenses on the income statement for the period, with the exception of those relating to non-monetary items, whose changes in fair value are recorded directly under equity in the item entitled "Exchange rate adjustments" (Note 45).

The financial statements of subsidiary companies denominated in foreign currency are converted taking into consideration the exchange rate in force on the date of the financial statement, for the conversion of assets and liabilities, the historical exchange rate for converting the balances of the equity item, and average exchange rates for the period, for converting the items under the income statement, other comprehensive income and cash flows.

For the Venezuelan Bolivar currency, the exchange rate used for the conversion of items on the statement of results was the final exchange rate, as it is a hyperinflationary economy, as explained in note 2.10.

Pursuant to IAS 21 - Effects of changes in foreign exchange rates ("IAS 21"), the *goodwill* and fair value corrections determined upon the acquisition of foreign entities are considered in the reporting currency of these entities, and are converted

into euros at the exchange rate in force on the reporting date. Exchange rate differences created in this way are recorded under equity, under the item entitled “Exchange rate adjustments” (Note 45).

2.10 - Companies in hyperinflationary economies

According to IAS 29 - “Financial reporting in hyperinflationary economies”, the financial statements of an entity whose operating currency is the currency of a hyperinflationary economy, regardless of whether they are based on historical cost or current cost, must be expressed in terms of the current measurement unit at the end of the reporting period.

The standard mentions that hyperinflation is indicated by characteristics of a country's economic environment, specifically including the following characteristics:

- a) the general population prefers to preserve its wealth in non-monetary assets or in a relatively stable foreign currency. Amounts of local currency that are held are immediately invested to maintain purchasing power;
- b) the general population sees monetary amounts not in terms of the local currency, but in terms of a stable foreign currency. Prices may be quoted in that currency;
- c) sales and purchases on credit are made at prices that compensate for the expected loss of purchasing power during the credit period, even if the period is short;
- (d) interest rates, wages and prices are linked to a price index; and
- (e) the rate of inflation accumulated over three years approaches or exceeds 100%.

After an analysis of the Group, it was considered that the Venezuelan economy continues to meet these parameters in the 2020 period, and therefore IAS 29 continues to apply from 1 January 2018; the financial statements are restated as described below:

Financial position statement

- Amounts on the financial position statement that have not yet been expressed in terms of the current unit of measurement on the reference date of that statement were restated by applying a general price index;
- Monetary items were not restated because they were already expressed in terms of the current unit at the end of the reporting period. Monetary items represent cash held and elements receivable or payable in cash;
- Assets and liabilities that by agreement were linked to price changes, such as index-linked bonds and loans, were adjusted under the terms of the agreement in order to determine the balance amount at the end of the reporting period;
- All other assets and liabilities were considered as non-monetary. However, some non-monetary items were recorded at current amounts at the end of the reporting period, such as net realisable value and fair value, and were therefore not restated. All other non-monetary assets and liabilities have been restated;
- Most non-monetary items were carried at cost or at cost less depreciation and accumulated impairment losses. Consequently, they were expressed in current amounts at the date of their acquisition. The restated cost of each item was determined by applying the change in a general price index to its historical cost and to its accumulated amortisation / impairment loss between the date of its acquisition (or date of change of operating currency) and the reporting date. Therefore, tangible and intangible assets, inventories and goodwill were restated from the dates of their acquisition or change in operating currency;
- Where applicable, the restated amount of non-monetary items is reduced to their recoverable amount by virtue of the estimated future use of the item or its divestment;
- Items expressed at current cost (fair value) were not restated because they were already expressed in terms of the current measurement unit on the financial position statement date;
- Equity items, except for results carried forwards and any revaluation surplus, were restated by applying a general price index, from the dates on which the respective amounts were constituted. Finally, the restated results carried forward were determined from all other amounts on the restated financial position statement.

Statement of Results

- The statement of results, before restatement, generally reports current expenses and revenue at the time when the underlying transactions or events occurred. Accordingly, the cost of sales and depreciation of fixed assets are recorded at current costs at the time of their consumption; and revenue and other current expenses are recorded at current amounts at the time they were incurred;
- The restatement of the financial statements in accordance with IAS 29 gave rise to differences between the taxable income and the accounting result. Those differences were accounted for in accordance with IAS 12.

Net Financial Position

In a period of inflation, a company that holds an excess of monetary assets over monetary liabilities (net monetary position - debtor) loses purchasing power and consequently generates a loss; on the other hand, a company that holds an excess of monetary liabilities over monetary assets (net monetary position - creditor) gains purchasing power and consequently generates a gain, to the extent that the assets and liabilities are not indexed to a price level.

The gain or loss on the net monetary position was included in the net result for the period.

2.11 - Financing costs

Financing costs are recognized on the income statement for the period to which they refer, except to the extent that the financial costs of the loans received directly related to the acquisition, construction and production of assets that take a substantial period of time to become ready for their intended use are capitalized as part of the costs of the assets. The capitalisation of these costs begins after the beginning of the preparation of construction activities or development of the asset and is interrupted after the beginning of use or end of production or construction of the asset or when the project concerned is suspended. Any financial revenue arising from financing obtained in advance and which may be allocated to a specific investment is deducted from financial expenses eligible for capitalization.

2.12 - Grants

Government grants are recognised at their fair value when there is reasonable assurance that they will be received and that the Group will comply with the grant conditions.

Operating grants, particularly for employee training, are recognised in the income statement in accordance with costs incurred.

Investment grants relating to the acquisition of tangible fixed assets are included under "Other current liabilities" and "Other non-current liabilities" (as applicable) and are credited to the income statement according to the straight-line depreciation / amortisation of the assets financed with the grants.

2.13 - Inventories

Goods and raw materials are stated at acquisition cost, using the average cost as the costing method.

Intermediate and finished products and work in progress are stated at the weighted average cost of production, which includes the cost of the incorporated raw materials, labour and manufacturing overheads (considering the depreciation of production equipment calculated on the basis of normal usage levels), which is below the net realisable value. The net realisable value corresponds to the normal sale price deducted from the costs to complete the production and from the commercialisation costs.

Impairment losses on inventories are recorded as the difference between the cost and the respective realizable value of the inventories, where this is lower than the book value, under the item "Impairment (losses)/reversals of inventories".

2.14 - Provisions

Provisions are recognised when and only when: i) the Group has a present obligation (legal or constructive) as a result of a past event, ii) it is probable that a transfer of economic benefits will be required to settle the obligation, and iii) a reliable estimate can be made of the amount of the obligation. The provisions are reviewed on each reporting date and adjusted to reflect the best estimate on that reporting date.

2.15 - Segment reporting

A business segment is a group of assets and operations involved in the provision of products and services subject to risks and benefits that are different from other business segments. A geographic segment is a group of assets and operations involved in the provision of products and services in a specific economic environment, which is subject to risks and benefits different from those that affect segments that operate in other economic environments.

As operating segments, the Group presents the business segments in a manner that coincides with the way in which the management conducts business.

2.16 - Net operating income

Operating income includes all expenses and revenue from operations, whether recurring or not, including restructuring costs and costs and revenue associated with operating assets (tangible fixed assets and intangible assets). It also includes the capital gains or losses calculated on the sale of companies included in the consolidation using the full consolidation method. Therefore, net financing costs, results from associates and joint ventures, results from other financial investments and income taxes are excluded from operating income.

2.17 - Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party in the respective contractual relationship.

All recognized financial assets are subsequently measured at amortised cost or at their fair value, depending on the model adopted by the Group and the characteristics of their contractual cash flows.

a) Cash and cash equivalents

The amounts included in Cash and equivalent correspond to cash, bank deposits, term deposits and other cash investments, with a maturity of less than three months and which can be mobilised immediately with no significant risk of change in value.

b) Debt instruments and accounts receivable

Debt instruments and accounts receivable are measured, when initially recognized, at their respective fair value and, subsequently, at their amortized cost, in accordance with the effective

interest rate method. When there is evidence that they are impaired, the corresponding adjustment is recorded in results under the item "Impairment (losses) / reversals of accounts receivable". The recognised adjustment is measured by the difference between the value by which the accounts receivable are recognised and the actual value of the cash flows discounted from the effective interest rate determined at the initial recognition.

c) Financial investments

Financial investments are recognised on the date when the inherent risks and rewards are transferred substantially. They are initially recorded at their acquisition value, corresponding to fair value, including transaction costs.

Financial investments are classified as follows:

Financial investments at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are financial investments that are available for sale and are classified as non-current assets.

After initial recognition, financial assets at fair value through other comprehensive income are measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in other comprehensive income. Upon their divestment, the cumulative gain or loss on these financial investments is not reclassified to the consolidated statement of results, but is only transferred only to the "Results carried forward" item.

Associated dividends are recognised on the consolidated statement of results when they are attributed/decided upon, unless they represent a recovery of part of the cost of the investment. Dividends are recorded on the consolidated statement of results under "Results related to investment activities".

Financial investments at fair value through the statement of results

Financial assets that do not meet the criteria to be measured at amortized cost or at fair value through other comprehensive income are measured at fair value through the statement of results.

Financial assets recorded at fair value through the statement of results are measured at the fair value determined at the end of each reporting period, with the respective gains or losses recognised on the consolidated statement of results, unless they form part of a hedging relationship.

d) Equity Instruments

Equity instruments are classified according to the nature of the contract regardless of their legal form. Equity instruments are contracts that have a residual interest in the Group's assets after deducting its liabilities.

Equity instruments issued by the Group are recorded at the amount received net of the costs incurred to issue them.

e) Accounts payable

Accounts payable are recognized initially at their respective fair value and subsequently at their respective amortized cost in accordance with the effective interest rate method.

f) Financing obtained

Financing is initially recorded and recognized as liabilities at the amount received, net of costs of issuing such financing, and later measured by the amortized cost method. Financial expenses, calculated in accordance with the effective interest rate and including premiums payable, are accounted for in accordance with the accrual principle for the periods.

2.18 - Pension liabilities

The Group offers a retirement plan to its employees.

This insurance plan was established in the context of a social and incentive policy for workers and is of the exclusive initiative of the subsidiary companies where these benefits are attributed. Due to its optional nature, it is the exclusive decision of the respective administrations to make any appropriate contributions at any given time, taking into account current planned expenditure and the economic and financial situation. Therefore, contributions made by the Group are recorded as costs on the date on which they are made.

2.19 – Income tax

Income tax for the period is calculated based on the taxable results of the companies included in the consolidation, and considers deferred taxation.

The current income tax rate is calculated based on the taxable income (which differs from accounting income) of the companies included in the consolidation in accordance with the tax rules in force at the head office of each company of the Group.

Deferred taxes refer to temporary differences between the amounts of assets and liabilities for accounting purposes and their amounts for taxation purposes, as well as the resulting tax benefits obtained.

Deferred tax assets and liabilities are calculated and periodically evaluated using tax rates that are expected to be in force at the date of reversal of the temporary differences, are not discounted and are recognised as non-current assets or liabilities.

Deferred tax assets are only recorded when there are reasonable expectations of sufficient future tax profits to use them. On each reporting date, the temporary differences underlying deferred tax assets are reviewed to recognise or adjust them according to the current expectation of future recovery. Deferred tax liabilities are recognised for all taxable temporary differences.

2.20 - Contingent assets and liabilities

A contingent asset is a possible asset derived from past events and whose existence will only be confirmed by the occurrence or not of uncertain future events.

Contingent assets are not recognised in the consolidated financial statements but are disclosed when an inflow of future economic benefits is probable.

A contingent liability is (i) a possible liability arising from past events and whose existence will be confirmed by the occurrence or not of uncertain future events or (ii) a present liability which arises from past events, but which is not recognised because it is unlikely that there will be an outflow of funds or the possible outflow of funds cannot be measured reliably.

Contingent liabilities are not recognised in the consolidated financial statements but are disclosed in the notes to the financial statements, unless the possibility of an outflow of funds affecting future economic benefits is remote, in which case they are not subject to disclosure.

2.21 - Revenue

Sales and services rendered are recognised on the statement of results when there is a transfer of control of the goods or service rendered to the buyer and the amount of income is reasonably

quantified. Returns of sold products are recorded as a reduction in sales, in the period to which they relate.

The Group recognises revenues from different businesses:

Construction:

The construction business involves a unique performance obligation relating to the completion of a certain work under the terms defined in the respective terms of reference and the guidance and requests made by customers during the construction period. The Group believes that this performance obligation is met throughout the work execution period, since in situations of construction to order, the asset does not have an alternative use and the Group has the right to receive compensation for work performed up until the reporting date. In this way, *timing* the recognition of the performance obligation occurs during that period, determined using the *input* method (degree of completion method), based on the costs incurred for the project and the actual estimated margin for each project. As it is not a policy to provide project guarantees in excess of those defined by law, the Group has not identified any additional performance obligation related to extensions of the guarantee.

For the purpose of determining the total price of the contract, all the variable components associated with it are taken into account, specifically discounts, bonuses, price reviews, penalties, additional work, requests for recovery of costs incurred, among other aspects.

Revenue from these variable components is recognized only when it is reliably measurable and its realization is highly likely, mitigating a potential significant reversal if it does not occur in the future.

It should also be noted that the revenue from these variable components is understood by the Group as a single performance obligation, i.e., it cannot be disassociated from the purpose established in the construction contract that was initially signed.

Whenever there is a significant time lag (more than 12 months) between the time that goods or services are made available to the customer and the moment that they are paid for, an assessment is made of the potential existence of a significant financing component in the contract. If any, this component is treated as a stand-alone performance obligation, with the respective interest recognized as income over the estimated financing period.

In addition, the existence of a significant financing component in advances received from customers is also assessed. If applicable, that component is treated as a stand-alone performance obligation, and the respective interest is recognized as an expense over the estimated financing period.

If the situation in the previous paragraph does not occur at the level of advances received from customers, these are treated as unique performance obligations directly associated with the construction contracts to which they are related and are therefore treated as liabilities associated with contracts with customers. As of 31-12-2020, given the representative nature of advances from customers, as well as the fact that they are consumed in proportion as the customer is invoiced, the management considers that there are no advances from customers that would fall under the concept of a significant financing component.

Real estate:

As regards the sale of real estate assets, the Group believes that its performance obligation is met at the time of delivery and when the corresponding transfer of control occurs. This is considered to occur at the time of the public deed of purchase and sale, since until that moment the customer does not benefit from the acquired asset and does not have control over it or access to it, and there are no other significant performance obligations to be met from that moment onwards. Particularly with regard to real estate construction and sale projects developed by the Group, where there is a commitment by the Group to sell assets with certain characteristics, the Group believes that, although the development of the asset and its characteristics are provided for in the promissory contract that is entered into, the Group has the ability to control the process and the customer does not have the ability to decide on changes or considerations about it. Therefore, the respective revenue is recognised at a moment in time after the aforementioned public purchase and sale deed.

As regards the lease of real estate assets held by the Group, the performance obligation of Teixeira Duarte consists of assigning the right of use, by leasing, of the real estate/store specifically referred to in each contract that is entered into. The Group believes that the revenue should be recognised over time, corresponding to the lease period, as the customer simultaneously receives and enjoys the benefits arising from Teixeira Duarte's performance and execution upon the assignment of the usage right during that period.

Hospitality:

As regards hotel services, the Group believes that the obligation to perform the service, depending on its nature, occurs over time, as the service is provided. Therefore, it believes that revenue should be recognised over time, corresponding to the duration of the stay in a hotel, as the customer enjoys the associated benefits during this period. When other performance obligations are established, particularly by requesting other services (*Food & Beverage*, *SPA*, or other services provided by the Group), these are recognised at a moment in time when the customer obtains the benefits associated with them.

Distribution:

As regards distribution services, the Group believes that the performance obligation that it assumes towards customers consists of the sale/delivery of goods at a wholesale or retail market in the distribution network (supermarkets) held by the Teixeira Duarte Group. This obligation is met when the goods purchased by the customer are delivered, as until this moment the customer neither benefits from the acquired goods nor has control or access over it. Therefore, the respective revenue is recognised at that moment in time.

Automotive:

As regards the sale of cars, the Group considers that its performance obligation is met at the time of delivery and when the corresponding transfer of control occurs, since up to that moment the customer neither benefits from the acquired goods nor has control or access over it. The Group believes that there are no other performance obligations or commitments established with customers under the scope of the respective contracts that are established.

Other services:

As regards other lines of revenue, particularly services provided to customers, of a continuous or occasional nature, it is understood that there are separate performance obligations when such agreements provide for various assets to be delivered or services to be provided, from which the customer can benefit separately. These are differentiated in the terms contracted between the parties. The Group believes that the revenue attributed to each performance obligation identified in the contracts is recognised at the moment that the respective control is transferred, particular over time or at a moment in time, based on its characteristics, depending on whether the customer benefits from its execution over this same period or from a certain date.

2.22 - Accrual basis

Income and expenses are recorded according to the accrual principle, by which they are recognized as they are generated regardless of when they are received or paid. Income and expenses with an unknown real value are estimated.

Differences between invoiced amounts and the corresponding revenue and expenses are recorded under the items entitled "Other current assets" and "Other current liabilities".

2.23 - Classification of financial position

Assets which are realisable and liabilities payable less than one year from the reporting date are classified, respectively, as current assets and liabilities.

Liabilities relative to which there is no unconditional right to defer their payment for a period of at least twelve months after the reporting date are also classified as current.

2.24 - Impairment of financial assets

The Group recognizes expected impairment losses for debt instruments, measured at amortized cost or at fair value through other comprehensive income, as well as for accounts receivable from customers, from other debtors, and for assets associated with contracts with customers.

The amount of expected impairment losses for the aforementioned financial assets is updated at each reporting date in order to reflect the changes in credit risk that have occurred since the initial recognition of the respective financial assets.

Expected impairment losses are estimated using an uncollectibility matrix based on the Group's customer credit history over the past seven years (six years for 2019), adjusted for specific factors attributable to customers as well as estimated future macroeconomic conditions, notably with respect to the assessment of the uncollectibility risk resulting from the COVID-19 pandemic. For this purpose, the balances of customers and other debtors were grouped together, taking into account similar credit risk profiles (region, business unit, type of debtor - public or private, and others) and expiry intervals.

2.25 - Non-current assets held for sale

Non-current assets (or discontinued operations) are classified as held for sale whenever it is determined that their value will be recovered through their sale and not through their continued

use. This situation is considered to occur only when: (i) the sale is highly probable; (ii) the asset is available for sale immediately in its current conditions; (iii) the management is committed to a sales plan and, (iv) it is expected that the sale will take place within the period of twelve months.

Non-current assets (or discontinued operations) classified as held for sale are measured at the lowest value of their book value and respective fair value minus the costs of their sale.

2.26 - Earnings per share

Basic earnings per share are calculated by dividing the earnings attributable to ordinary equity holders of TD, S.A., by the weighted average number of common shares in circulation during the period.

Diluted earnings per share is calculated by dividing adjusted earnings attributable to TD, S.A. common equity holders by the weighted average number of common shares in circulation during the period, adjusted for potential dilutive common shares.

Potential ordinary diluting shares can result from options over shares and other financial instruments issued by the Group, convertible into shares of the Company.

2.27 - Subsequent events

Events occurring after the financial position date that provide additional information about conditions that existed at the date of the financial position are adequately reflected in the consolidated financial statements (Note 47).

3 - ALTERATIONS OF ACCOUNTING POLICIES, ESTIMATES AND ERRORS

During the period ended 31 December 2020, there were no changes in accounting policies when compared to those considered in the preparation of financial information for the period ended 31 December 2019.

4 - COMPANIES INCLUDED IN THE CONSOLIDATION PERIMETER

At 31 December 2020, Teixeira Duarte, S.A. and the following subsidiaries were included in the consolidation by the full consolidation method:

Social Denomination	Head Office	% Effective participation
INTERNAL MARKET		
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%
TEIXEIRA DUARTE - SOMAFEL - Viadutos do Campo Grande, A.C.E.	Edifício 2, Lagoas Park - Porto Salvo	92.90%
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%
TDAP - Atividades Portuárias, S.A.	Rua das Pretas, 4 - Fração 4 D - Funchal	100.00%
TDGI - Tecnologia de Gestão de Imóveis, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TDGI Manutenção, ACE	Edifício 2, Lagoas Park - Porto Salvo	100.00%
REAL ESTATE		
FUNDO DE INVESTIMENTO IMOBILIÁRIO FECHADO TDF	Av. Professor Doutor Cavaco Silva, Parque das Tecnologias, Edifício 3 - Porto Salvo	100.00%
IMOPEDROUÇOS - Sociedade Imobiliária, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
IMOTD - Sociedade Gestora de Participações Sociais, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
MALANGA - Investimentos Imobiliários, Unipessoal Lda.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
QUINTA DE CRAVEL - Imobiliária, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TD VIA - Sociedade Imobiliária, S.A.	Edifício 2, Lagoas Park - Porto Salvo	93.75%
TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TEIXEIRA DUARTE REAL ESTATE, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TRANSBRITAL - Britas e Empreendimentos Imobiliários, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
V8 - Gestão Imobiliária, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
HOSPITALITY		
ESTA - Gestão de Hotéis, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
GO CORP TRAVEL SOLUTIONS - Agência de Viagens, S.A.	Rua Encosta das Lagoas, nº 8 - Porto Salvo	100.00%
LAGOAS HOTEL, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
SINERAMA - Organizações Turísticas e Hoteleiras, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TDH - Sociedade Gestora de Participações Sociais, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TDHC - Instalações para Desporto e Saúde, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
DISTRIBUTION		
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%

Social Denomination	Head Office	% Effective participation
EXTERNAL MARKET		
SOUTH AFRICA		
CONSTRUCTION		
Global Net Distributors (Pty) Ltd.	10 Ninth Avenue - Northmead, Gauteng 1501	100.00%
ANGOLA		
CONCESSIONS AND SERVICES		
EDUCARE - Actividades 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%
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%
HOSPITALITY		
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, 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%

Social Denomination	Head Office	% Effective participation
AUTOMOTIVE		
AUTO 1 - Comércio Automóvel, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
AUTO COMPETIÇÃO ANGOLA (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%
ALGERIA		
CONSTRUCTION		
TEIXEIRA DUARTE ALGERIE, SPA	8 Route Ben Aknoun, Rés de Chanssée El Biar - Algiers	99.94%
BELGIUM		
CONCESSIONS AND SERVICES		
TDGI, S.A.	Avenue Jean-Monnet, 1, 1348 Louvain-La-Neuve – RPM Bruxelles	100.00%
BRAZIL		
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%

Social Denomination	Head Office	% Effective participation
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 SPE, 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 SPE, 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%

Social Denomination	Head Office	% Effective participation
TDSP – Furnas Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 23 Itaim Bibi - São Paulo	91.00%
TDSP – 19 Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 20 Itaim Bibi - São Paulo	100.00%
TDSP – 20 Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 22 Itaim Bibi - São Paulo	100.00%
TDSP – 21 Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 24 Itaim Bibi - São Paulo	100.00%
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%
COLOMBIA		
CONSTRUCTION		
TEIXEIRA DUARTE – Engenharia e Construções (Colômbia) S.A.S.	Carrera 11 nº 94 – 02 oficina 201 Centro empresarial Manhattan, Bogotá	100.00%
CYPRUS		
OTHER		
LEVENEL, Limited	Irakli, 2, Egkomi, 2413 Nicosia	100.00%
SPAIN		
CONSTRUCTION		
UTE VIANA	Av. 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%
REAL ESTATE		
TDRE INVESTMENTS, LLC.	4100 Spring Valley Road, Suit 310, Dallas Texas 75244	100.00%
TDRE LEE PARK, LLC.	4100 Spring Valley Road, Suit 310, Dallas Texas 75244	100.00%
TDRE HOOD, LLC.	4100 Spring Valley Road, Suit 300, Dallas Texas 75244	100.00%
GABON		
CONSTRUCTION		
SOMAFEL GABON, SARL Unipersonnelle	Zone Industrielle Owendo Libreville, Gabon	67.74%

Social Denomination	Head Office	% Effective participation
MACAO		
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%
MOZAMBIQUE		
CONSTRUCTION		
TEIXEIRA DUARTE - Engenharia e Construções (Moçambique), Lda.	Av. Július Nyerere, nº 130 Maputo	74.46%
CONCESSIONS AND SERVICES		
TDGI - Tecnologia de Gestão de Imóveis, Lda.	Av. Július Nyerere, nº 130 Maputo	69.55%
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%
HOSPITALITY		
AVENIDA - Empreendimentos Turísticos e Hoteleiros, Lda.	Av. Július Nyerere, nº 627 Maputo	100.00%
Sociedade Hotel Tivoli, Lda.	Av. 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, Edifício 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 31 December 2020 no changes were made to the consolidation perimeter at 31 December 2019, resulting from acquisitions or divestments of subsidiaries.

It is important to note, however, that during this period, the Group dissolved and incorporated the following companies:

Dissolutions

- Bonapapel – Artigos de Papelaria e Equipamentos Informáticos - Unipessoal, Lda;
- TDGI Açores – Unipessoal, Lda;
- Lagoasfut – Equipamento Recreativo e Desportivo, S.A..

Incorporations

Construction:

- Somafel Gabon, Sarl Unipersonnelle;
- Teixeira Duarte - Somafel - Viadutos do Campo Grande, A.C.E..

Real estate:

- Teixeira Duarte Real Estate, S.A.;
- TDSP – 19 Empreendimentos Imobiliários SPE, Ltda.;
- TDSP – 20 Empreendimentos Imobiliários SPE, Ltda.;
- TDSP – 21 Empreendimentos Imobiliários SPE, Ltda..

6 - EXCHANGE RATES

The exchange rates used to convert the assets and liabilities expressed in foreign currency to Euros at 31 December 2020 and 2019, as well as the results of operations carried out in countries with a functional currency other than the Euro, for the periods ended 31 December 2020 and 2019, were as follows:

Currency	Closing exchange rate			Mean exchange rate		
	2020	2019	Var	2020	2019	Var
Venezuelan bolivar	1,225,801.9000	58,228.6642	2005.2%	1,225,801.9000	58,228.6642	2005.2%
Algerian dinar	161.4373	133.4442	21.0%	144.6605	133.5831	8.3%
Kuwaiti Dinar	0.3727	0.3402	9.5%	0.3506	0.3402	3.1%
Tunisian Dinar	3.3054	3.1329	5.5%	3.2001	3.2834	(2.5%)
Moroccan Dirham	10.9233	10.7442	1.7%	10.8314	10.7926	0.4%
American dollars	1.2271	1.1234	9.2%	1.1452	1.1214	2.1%
Cape Verde Escudo	110.2650	110.2650	-	110.2650	110.2650	-
CFA Franc BEAC	655.9570	n/a	-	655.9570	n/a	-
Angola Kwanza	797.1291	536.2617	48.6%	655.8875	410.1322	59.9%
Mozambican metical	91.0500	68.7000	32.5%	78.9292	69.4985	13.6%
Peruvian Novo Sol	4.4409	3.7196	19.4%	4.0059	3.7458	6.9%
Macanese pataca	9.7996	9.0097	8.8%	9.1516	9.0480	1.1%
Colombian Peso	4,189.9300	3,690.6300	13.5%	4,216.3938	3,690.8039	14.2%
South Africa Rand	18.0219	15.7773	14.2%	18.6726	16.1924	15.3%
Brazilian real	6.3735	4.5157	41.1%	5.8847	4.4195	33.2%

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.

Sales and services rendered and the results of each of the above operating segments for the periods ended 31 December 2020 and 2019 were as follows:

Segment	Sales and services rendered						Operational income	
	2020			2019			2020	2019
	External clients	Intersegmental	Total	External clients	Intersegmental	Total		
Construction (Note 31)	337,766	40,402	378,168	532,934	24,472	557,406	5,394	59,735
Concessions and services	102,171	5,701	107,872	130,115	9,198	139,313	9,397	(602)
Estate agent	52,085	6,382	58,467	19,973	11,340	31,313	38,592	56,842
Hospitality	30,423	522	30,945	40,204	1,082	41,286	4,872	6,773
Distribution	70,976	820	71,796	123,779	880	124,659	1,555	6,741
Automotive	14,945	743	15,688	30,492	2,024	32,516	(4,103)	4,814
Not allocated to segments	-	-	-	-	-	-	(3,321)	(3,843)
Removals	-	(54,570)	(54,570)	-	(48,996)	(48,996)	38	(10)
	608,366	-	608,366	877,497	-	877,497	52,424	130,450
Financial expenses and losses (Note 14)							(91,026)	(118,692)
Financial revenue and gains (Note 14)							49,647	30,488
Results related to investment activities (Note 14)							2,139	1,716
Earnings before tax							13,184	43,962

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

Other information:

Segment	Fixed capital expenditures		Depreciation and amortization (expenses) / reversals		Impairment (losses) / reversals of depreciable/amortizable assets and Goodwill		Provisions (increases / reductions)	
	2020	2019	2020	2019 "restatement"	2020	2019 "restatement"	2020	2019 "restatement"
Construction	18,238	31,028	(21,959)	(27,927)	(114)	-	(3,140)	(4,043)
Concessions and services	211	1,939	(3,129)	(5,189)	407	(2,812)	270	78
Estate agent	36,627	21,640	(2,453)	(3,292)	-	-	(258)	3,778
Hospitality	791	1,601	(7,779)	(8,658)	-	-	33	(61)
Distribution	271	1,532	(5,319)	(6,911)	928	1,226	80	(6)
Automotive	108	135	(5,395)	(5,529)	-	-	36	(32)
Not allocated to segments	-	43	(278)	(207)	-	-	-	-
	56,246	57,918	(46,312)	(57,713)	1,221	(1,586)	(2,979)	(286)

The assets and liabilities of the segments and their conciliation to the consolidated total as of 31 December 2020 and 2019 are as follows:

Segment	Assets								Liabilities	
	2020				2019				2020	2019
	Investments in associates and joint-ventures (Note 23)	Financial assets at fair value through other comprehensive revenue (Note 24)	Other Assets	Total	Investments in associates and joint-ventures (Note 23)	Financial assets at fair value through other comprehensive revenue (Note 24)	Other Assets	Total		
Construction	2,546	574	1,761,866	1,764,986	2,888	12,836	1,794,661	1,810,385	916,499	988,016
Concessions and services	2,623	132	102,288	105,043	2,338	100	111,932	114,370	44,015	47,349
Estate agent	3,695	642	1,179,747	1,184,084	3,378	1,161	1,141,463	1,146,002	516,055	475,343
Hospitality	-	22	232,443	232,465	-	17	243,138	243,155	69,982	79,096
Distribution	-	15	165,336	165,351	-	13	205,431	205,444	67,458	109,739
Automotive	-	7	175,754	175,761	-	9	217,800	217,809	54,869	94,904
Not allocated to segments	9,999	10,256	793,791	814,046	13,631	1,740	916,327	931,698	808,705	795,908
Removals	-	-	(2,842,093)	(2,842,093)	-	-	(2,818,847)	(2,818,847)	(1,116,205)	(1,076,863)
	18,863	11,648	1,569,132	1,599,643	22,235	15,876	1,811,905	1,850,016	1,361,378	1,513,492

Sales and services rendered and information about non-current non-monetary assets, by geographic segment, had the following composition in the periods ended 31 December 2020 and 2019:

Geographic segment	Sales and services rendered		Non-current and non-monetary assets	
	2020	2019	2020	2019
Portugal	188,025	236,116	295,118	251,642
Angola	134,875	228,533	381,344	462,074
Algeria	71,113	107,367	4,967	14,926
Brazil	125,269	173,059	18,642	26,311
Spain	29,499	43,596	6,050	12,209
Mozambique	15,648	30,650	25,389	32,871
Venezuela	13,074	16,568	1,144	109
Other	30,863	41,608	2,811	2,196
	608,366	877,497	735,465	802,338

Non-current non-monetary assets include the items of *goodwill*-intangible assets, property, plant and equipment, usage right and investment properties.

8 - OPERATING REVENUE

Operating revenue was as follows in the periods ended 31 December 2020 and 2019:

	2020	2019 "restatement"
Sales and services rendered	608,366	877,497
Other operating income:		
Change in fair value of investment properties (Note 21)	68,826	65,852
Exchange rate differences	18,130	55,378
Sales of assets a)	7,164	25,376
Supplementary income	6,157	11,880
Works for own company b)	1,877	2,654
Tax refund	1,587	600
Indemnity	1,134	420
Accidents	441	-
Corrections related to prior financial years	353	28
Other operating income c)	8,531	2,455
	114,200	164,643
	722,566	1,042,140

a) Included in the period ended 31 December 2020 are gains from the disposal of property, plant and equipment, amounting to 7,162 thousand euros (3,093 thousand euros in the period ended 31 December 2019) (Note 20).

In the period ended 31 December 2020 the company "La-goasfut - Equipamento Recreativo e Desportivo, S.A." was dissolved and a gain of 2 thousand euros was recorded. In the period ended 31 December 2019, the Group sold 50% of the subsidiary "TDE - Empreendimentos Imobiliários,

S.A.", posting a gain of 22,196 thousand euros, and also sold the subsidiary "MMK Cement, Limited Liability Company", recording a gain of 87 thousand euros.

- (b) Work for the company essentially involves the improvement of equipment.
- c) In the period ended 31 December 2020, this item includes 2,760 thousand euros of income obtained from meeting contractual requirements (*earn out*) entered into upon the sale of the subsidiary "Lagoas Park, S.A.".

Net exchange rate differences posted for the periods ended 31 December 2020 and 2019 are due to payments and receipts, as well as to exchange rate updates to balances, posted based on currencies other than the Euro.

9 - COST OF SALES

During the periods ended 31 December 2020 and 2019, the costs of sales were calculated as follows:

	Raw material, consumables	Goods	Total
Gross asset:			
Balance on December 31, 2018	11,274	59,095	70,369
Currency conversion adjustments	(1,616)	(14,173)	(15,789)
Perimeter alteration	(21)	(13,881)	(13,902)
Regularization	(2)	(420)	(422)
Purchases	87,733	141,493	229,226
Cost of the period	(84,042)	(126,824)	(210,866)
Balance on December 31, 2019	13,326	45,290	58,616
Currency conversion adjustments	(3,487)	(17,458)	(20,945)
Purchases	83,042	106,197	189,239
Cost of the period	(81,336)	(101,118)	(182,454)
Balance on 31 December 2020	11,545	32,911	44,456
Accumulated impairment losses in inventories:			
Balance on December 31, 2018	986	3,572	4,558
Currency conversion adjustments	(12)	(1,309)	(1,321)
Stiffeners	122	538	660
Reductions	-	(117)	(117)
Regularization	(90)	104	14
Balance on December 31, 2019	1,006	2,788	3,794
Currency conversion adjustments	(110)	(928)	(1,038)
Stiffeners	83	429	512
Reductions	(13)	(105)	(118)
Balance on 31 December 2020	966	2,184	3,150
Net value as at 31 December 2019	12,320	42,502	54,822
Net value as at 31 December 2020	10,579	30,727	41,306

10 - CHANGE IN PRODUCTION

The statement of change in production that occurred in the periods ended 31 December 2020 and 2019 is as follows:

	Ongoing products and works	Finished and intermediate products	Total
Gross asset:			
Balance on December 31, 2018	124,364	3,849	128,213
Currency conversion adjustments	(703)	-	(703)
Perimeter alteration	-	(67)	(67)
Regularization	29,216	(33)	29,183
Production changes	2,562	(872)	1,690
Balance on December 31, 2019	155,439	2,877	158,316
Currency conversion adjustments	(10,536)	-	(10,536)
Regularization	(15,316)	(125)	(15,441)
Production changes	1,368	(81)	1,287
Balance on 31 December 2020	130,955	2,671	133,626
Accumulated impairment losses in inventories:			
Balance on December 31, 2018	1,380	-	1,380
Currency conversion adjustments	(75)	-	(75)
Stiffeners	10,000	-	10,000
Reductions	(181)	-	(181)
Transfers	(96)	-	(96)
Balance on December 31, 2019	11,028	-	11,028
Currency conversion adjustments	(106)	-	(106)
Stiffeners	2,396	196	2,592
Reductions	(10,000)	-	(10,000)
Balance on 31 December 2020	3,318	196	3,514
Net value as at 31 December 2019	144,412	2,877	147,289
Net value as at 31 December 2020	127,638	2,475	130,113

At 31 December 2020 and 2019 inventories have the following details:

	2020	2019
Raw materials and consumables	10,579	12,320
Goods	30,727	42,502
Ongoing products and works	127,638	144,412
Finished and intermediate products	2,475	2,877
Total	171,419	202,111

At 31 December 2020 and 2019, the real estate developments, shown under products and work in progress, are being developed by the following entities:

	2020	2019
TD VIA - Sociedade Imobiliária, S.A.	44,173	39,073
V8 - Gestão Imobiliária, S.A.	16,534	13,925
QUINTA DE CRAVEL - Imobiliária, S.A.	16,301	13,536
TDSP - Maria de Jesus Empreendimentos Imobiliários SPE, Ltda.	11,923	10,186
TDSP - Nilo Empreendimentos Imobiliários SPE, Ltda.	7,971	7,820
TDSP - Furnas Empreendimentos Imobiliários SPE, Ltda.	6,415	2,831
TDSP - Carolina Ribeiro Empreendimentos Imobiliários SPE, Ltda.	5,545	5,995
TDSP - Princesa Isabel Empreendimentos Imobiliários SPE, Ltda.	4,417	3,217
TDRE LEE Park, LLC	4,189	4,570
TDSP - Galeno de Castro Empreendimentos Imobiliários SPE, Ltda.	3,138	6,150
TDSP - Bela Vista Empreendimentos Imobiliários SPE, Ltda.	2,026	2,989
TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.	1,433	1,433
TDSP - Alta Vista III Empreendimentos Imobiliários SPE, Ltda.	1,362	1,575
TDSP - Baceunas Empreendimentos Imobiliários SPE, Ltda.	967	6,429
TDPG - Empreendimentos Imobiliários e Hoteleiros, Ltda.	581	820
TEIXEIRA DUARTE REAL ESTATE, S.A.	368	-
TDSP - Gilberto Sabino Empreendimentos Imobiliários SPE, Ltda.	-	17,762
TDRE Hood, LLC	-	5,263
TDSP - Alta Vista IV Empreendimentos Imobiliários SPE, Ltda.	-	302
Other	295	536
	127,638	144,412

At 31 December 2020 and 2019, the following inventories were pledged as collateral for liabilities:

Geography	2020	2019
Portugal	Mortgage 10 Lots Santa Marinha Design District Development	Mortgage 10 Lots Santa Marinha Design District Development
Portugal	Mortgage 9 Lots Mafamude	Mortgage 9 Lots Mafamude
Portugal	Mortgage on the Magnolia and Coima Development	Mortgage on the Magnolia and Coima Development
Portugal	Vale Figueira Mortgage	Vale Figueira Mortgage
Portugal	Mortgage on the Lezíria Park 2, Villa Rio, Jardins da Póvoa and Póvoa Logistics Park development	Mortgage on the Lezíria Park 2, Villa Rio, Jardins da Póvoa and Póvoa Logistics Park development
Brazil	Real Estate Development Condominium Verissimo Mooca - São Paulo / Brazil (42 Independent Units)	Real Estate Development Condominium Verissimo Mooca - São Paulo / Brazil (42 Independent Units)
Brazil	Quartier Brooklin Condominium Real Estate Development - São Paulo / Brazil (108 Independent Units)	Quartier Brooklin Condominium Real Estate Development - São Paulo / Brazil (108 Independent Units)
Brazil	Condomínio Loomi Paulista Real Estate Development - São Paulo / Brazil (96 Independent Units)	-
Brazil	Condomínio Loomi Klabin real estate development - São Paulo / Brazil (60 Independent Units)	-
Brazil	-	Real Estate Development Condominium Portrait Pinheiros - São Paulo / Brazil (104 Independent Units)

11 - EXTERNAL SUPPLIES AND SERVICES

External supplies and services break down as follows for the periods ended 31 December 2020 and 2019:

	2020	2019
Subcontracts	78,059	162,088
Specialised work	20,875	26,362
Hire and rental charges	16,935	27,294
Maintenance and repair	14,496	20,893
Transport of goods	5,579	5,475
Fuel	4,925	12,626
Travel and accommodation	3,627	5,603
Electricity	3,156	3,884
Fees	2,606	5,526
Surveillance and security	2,219	3,229
Advertising	1,548	2,391
Transport of people	1,363	2,588
Other	50,781	60,373
	206,169	338,332

12 - PERSONNEL EXPENSES

The average numbers of employees for the periods ended 31 December 2020 and 2019, by operating segment, were as follows:

	2020	2019
Construction	4,792	6,198
Concessions and services	1,698	2,067
Estate agent	204	222
Hospitality	1,013	1,049
Distribution	1,233	1,372
Automotive	328	387
Not allocated to segments	9	98
	9,277	11,393

The "personnel costs" item for the years ended December 31, 2020 and 2019 had the following composition:

	2020	2019
Normal remunerations	85,980	117,952
Other remunerations	40,306	58,804
Charges with remunerations	23,893	35,943
Insurance	1,348	1,767
Other staff costs	15,588	24,708
	167,115	239,174

13 - OTHER OPERATING EXPENSES

Other operating expenses for the periods ended 31 December 2020 and 2019 were as follows:

	2020	2019 "restatement"
Change in fair value of investment properties (Note 21)	35,851	27,324
Taxes	8,773	16,897
Losses incurred in the divestment of assets (a)	5,243	1,782
Corrections related to prior financial years	511	905
Loss of inventories	110	249
Bad debts	101	632
Other operating expenses b)	15,918	9,196
	66,507	56,985

a) The indicated losses include losses on the disposal of property, plant and equipment amounting to 5,243 thousand euros (1,746 thousand euros in 2019) (Note 20).

During the period ended 31 December 2019, the company TDD - Distribuição Brasil, Ltda. was dissolved and a loss of 36 thousand euros was recorded;

b) The item "Other operational expenses" includes, for the period ended December 31, 2020, 5,150 thousand euros relating to the Group's liabilities to a third party entity under the Association Agreement concluded between the parties, for the purpose of sharing the profits of a real estate development.

14 - FINANCIAL RESULTS

The financial results for the periods ended 31 December 2020 and 2019, were as follows:

	2020	2019
Financial expenses and losses:		
Supported interests	(23,198)	(24,822)
Unfavorable exchange rate differences a)	(50,181)	(68,936)
Net monetary position b)	(1)	-
Other financial expenses and losses	(17,646)	(24,934)
	(91,026)	(118,692)
Income and financial earnings:		
Obtained interests	3,247	3,655
Favorable exchange rate differences a)	44,575	21,979
Net monetary position b)	-	92
Other financial income and gains	1,825	4,762
	49,647	30,488
Earnings from investment activities:		
Results related to associated companies and joint ventures (Note 23)	576	1,407
Dividends c)	1,795	626
Other investments d)	(232)	(310)
Gains / losses in assets available for sale	-	(7)
	2,139	1,716
Financial Results	(39,240)	(86,488)

- a) Net exchange rate differences posted for the periods ended 31 December 2020 and 2019 are due to payments and receipts, as well as to exchange rate updates to balances, posted based on currencies other than the Euro;
- b) The presented amount corresponds to the gain/loss arising from the application of IAS 29 to companies in Venezuela.
- c) The amounts presented in 2020 and 2019 correspond to dividends received from "Other financial investments at fair value through other comprehensive income";
- d) The item "Other Investments" includes gains and losses from "Other financial investments at fair value through other comprehensive income" as well as impairment losses on these assets.

In the periods ended 31 December 2020 and 2019, no interest was capitalized in the acquisition cost of qualifying assets.

15 – INCOME TAX

"TD,SA" is the parent company of a group of companies taxed under the Special Taxation Regime for Company Groups (RETGS), which covers all companies in which it directly or indirectly holds at least 75% of the respective share capital, provided that the stake in question gives it more than 50% of voting rights and, at the same time, its head offices and effective management are in Portugal and it is taxed under the general Corporation Income Tax regime ("IRC").

The remaining subsidiaries, not covered by the RETGS, are taxed individually based on their respective taxable bases and at the applicable corporate income tax, municipal surcharge and state surcharge rates.

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.

Pursuant to the terms of the IRC (Corporation Tax) Code, tax losses are reportable for a period of 5 (five) years for those that occurred during the tax period of 2018 onwards, and may be deducted from the taxable gains *subsequently earned*. *This deduction is limited to 70% of the taxable gains earned during the tax period in which it is made.*

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 six years.

The Board of Directors believes that any corrections resulting from tax reviews/inspections of these statements will have no significant effect on the consolidated financial statements reported at 31 December 2019.

The item relating to "Income Tax" represents the sum of current tax and deferred tax, the latter being the recognition of temporary differences between accounting and tax results, as provided for in IAS 12 - Income Taxes (Note 26)..

Deferred tax assets and liabilities are calculated and assessed annually using the taxation rates which are in force or announced to be in force on the expected date of the reversal of the temporary differences.

Deferred taxes assets are recognised only when there are reasonable expectations of sufficient future taxable profits for their use, or in situations where there are temporary differences for taxation purposes which compensate the deductible temporary differences in the period of their reversal. Deferred tax assets and liabilities are calculated and assessed periodically using the tax rates expected to be in force when the timing differences reverse.

Deferred taxes are recorded as expense or income for the period, unless they related to temporary differences posted under equity, in which case the deferred tax is recorded under the same heading.

At the end of each period, deferred taxes are reviewed and reduced whenever their future use is no longer likely.

Income taxes recognized in the periods ended 31 December 2020 and 2019 are as follows:

	2020	2019
Current tax:		
Income tax in Portugal	(8,247)	(6,993)
Income tax in other jurisdictions	(12,462)	(17,608)
Current Tax	(20,709)	(24,601)
Deferred tax (Note 26)	10,476	(2,691)
	(10,233)	(27,292)

In addition to the amounts of deferred taxes recorded directly on the income statement, deferred taxes of (18,682) thousand euros in the period ended 31 December 2020 ((32,615) thousand euros at 31 December 2019) were recorded directly in equity (Note 26).

At 31 December 2020 and 2019 the conciliation between the nominal and effective income tax rate can be presented as follows:

	2020		2019	
	Rate %	Tax	Rate %	Tax
Earnings before tax		13,184		43,962
Nominal rate and tax on income	(21.0%)	(2,769)	(21.0%)	(9,232)
Tax rate differential from other countries	(101.8%)	(13,425)	(36.1%)	(15,851)
Earnings from associated companies and joint ventures (equity method)	0.9%	121	0.7%	295
Tax losses generated in the year for which deferred tax assets were not recognised	22.3%	2,942	24.2%	10,632
Difference between capital gains and losses for tax and accounting purposes	1.5%	193	9.5%	4,186
Expenses not accepted for tax purposes	(30.3%)	(3,999)	(8.2%)	(3,598)
Autonomous taxation	(3.4%)	(454)	(0.6%)	(270)
Surcharge	(2.5%)	(333)	(2.8%)	(1,225)
Differences in estimates	(28.3%)	(3,728)	(3.8%)	(1,654)
Other tax components	5.6%	743	(17.9%)	(7,885)
Deferred tax for the year	79.5%	10,476	(6.1%)	(2,691)
Effective rate and tax on income	(77.6%)	(10,233)	(62.1%)	(27,292)

16 - EARNINGS PER SHARE

Earnings per share for the periods ended 31 December 2020 and 2019 were calculated taking into consideration the following amounts:

	2020	2019
Result to estimate the net result by basic share (net result of period)	3,558	14,414
Weighted average number of shares for the effect of calculating earnings per basic share (thousand)	420,000	420,000
Earnings per basic share	0.01	0.03

Due to the fact that during the periods ending 31 December 2020 and 2019 there were no dilutive effects of earnings per share, the diluted earnings per share is equal to the basic earnings per share.

17 - 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.

No dividends were distributed for the year ended 31 December 2019, referring to the year 2018.

18 - GOODWILL

During the periods ended 31 December 2020 and 2019, the movements occurring in the values of *Goodwill*, determined on the acquisition of subsidiary companies, as well as in the respective accumulated impairment losses, were as follows:

	2020	2019
Gross asset:		
Opening balance	27,469	27,526
Currency conversion adjustments	(11)	(57)
Closing balance	27,458	27,469
Accumulated impairment losses	(15,255)	(15,255)
Net asset:	12,203	12,214

The amounts of *Goodwill* as of 31 December 2020 and 2019 relate to the following entities:

Participated company	Operating segment	2020	2019
EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A.	Construction	12,107	12,107
Auto Competição Angola (SU), Lda.	Automotive	96	107
		12,203	12,214

The *goodwill* relative to the associated companies and joint-ventures is an integral part of the values of the corresponding investments and is disclosed in Note 23.

The values of *goodwill* are tested annually for impairment or whenever there are indications that they may be impaired.

The recoverable amount of the cash-generating units to which *goodwill* is allocated is determined based on the calculation of its use value, which uses cash flow forecasts based on the latest financial forecasts approved by the respective Boards of Directors over a period of five years, discounted by the discount rates shown in the table below, which were calculated based on the weighted average cost of capital (WACC), adjusted for risks, specific to the market in which each unit is placed. Cash flows beyond this five-year period were forecast using the rates specified in the same table. These rates do not exceed the average

long-term growth for the markets in which those cash-generating units are allocated.

The Boards of Directors believe that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the book value of these cash-generating units to exceed its recoverable amount.

The main assumptions considered in determining the value in use of *goodwill* are as follows:

Participated company	2020		
	Book value of the goodwill	Discount rate	Perpetuity growth rate
EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A.	12,107	5.3%	1.00%
Auto Competição Angola (SU), Lda.	96	15.8%	1.00%
	12,203		

Participated company	2019		
	Book value of the goodwill	Discount rate	Perpetuity growth rate
EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A.	12,107	5.6%	1.00%
Auto Competição Angola (SU), Lda.	107	15.8%	1.00%
	12,214		

19 - INTANGIBLE ASSETS

During the periods ended 31 December 2020 and 2019, the movements in intangible assets, as well as in the respective accumulated amortization and impairment losses, were as follows:

	Industrial property	Other	Fixed assets under construction	Advances on account	Total
Gross asset:					
Balance on December 31, 2018	75,942	77	2,741	347	79,107
Currency conversion adjustments	(9,351)	(13)	(40)	(119)	(9,523)
Additions	858	-	1,202	419	2,479
Transfers and write-offs	8,122	(6)	(566)	-	7,550
Sales	(16)	-	-	-	(16)
Balance on December 31, 2019	75,555	58	3,337	647	79,597
Currency conversion adjustments	(4,049)	(4)	(734)	-	(4,787)
Additions	2,798	-	222	434	3,454
Transfers and reductions	21	-	(21)	-	-
Sales	(1,469)	-	-	-	(1,469)
Balance on 31 December 2020	72,856	54	2,804	1,081	76,795
Accumulated amortisation and impairment losses:					
Balance on December 31, 2018	14,017	77	-	-	14,094
Currency conversion adjustments	(1,996)	(13)	-	-	(2,009)
Transfers and write-offs	1,445	(6)	-	-	1,439
Stiffeners	5,811	-	-	-	5,811
Sales	(5)	-	-	-	(5)
Balance on December 31, 2019	19,272	58	-	-	19,330
Currency conversion adjustments	(1,578)	(4)	-	-	(1,582)
Stiffeners	3,297	-	-	-	3,297
Sales	(359)	-	-	-	(359)
Balance on 31 December 2020	20,632	54	-	-	20,686
Net value:					
As at 31 December 2019	56,283	-	3,337	647	60,267
At 31 December 2020	52,224	-	2,804	1,081	56,109

On 31 December 2020 the “Industrial property” item presented the amount of 45,376 thousand euros referring to surface rights (49,233 thousand euros on 31 December 2019).

20 - TANGIBLE FIXED ASSETS

During the periods ended 31 December 2020 and 2019, the movements in tangible fixed assets, as well as in the respective accumulated depreciation and impairment losses, were as follows:

	Land and Natural Resources	Buildings and other constructions	Basic equipment	Transportation equipment	Tool and utensils	Administrative equipment	Other tangible fixed assets	Tangible fixed assets in progress	Advances on account	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	-	-	91	16	-	-	-	(6)	-	101
Currency conversion adjustments	(3,066)	(242,929)	(25,641)	(9,398)	(611)	(4,938)	(1,586)	(2,371)	(38)	(290,578)
Perimeter alteration	-	-	(406)	-	(1)	(47)	(1)	-	-	(455)
Additions	-	1,995	19,745	6,907	2,449	1,180	282	2,626	-	35,184
Transfers and write-offs	(1,049)	(5,197)	(13,306)	(3,419)	(489)	(578)	(504)	(5,816)	-	(30,358)
Sales	(4,605)	(2,043)	(15,462)	(5,785)	(4,700)	(437)	(270)	-	-	(33,302)
Revaluation	-	217,892	-	-	-	-	-	-	-	217,892
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	(2,349)	(219,592)	(25,659)	(10,059)	404	(4,352)	(1,349)	(839)	(8)	(263,803)
Additions	3	727	13,041	1,045	582	731	832	869	-	17,830
Transfers and reductions	(3,061)	(3,399)	(3,310)	(1,224)	(507)	(2,974)	(2,703)	(888)	(15)	(18,081)
Sales	(54)	(3,611)	(21,965)	(14,292)	(2,413)	(2,980)	(2,292)	-	-	(47,607)
Revaluation	-	180,628	-	-	-	-	-	-	-	180,628
Balance on 31 December 2020	12,976	752,679	275,667	36,989	35,941	16,140	3,592	2,547	51	1,136,582
Depreciation and losses from accrued 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	-	-	9	2	-	-	-	-	-	11
Exchange conversion effect	-	(113,019)	(20,560)	(7,201)	106	(4,455)	(879)	-	-	(146,008)
Perimeter alteration	-	-	(5)	-	(1)	(19)	-	-	-	(25)
Stiffeners	-	17,082	18,147	3,378	2,621	1,178	659	-	-	43,065
Transfers and write-offs	-	(589)	(10,360)	(1,890)	(757)	(314)	(237)	-	-	(14,147)
Sales	(164)	(1,095)	(10,969)	(3,880)	(3,867)	(419)	(167)	-	-	(20,561)
Revaluation	-	109,005	-	-	-	-	-	-	-	109,005
Balance on December 31, 2019	-	400,553	274,808	50,430	33,220	23,154	5,674	-	-	787,839
Exchange conversion effect	-	(111,917)	(16,370)	(8,305)	(1,080)	(3,632)	(259)	-	-	(141,563)
Stiffeners	-	15,221	12,193	2,386	2,003	825	444	-	-	33,072
Transfers and reductions	-	(3,056)	(2,660)	(976)	(460)	(2,866)	(2,117)	-	-	(12,135)
Sales	-	(1,247)	(17,772)	(10,912)	(1,356)	(2,871)	(1,928)	-	-	(36,086)
Revaluation	-	105,971	-	-	-	-	-	-	-	105,971
Balance on 31 December 2020	-	405,525	250,199	32,623	32,327	14,610	1,814	-	-	737,098
Net value:										
as at 31 December 2019	18,437	397,373	38,752	11,089	4,655	2,561	3,430	3,405	74	479,776
at 31 December 2020	12,976	347,154	25,468	4,366	3,614	1,530	1,778	2,547	51	399,484

According to IAS 16, after initial recognition, tangible fixed assets can be measured in accordance with two models:

- Cost Model;
- Revaluation model

On 31 December 2020 and 2019, the Group opted for the revaluation model for a restricted set of tangible fixed assets, and this policy was then applied to an entire homogeneous class.

The adoption of the revaluation model assumes that the fair value can be reliably determined, and the asset in question is measured at its revalued value, corresponding to its fair value at the date of the revaluation, less any accumulated depreciation and subsequent impairment.

In order to ensure that the financial statements more accurately reflect the fair value of the net assets, it was decided to change the measurement model applied to all hotels, all distribution stores and also to stores in the vehicle sector, as these form part of the homogeneous class of assets in which it is believed that the difference between the value recognized on the financial statements and the corresponding fair value is most significant.

The increase in the value of the assets was directly reflected in equity or in results, in the event of a reduction in value due to impairment.

Revaluations should be carried out sufficiently frequently to ensure that the carrying amount does not materially differ from the corresponding fair value at the reporting date (IAS 16:31).

At 31 December 2020 and 2019, the impact of the revaluation of these tangible fixed assets was as follows:

2020							
Fixed tangible assets	Gross assets	Accumulated amortizations	Net value	Evaluation value	Impact on revaluation	Deferred tax	Impact of net revaluation
Hotels							
Portugal	17,251	(11,549)	5,702	6,044	342	(72)	270
Angola	239,997	(146,957)	93,040	132,967	39,927	(9,982)	29,945
Mozambique	23,148	(8,336)	14,812	17,548	2,736	(876)	1,860
	280,396	(166,842)	113,554	156,559	43,005	(10,930)	32,075
Stores in the distribution sector							
Angola	101,584	(27,872)	73,712	89,499	15,787	(3,947)	11,840
	101,584	(27,872)	73,712	89,499	15,787	(3,947)	11,840
Stores in the automotive sector							
Angola	89,062	(41,738)	47,324	63,189	15,865	(3,966)	11,899
	89,062	(41,738)	47,324	63,189	15,865	(3,966)	11,899
	471,042	(236,452)	234,590	309,247	74,657	(18,843)	55,814

2019

Fixed tangible assets	Gross assets	Accumulated amortizations	Net value	Evaluation value	Impact on revaluation	Deferred tax	Impact of net revaluation
Hotels							
Portugal	15,657	(10,148)	5,509	6,044	535	(112)	423
Angola	231,954	(137,910)	94,044	144,633	50,589	(15,177)	35,412
Mozambique	28,570	(9,720)	18,850	20,571	1,721	(551)	1,170
	276,181	(157,778)	118,403	171,248	52,845	(15,840)	37,005
Stores in the distribution sector							
Angola	105,503	(26,018)	79,485	112,700	33,215	(9,964)	23,251
	105,503	(26,018)	79,485	112,700	33,215	(9,964)	23,251
Stores in the automotive sector							
Angola	88,127	(34,211)	53,916	76,743	22,827	(6,849)	15,978
	88,127	(34,211)	53,916	76,743	22,827	(6,849)	15,978
	469,811	(218,007)	251,804	360,691	108,887	(32,653)	76,234

All real estate was valued by independent, professionally qualified and recognised appraisers with recent experience in the location and category of the valued properties.

It should also be noted that the useful lives of the revalued real estate were not changed.

The additions made to tangible fixed assets in the year ended 31 December 2020 relate mainly to investments made in plant and equipment.

At 31 December 2020, the tangible fixed assets in progress are essentially buildings and other constructions in progress.

21 - INVESTMENT PROPERTIES

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

	2020	2019
Opening balance	208,478	194,091
Perimeter alteration	-	(4,588)
Currency conversion adjustments	(28,500)	(35,504)
Increases / (divestments)	21,282	15,951
Change in fair value (Note 8 and 13)	32,975	38,528
Closing balance	234,235	208,478

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

	2020	2019
Portugal	18,838	10,312
Angola	14,238	28,216
Mozambique	(101)	-
	32,975	38,528

Income from investment property amounted to 4,559 thousand euros for the period ended Thursday, December 31, 2020 (5,006 thousand euros at Tuesday, December 31, 2019). Direct operating expenses for investment properties for the period ended 31 December 2020 amounted to 1,269 thousand euros (1,057 thousand euros at 31 December 2019).

The fair value of each investment property in operation is periodically determined by means of valuations performed by specialized independent entities, in accordance with valuation methodologies generally accepted in the real estate market, specifically the comparative market income or replacement cost methods, depending on the specific situations of each property.

The main assumptions and methods inherent to the assessment of support for the market value of the investment properties were as follows:

- *Yield:*
 - Portugal between 4% and 10%;
- Average of the comparative method and income multiples;
- Average of the comparative method and cost.

IAS 40 - Investment property ("IAS 40") does not require the determination fair value of investment properties on the basis of a valuation made by an independent valuator. On 31 December 2020 and 2019, all investment properties were appraised by independent appraisers with relevant and recognized professional qualifications, as well as recent experience in localization and in the category of valued investment property.

These valuers have applied methods currently used in this market, based on the use of the income method, replacement cost method or market price comparisons, according to the specific situations of each property. Considering that the assets

are leased, the income method was used, but also taking into account the other methods used to assess the reasonableness of the results achieved through this method. According to this method, the yields of the current contracts in the current circumstances were used and, at the end of the period of those contracts, a yield adapted to each of the properties was used.

22 - USAGE RIGHTS

During the periods ended 31 December 2020 and 2019, the following movements occurred under the “usage rights” item due to the application of IFRS 16:

	Buildings and other constructions	Basic equipment	Transport equipment	Administrative equipment	Other fixed tangible assets	Total
Gross asset:						
Balance on January 1st, 2019	42,358	920	233	-	-	43,511
Additions	1,623	8	1,041	7	-	2,679
Transfers and write-offs	(2)	14,140	2,229	-	192	16,559
Balance on December 31, 2019	43,979	15,068	3,503	7	192	62,749
Currency conversion adjustments	(2,593)	(678)	(161)	-	-	(3,432)
Additions	1,569	377	694	726	-	3,366
Transfers and reductions	(2,713)	(189)	(408)	-	-	(3,310)
Sales	-	(221)	(1,291)	-	(192)	(1,704)
Balance on 31 December 2020	40,242	14,357	2,337	733	-	59,373
Depreciation and losses from accrued impairment:						
Balance on January 1st, 2019	-	-	-	-	-	-
Currency conversion adjustments	(279)	(6)	(8)	-	-	(293)
Stiffeners	8,166	1,335	900	1	21	10,423
Transfers and write-offs	-	10,689	280	-	47	11,016
Balance on December 31, 2019	7,887	12,018	1,172	1	68	21,146
Currency conversion adjustments	(951)	(543)	(151)	-	-	(1,645)
Stiffeners	5,778	2,349	481	114	-	8,722
Transfers and reductions	(3,039)	(187)	(421)	-	-	(3,647)
Sales	-	(37)	(236)	-	(68)	(341)
Balance on 31 December 2020	9,675	13,600	845	115	-	24,576
Net value:						
As at 31 December 2019	36,092	3,050	2,331	6	124	41,603
At 31 December 2020	30,567	757	1,492	618	-	33,434

23 - INVESTMENTS IN ASSOCIATES AND JOINT-VENTURES

The following associated companies and joint ventures were re-recorded by the equity method at 31 December 2020:

Social Denomination	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 Paraíba, nº 1000, sala 1518 15º andar – Bairro Funcionário Belo Horizonte - Minas Gerais - Brasil	43.21%
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 - Linhão – 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 (1,5) 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%
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%

Investments in associated companies and joint ventures had the following movements in the periods ended 31 December 2020 and 2019:

	Equity stakes	Goodwill	Total
Balance on January 1st, 2019	16,821	-	16,821
Effects of the application of the equity method:			
- Effect on the result for the period (Note 14)	1,407	-	1,407
- Effect in equity	230	-	230
Perimeter alteration	(479)	-	(479)
Sales	(24)	-	(24)
Currency conversion adjustments	335	-	335
Other	3,945	-	3,945
Balance on December 31, 2019	22,235	-	22,235
Balance on January 1st, 2020	22,235	-	22,235
Effects of the application of the equity method:			
- Effect on the result for the period (Note 14)	576	-	576
- Effect in equity	234	-	234
- Dividends	(407)	-	(407)
Currency conversion adjustments	(3,634)	-	(3,634)
Other	(141)	-	(141)
Balance on 31 December 2020	18,863	-	18,863

Investments in associates and joint ventures at 31 December 2020 and 2019 are detailed below:

	2020			2019		
Associates and joint-ventures	Equity stakes	Goodwill	Value of financial position	Equity stakes	Goodwill	Value of financial position
IMOC - Empreendimentos Imobiliários, S.A.R.L.	9,999	-	9,999	13,631	-	13,631
TDE - Empreendimentos Imobiliários, S.A.	3,512	-	3,512	3,378	-	3,378
TDGISERV Services, LLC (a)	2,623	-	2,623	2,338	-	2,338
Consórcio Puente Daule Guayaquil	658	-	658	1,024	-	1,024
Other	2,071	-	2,071	1,864	-	1,864
	18,863	-	18,863	22,235	-	22,235

These holdings are disclosed using the equity method of accounting which, for the periods ended 31 December 2020 and 2019, had the following impacts:

2020				
Associates and joint-ventures	Gains and losses in associated companies and joint ventures (Note 14)	Adjustments of holdings	Dividends	Total
Alvorada Petróleo, S.A.	(18)	201	-	183
Consórcio Ponte Daule Guayaquil	137	-	(407)	(270)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	(131)	-	-	(131)
TDE - Empreendimentos Imobiliários, S.A.	(3)	-	-	(3)
TDGISERV Services, LLC (a)	540	(57)	-	483
Other	51	90	-	141
	576	234	(407)	403

2019				
Associates and joint-ventures	Gains and losses in associated companies and joint ventures (Note 14)	Adjustments of holdings		Total
Alvorada Petróleo, S.A.	(100)	10		(90)
Consórcio Ponte Daule Guayaquil	390	-		390
IMOC - Empreendimentos Imobiliários, S.A.R.L.	(225)	204		(21)
TDE - Empreendimentos Imobiliários, S.A.	(19)	-		(19)
TDGISERV Services, LLC (a)	1,552	16		1,568
Other	(191)	-		(191)
	1,407	230		1,637

The main financial information relating to associated companies and joint ventures, at 31 December 2020 and 2019 is as follows:

	Total assets		Total liabilities		Total net assets		Share of the Group in net assets	
	2020	2019	2020	2019	2020	2019	2020	2019
Alvorada Petróleo, S.A.	1,074	1,665	651	1,721	423	(56)	183	-
IMOC - Empreendimentos Imobiliários, S.A.R.L.	21,138	28,455	1,288	1,149	19,850	27,306	9,999	13,631
Consórcio Ponte Daule Guayaquil	33,910	20,597	30,619	15,477	3,291	5,120	658	1,024
TDE - Empreendimentos Imobiliários, S.A.	19,385	17,861	11,332	11,105	8,053	6,756	3,512	3,378
TDGISERV Services, LLC (a)	9,488	11,605	4,134	6,834	5,354	4,771	2,623	2,338
Other	10,938	14,161	6,531	9,976	4,407	4,185	1,888	1,864
	95,933	94,344	54,555	46,262	41,378	48,082	18,863	22,235

24 - OTHER FINANCIAL INVESTMENTS

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

	2020		2019	
	Non-current	Current	Non-current	Current
Other financial investments at fair value through other comprehensive income				
Aginyo Inversiones Y Gestiones Inmobiliarias S.L.	8,873	-	12,213	-
Banco Comercial Português, S.A.	821	-	1,352	-
EIA - Ensino, Investigação e Administração, S.A.	624	-	624	-
KUIKILA Investments, Lda.	397	-	526	-
MATADOURO DE MACAU, S.A.R.L.	317	-	317	-
Macau CPM Holdings	150	-	150	-
ILTA - Urbanizadora da Ilha de Tavira, S.A.	79	-	256	-
COLT Resources Inc.	1	-	156	-
Other	376	10	272	10
	11,638	10	15,866	10
Other financial investments at amortized cost				
Public Debt Securities of the Government of the People's Republic of Angola	2,569	-	2,806	-
	2,569	-	2,806	-
	14,207	10	18,672	10

For the stakes held in "Banco Comercial Português, S.A." and "COLT Resources Inc.", the fair value of these assets was the market price.

The fair value of the share in Aginyo Inversiones y Gestiones Inmobiliarias S.L. was determined by an independent appraisal performed during the financial year ended 31 December 2020.

For the remaining financial assets indicated above (shares in unlisted companies), the Board of Directors of the Group considered that their acquisition cost, less, if necessary, the respective impairment losses, corresponded to the best estimate of their fair value at 31 December 2020.

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

	2020		2019	
	Non-current	Current	Non-current	Current
Opening balance	18,672	10	21,149	14,665
Increases	13	-	32	10
Reductions	-	-	(791)	(9,654)
Variation of fair value	(686)	-	(168)	-
Currency Variation	(3,706)	-	(1,616)	(5,011)
Other variations	(86)	-	66	-
Closing balance	14,207	10	18,672	10

25 - ASSETS AND LIABILITIES HELD FOR SALE

On 31 December 2020 and 2019, the assets and liabilities held for sale have the following details:

	2020	2019
Assets held 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 held for sale	34,897	34,897
Liabilities held for sale:		
Obtained financing	21,698	21,698
Liabilities by deferred taxes	(1,848)	(1,848)
Suppliers	212	212
Other Creditors	634	634
Other liabilities	448	448
Total liabilities held for sale	23,561	23,561
Total net value	11,336	11,336

As of 31 December 2020 and 2019, the companies Bonaparte - Imóveis Comerciais e Participações, S.A. and AEBT - Vias do Baixo Tejo, S.A. are classified as "Assets and Liabilities Held for Sale".

26 - DEFERRED TAX

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

The movement in deferred tax assets and liabilities in the periods ended 31 December 2020 and 2019, according to the temporary differences that generated them, is as follows:

2020							
	Opening balance	Constitution		Reversal		Currency conversion & adjustments	Closing balance
		Net result (Note 15)	Equity (Note 15)	Net result (Note 15)	Equity (Note 15)		
Assets by deferred taxes:							
Inventory impairments	2,446	325	-	(2,098)	-	(3)	670
Impairment of clients	1,267	586	-	(3)	-	(3)	1,847
Impairment of financial assets at fair value through other comprehensive income	106,424	-	154	-	-	(1)	106,577
Double international taxation credit	10,079	1,404	-	-	-	1,063	12,546
Reportable tax losses	15,985	6,120	-	(223)	-	(9,702)	12,180
Provision for losses in works	978	1,573	-	(293)	-	27	2,285
Other	10,814	3,126	-	(2,231)	(46)	(2,002)	9,661
	147,993	13,134	154	(4,848)	(46)	(10,621)	145,766
Liabilities by deferred taxes:							
Income taxable in future periods	72	153	-	(141)	-	437	521
Investment Properties	20,598	734	-	(20)	-	(8,543)	12,769
Reassessment of fixed tangible assets	80,282	80	18,843	(2,526)	-	(32,763)	63,916
Other	10,720	852	-	(1,322)	(53)	(3,237)	6,960
	111,672	1,819	18,843	(4,009)	(53)	(44,106)	84,166

2019								
	Initial balance	Perimeter alteration	Constitution		Reversal		Currency conversion & adjustments	Closing balance
			Net result (Note 15)	Equity (Note 15)	Net result (Note 15)	Equity (Note 15)		
Assets by deferred taxes:								
Inventory impairments	388	-	2,107	-	(49)	-	-	2,446
Impairment of clients	1,273	-	-	-	(6)	-	-	1,267
Impairment of financial assets at fair value through other comprehensive income	108,638	-	-	39	(2,251)	(2)	-	106,424
Double international taxation credit	11,242	-	4,149	-	-	-	(5,312)	10,079
Reportable tax losses	18,946	-	7,032	-	(6,018)	-	(3,975)	15,985
Provision for losses in works	716	-	237	-	(23)	-	48	978
Other	8,232	(253)	904	-	(3,872)	-	5,803	10,814
	149,435	(253)	14,429	39	(12,219)	(2)	(3,436)	147,993
Liabilities by deferred taxes:								
Income taxable in future periods	305	-	7	-	(25)	-	(215)	72

Investment Properties	22,078	(606)	8,440	-	(756)	-	(8,558)	20,598
Reassessment of fixed tangible assets	75,120	(89)	-	32,652	(3,191)	-	(24,210)	80,282
Other	15,045	-	779	-	(353)	-	(4,751)	10,720
	112,548	(695)	9,226	32,652	(4,325)	-	(37,734)	111,672

According to the tax returns of the companies that record deferred tax assets due to tax losses, at 31 December 2020 and 2019, these were reportable as follows:

	2020			2019 a)		
	Tax loss	Deferred tax assets	Usage deadline	Tax loss	Deferred tax assets	Usage deadline
Generated in 2015	2,771	942	2029	4,389	1,490	2029
Generated in 2016	31,106	6,720	2030	43,904	9,472	2030
Generated in 2017	17	3	2024	2,474	840	2024
Generated in 2018	-	-	2025	2,403	775	2025
Generated in 2019	7,190	2,396	2026	10,266	3,408	2026
Generated in 2020	6,636	2,119	2030	-	-	-
	47,720	12,180		63,436	15,985	

a) Amounts of tax losses generated in the years 2016 to 2019, restated to ensure proper comparability of the periods ended 31 December 2020 and 2019.

Additionally, at 31 December 2020 and 2019, all tax losses and credits that were not posted as deferred tax assets due to prudence are detailed as follows:

	2020			2019		
	Tax loss	Credit credit	Usage deadline	Tax loss	Credit credit	Usage deadline
Generated in 2016	-	-	2030	1,098	330	2030
Generated in 2017	662	165	2024	849	255	2024
Generated in 2018	15,728	3,932	2025	26,037	7,811	2025
Generated in 2019	34,677	8,669	2026	35,442	10,632	2026
Generated in 2020	11,769	2,942	2030	-	-	-
	62,836	15,708		63,426	19,028	

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

27 - CUSTOMERS AND OTHER RECEIVABLES

At 31 December 2020 and 2019, this item had the following composition:

	Current		Non-current	
	2020	2019	2020	2019
Clients:				
Clients current account	160,356	241,315	12,489	16,458
Clients with bad debt	54,577	39,163	-	19,126
	214,933	280,478	12,489	35,584
Impairment losses	(63,291)	(44,295)	-	(19,126)
	151,642	236,183	12,489	16,458
Other debtors:				
Staff	536	447	-	-
Other debtors	31,722	38,287	10,986	14,056
	32,258	38,734	10,986	14,056
Impairment losses	(791)	(217)	-	(1,362)
	31,467	38,517	10,986	12,694

During the periods ended 31 December 2020 and 2019 the movements in impairment losses of accounts receivable were as follows:

Accumulated impairment losses on customers and other receivables:

Balance on December 31, 2018	78,515
Currency conversion adjustments	(7,563)
Stiffeners	4,646
Reversals	(6,570)
Regularization	(4,028)
Balance on December 31, 2019	65,000
Currency conversion adjustments	(6,658)
Stiffeners	8,326
Reversals	(198)
Regularization	(2,388)
Balance on 31 December 2020	64,082

Conciliation of accumulated impairment losses at 31 December 2020 and 2019:

	2020	2019
Accumulated impairment losses recognised in accordance with IAS 39	59,018	60,933
Accumulated impairment losses recognised in accordance with IFRS 9	5,064	4,067
	64,082	65,000

The Group's exposure to credit risk (Note 41) is attributable to the accounts receivable from its operating activity. The balances shown in the statement of the financial position are net of im-

pairment losses arising from bad debt which were estimated by the Group in accordance with its experience and based on its assessment of the economic situation and environment.

The Board of Directors believes that the book value of the accounts receivable corresponds to the best estimate of their fair value.

The Group has no significant concentration of credit risks, since it is diluted over a wide range of customers and other debtors.

28 - RELATED PARTIES

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

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

The main balances with related entities at 31 December 2020 and 2019 can be detailed as follows:

Entities	Balance Receivable		Balance Payable		Granted loans		Other debts	
	2020	2019	2020	2019	2020	2019	2020	2019
ADOQUINES VARGAS, (ADOQUINVAR), C.A.	-	-	-	-	1	-	-	-
AEBT - Auto Estradas do Baixo Tejo, S.A.	-	-	-	-	-	115	-	-
BONAPARTE - Imóveis Comerciais e Participações, S.A.	38	70	-	-	477	-	605	725
CAIS DE CRUZEIROS 2ª FASE, ACE	-	-	4	-	-	-	-	-
CINTEL - Construção Interceptor Esgotos, S.A.	46	47	-	-	4	5	-	-
CONBATE, ACE	13	-	1	1	-	-	-	-
Consórcio Puente Daule - Guayaquil	-	168	-	-	-	-	6	-
DOURO LITORAL, ACE	8	19	41	(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.	482	419	59	95	-	-	(3,102)	(1,630)
MESOFER, ACE	641	-	-	-	-	-	-	-
METROLIGEIRO - Construção de Infraestruturas, ACE	32	32	-	-	11	11	-	-
NOVA ESTAÇÃO, ACE	286	213	88	88	6	13	-	-
Promociones Inmobiliárias 3003, C.A.	-	-	-	-	-	-	427	466
TDE - Empreendimentos Imobiliários, S.A.	242	252	-	1	5,890	4,900	-	-
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)	-	121	-	-	-	463	(774)	-
TDHOSP - Gestão de Edifício Hospitalar, S.A.	180	479	-	-	-	-	-	-
	1,975	1,836	285	256	6,389	5,507	(2,832)	(442)

The main transactions performed with related entities in the periods ended 31 December 2020 and 2019 were as follows:

Entities	Sales and services rendered		Purchases and Services received		Interest debited	
	2020	2019	2020	2019	2020	2019
AEBT - Auto Estradas do Baixo Tejo, S.A.	46	12	-	-	-	-
BONAPARTE - Imóveis Comerciais e Participações, S.A.	577	540	-	42	2	-
CONBATE, ACE	109	109	-	-	-	-
Consórcio Puente Daule - Guayaquil	594	1,017	-	-	-	-
DOURO LITORAL, ACE	80	47	7	2	-	-
IMOC - Empreendimentos Imobiliários, S.A.R.L.	677	486	87	142	-	-
NOVA ESTAÇÃO, ACE	19	-	-	-	-	-
MESOFER, ACE	9,339	-	7	-	-	-
TDE - Empreendimentos Imobiliários, S.A.	57	-	-	-	-	25
TDGISERV Services, LLC (a)	101	70	-	-	-	-
TDHOSP - Gestão de Edifício Hospitalar, S.A.	2,598	5,028	199	153	114	-
	14,197	7,309	300	339	116	25

The remuneration of the members of the corporate bodies of "TD, S.A." in the periods ended 31 December 2020 and 2019 was as follows:

	2020	2019
Executive Directors:		
Short-term benefits	918	727
Supervisory Board:		
Short-term benefits	66	66
Chartered accountant:		
Short-term benefits	61	61
	1,045	854

The remuneration of the members of the senior management of "TD, S.A." for the periods ended 31 December 2020 and 2019 was as follows:

	2020	2019
Senior staff:		
Short-term benefits	6,393	6,398
	6,393	6,398

29 - NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

Cash and cash equivalents

At 31 December 2020 and 2019 cash and cash equivalents had the following details:

	2020	2019
Bank deposits	71,519	108,255
Time deposits	14,711	20,335
Other treasury applications	29,121	5,068
Cash	864	1,722
	116,215	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

Revenue from financial investments during the periods ending on 31 December 2020 and 2019, are related to the acquisition of equity holdings in the following entities:

	2020	2019
TDE - Empreendimentos Imobiliários, S.A.	-	15,000
Public Debt Securities of the Government of the People's Republic of Angola	-	9,645
TDHOSP - Gestão de Edifício Hospital, S.A.;	-	768
Other	-	54
	-	25,467

Payments relating to financial investments during the periods ended 31 December 2020 and 2019, are related to the acquisition of equity holdings in the following entities:

	2020	2019
Built Colab - Colaborative Laboratory For The Future Built Environment	13	-
	13	-

The following dividends were received during the periods ended 31 December 2020 and 2019:

	2020	2019
Macau CPM Holdings	1,114	303
Consórcio Puente Daule Guay-aquil	407	-
TDHOSP - Gestão de Edifício Hospital, S.A.	370	-
AEBT - Vias do Baixo Tejo, S.A.	311	310
Other	-	13
	2,202	626

30 - OTHER CURRENT ASSETS

At 31 December 2020 and 2019, other current assets had the following breakdown:

	Current	
	2020	2019
Government and other public entities:		
Value Added Tax	9,312	11,255
Other	605	2,201
	9,917	13,456
Associates, participated companies and other shareholders:		
Associated companies	5,915	5,375
Participated companies	717	191
Other shareholders	1,078	938
	7,710	6,504
Revenue accruals:		
Interests receivable	73	502
Amounts to be invoiced (Note 31)	109,427	108,867
Other Accrued Income	7,517	7,511
	117,017	116,880
Deferred expenses:		
Insurance paid in advance	1,528	2,033
Interest payable	6	34
Other deferred expenses	11,354	12,684
	12,888	14,751
Other current assets:		
Advance payments to suppliers	8,685	30,937
	8,685	30,937
	156,217	182,528

31 - CONSTRUCTION CONTRACTS

For the periods ended 31 December 2020 and 2019, the recognized expenses and income relating to construction contracts in progress are as follows:

	2020	2019
Net income:		
Issued invoices	328,558	535,455
Change in:		
- Deferred income - works (Note 39)	8,648	3,355
- Accrued income - works (Note 30)	560	(5,876)
	337,766	532,934
Net expenses:		
Invoiced expenses	333,112	467,529
Change in:		
- Provisions for guarantees (Note 36)	(2,236)	3,052
- Provisions for future losses (Note 36)	1,496	2,618
	332,372	473,199
Calculated earnings (Note 7):	5,394	59,735

In addition, at 31 December 2020 and 2019, customer withholdings for construction contracts amounted to 6,317 thousand euros and 3,505 thousand euros, respectively.

32 - SHARE CAPITAL

At 31 December 2020 and 2019, the subscribed and paid-in capital was represented by 420,000,000 shares with a par value of 0.50 euros each.

On Thursday, December 31, 2020, TEIXEIRA DUARTE – Sociedade Gestora de Participações Sociais, S.A. directly held 180,600,000 shares representing the capital of Teixeira Duarte, S.A., 43% of which corresponds to the respective share capital (on 31 December 2019, 197,000,000 shares were held representing the capital of Teixeira Duarte, S.A, corresponding to 46.9% of the respective share capital).

33 - 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 observing losses.

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

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

34 - NON-CONTROLLING INTERESTS

The movements under this item during the years ended 31 December 2020 and 2019 were as follows:

	2020	2019
Opening balance	36,585	35,736
Currency conversion adjustments	(11,610)	(9,306)
Dividends	(203)	(381)
Purchase of non-controlling interests	-	1,641
Reassessment of tangible fixed assets	2,038	2,559
Other changes in the equity of the participated companies	2,470	4,080
Result from the period attributable to non-controlled interests	(607)	2,256
Closing balance	28,673	36,585

35 - FINANCING OBTAINED

At 31 December 2020 and 2019, the following financing was obtained:

	2020	2019
Non-current liabilities:		
Bank loans a)	347,606	319,604
Commercial role b)	349,500	367,300
Debentures loans c)	-	5,100
	697,106	692,004
Current liabilities:		
Bank loans a)	60,235	113,299
Commercial role b)	11,950	1,500
Debentures loans c)	5,100	5,100
	77,285	119,899
	774,391	811,903

a) Bank loans

At 31 December 2020, domestic bank loans, bank overdrafts and secured current accounts bear interest at a weighted average annual rate of 2.18% (2.52% as of 31 December 2019).

At 31 December 2020, the most significant bank loans contracted by the Group correspond to:

Geography	Bank	Type Financing	Date Contract	Due Date	Currency	Amount Currency	Amount (€)
Portugal	Novo Banco	Authorized Overdraft	01/02/2007	31/12/2033	EUR	2,998	2,998
Portugal	Banco Comercial Português	Loan	05/01/2009	17/06/2035	EUR	145,604	145,604
Portugal	Banco Santander	Escrow account	31/10/2012	31/12/2033	EUR	6,006	6,006
Angola	Banco de Fomento Angola	Escrow account	27/03/2013	31/03/2021	AON	1,960,000	2,459
Portugal	Caixa Geral de Depósitos	Term Loans	22/09/2014	30/11/2021	EUR	2,308	2,308
Portugal	Caixa Geral de Depósitos	Term Loans	22/09/2014	01/06/2022	EUR	3,098	3,098

Geography	Bank	Type Financing	Date Contract	Due Date	Currency	Amount Currency	Amount (€)
Portugal	Caixa Geral de Depósitos	Term Loans	22/09/2014	15/06/2023	EUR	10,284	10,284
Portugal	Caixa Geral de Depósitos	Term Loans	22/09/2014	01/06/2034	EUR	70,009	70,009
Portugal	Banco BIC	Escrow account	06/08/2015	31/12/2033	EUR	17,450	17,450
Portugal	Novo Banco	Term Loans	30/12/2015	01/06/2022	EUR	31,493	31,493
Portugal	Banco BPI	Loan	05/07/2016	05/11/2021	EUR	6,213	6,213
Portugal	Banco Comercial Português	Loan	12/08/2016	30/12/2033	EUR	9,166	9,166
Portugal	Caixa Geral de Depósitos	Loan	12/08/2016	30/12/2033	EUR	6,523	6,523
Portugal	Novo Banco	Loan	12/08/2016	30/12/2033	EUR	8,800	8,800
Portugal	Banco Comercial Português	Loan	27/11/2017	30/12/2033	EUR	31,673	31,673
Portugal	Banco Comercial Português	Loan	30/01/2018	30/11/2021	EUR	13,025	13,025
Portugal	Caixa Geral de Depósitos	Loan	30/01/2018	30/11/2021	EUR	2,685	2,685
Portugal	Caixa Geral de Depósitos	Term Loans	15/12/2018	01/06/2021	EUR	2,610	2,610
Portugal	Caixa Geral de Depósitos	Term Loans	15/12/2018	30/12/2021	EUR	1,607	1,607
Brazil	Banco Itaú	Loan	09/05/2019	31/01/2022	BRL	31,071	4,875
Brazil	Banco Bradesco	Loan	24/08/2019	24/10/2021	BRL	25,120	3,941
Brazil	Sandvik Credit	Loan	19/10/2019	19/09/2023	BRL	25,823	4,052
Portugal	Banco BIC	Loan	02/01/2020	02/07/2025	EUR	5,123	5,123
Portugal	Novo Banco	Loan	09/03/2020	13/09/2021	EUR	2,309	2,309
Portugal	Sandvik Credit	Loan	06/04/2020	30/11/2024	EUR	1,300	1,300
Angola	Banco BIC	Escrow account	02/06/2020	02/06/2021	AON	1,745,216	2,189
Angola	Banco BAI Angola	Loan	31/07/2020	31/07/2027	AON	1,800,000	2,258
Portugal	Miscellaneous	Other financing	-	-	EUR	3,705	3,705
Angola	Miscellaneous	Other financing	-	-	AON	1,113,889	1,397
Brazil	Miscellaneous	Other financing	-	-	BRL	9,663	1,516
Other regions	Miscellaneous	Other financing	-	-	EUR	1,167	1,167
							407,841

b) Commercial paper

At 31 December 2020, the Group has traded in the following commercial paper programs:

Geography	Bank	Type Financing	Renewal	Date Contract	Due Date	Spread	Currency	Amount (€)
Portugal	Novo Banco	Commercial Paper	Quarterly	16/12/2005	15/12/2023	1.60%	EUR	42,450
Portugal	Caixa Geral de Depósitos	Commercial Paper	Quarterly	07/07/2010	31/12/2033	2.50%	EUR	20,850
Portugal	Novo Banco	Commercial Paper	Every Month	30/12/2013	31/12/2033	2.00%	EUR	182,750
Portugal	Novo Banco	Commercial Paper	Every Month	28/12/2015	15/06/2027	1.95%	EUR	94,200
Portugal	Novo Banco	Commercial Paper	Every Month	14/01/2016	31/12/2033	1.55%	EUR	16,700
Portugal	Banco BPI	Commercial Paper	Quarterly	30/01/2018	30/01/2021	2.15%	EUR	4,500
								361,450

Due to the commitment to successive renewal during the program contract period, some issues existing at 31 December 2020 and 2019 are classified as non-current liabilities.

c) Bond Loans

Teixeira Duarte - Engenharia e Construções, S.A. and Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. entered into a "Contract for the Provision of Assistance and Placement of a Private Bond Issue Offer" with Banco Comercial Português, as well as a "Paying Agent Contract relating to the Grouped Private Bond Issue", which, at 31 December 2020, amounted 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 settled quarterly at a rate of 4.57% and repayment will be made at par on April 2, 2021.

At 31 December 2020 and 2019, non-current financing has the following defined repayment schedule:

	2020	2019
2021	-	89,947
2022	116,400	40,237
2023	43,373	38,885
2024	34,744	37,812
2025	38,786	37,812
2026 and later	463,803	447,311
	697,106	692,004

At 31 December 2020 and 2019, foreign currency financing was expressed in the following currencies:

	2020		2019	
	Currency	Euros	Currency	Euros
American dollars	1,207	984	918	817
Angola Kwanza	6,619,105	8,304	5,554,361	10,358
Colombian Peso	-	-	8,957	2
Brazilian real	91,678	14,384	74,995	16,608

Financing denominated in foreign currency bears interest at market rates and was converted into euros using the exchange rate in force on the financial position date.

At 31 December 2020 and 2019, we present the conciliation of the changes in liabilities arising from the financing activity:

2020	Opening balance	Increases		Legal moratorium	Currency effect	Closing balance
Obtained financing	811,903	4,036,107	(4,074,828)	9,509	(8,300)	774,391
	811,903	4,036,107	(4,074,828)	9,509	(8,300)	774,391

2019 "restatement"	Opening balance	Increases			Currency effect	Closing balance
Obtained financing	854,276	4,247,815	(4,285,187)		(5,001)	811,903
	854,276	4,247,815	(4,285,187)		(5,001)	811,903

36 - PROVISIONS

Movements in accrued provisions during the periods ended 31 December 2020 and 2019 were as follows:

	Other provisions related to the staff	Warranty to customers (Note 31)	Lawsuits	Construction losses (Note 31)	Other provisions for risks and charges	Total
Balance on December 31, 2018	7,495	12,892	1,816	6,069	15,674	43,946
Currency conversion adjustments	-	(617)	(72)	11	(1,281)	(1,959)
Stiffeners	6,000	3,355	1,151	5,324	2,139	17,969
Reductions	(1,005)	(2,486)	(365)	(2,717)	(4,392)	(10,965)
Uses	(4,533)	-	-	-	-	(4,533)
Transfers	-	2,800	1,330	-	(3,535)	595
Balance on December 31, 2019	7,957	15,944	3,860	8,687	8,605	45,053
Currency conversion adjustments	-	(757)	(472)	(478)	(1,739)	(3,446)
Stiffeners	1,617	328	506	7,246	1,412	11,109
Reductions	(568)	(1,807)	(873)	(2,387)	(1,119)	(6,754)
Uses	(4,610)	-	(7)	-	-	(4,617)
Transfers	-	-	-	(2,885)	2,868	(17)
Balance on 31 December 2020	4,396	13,708	3,014	10,183	10,027	41,328

The reinforcements and reductions were made against:

	2020			2019 "restatement"		
	Stiffeners	Reductions	Total	Stiffeners	Reductions	Total
Results of the period:						
Provisions	8,659	(5,680)	2,979	10,216	(9,930)	286
Expenses with staff	2,385	(955)	1,430	7,653	(1,005)	6,648
Earnings from associates and joint works	61	(24)	37	85	-	85
Results related to other investments	4	-	4	15	-	15
Other operational expenses	-	(95)	(95)	-	(30)	(30)
	11,109	(6,754)	4,355	17,969	(10,965)	7,004

The period ended December 31, 2019 was restated, as detailed in Note 2, with the amounts of 1,226 thousand euros for reversals of impairments of tangible fixed assets, and 2,812 thousand euros for impairments of intangible assets. These amounts were reclassified to the item "Impairment (Losses) / reversals of depreciable / amortizable assets and *Goodwill*" in the consolidated statement of results.

37 - SUPPLIERS AND OTHER CREDITORS

At 31 December 2020 and 2019, these items had the following composition:

	Current		Non-current	
	2020	2019	2020	2019
Other Creditors	15,970	26,920	5,367	376
Suppliers				
Suppliers Checking Account	106,197	148,110	-	-
Fixed asset suppliers	-	12	-	-
	106,197	148,122	-	-

38 - LEASE LIABILITIES

At 31 December 2020 and 2019, the Group presents the following maturities relating to lease liabilities resulting from the application of IRFS 16:

	2020	2019
2020	-	6,919
2021	6,157	5,853
2022	5,300	4,876
2023	4,628	4,304
2024	4,076	3,928
After 2024	15,169	15,633
	35,330	41,513
Current lease liabilities	6,157	6,919
Non-current lease liabilities	29,173	34,594

39 - OTHER CURRENT AND NON-CURRENT LIABILITIES

At 31 December 2020 and 2019, these items had the following composition:

	Current		Non-current	
	2020	2019	2020	2019
Government and other public entities:				
Corporate Income Tax (IRC)	337	1,980	-	-
Income Tax Withholdings	1,834	1,912	-	-
Value Added Tax	9,228	15,325	-	-
Contributions for Social Security	2,778	5,056	-	-
Other	1,374	3,084	-	-
	15,551	27,357	-	-
Associates, participated companies and other shareholders:				
Associated companies	436	-	-	-
Participated companies	15	15	-	-
Other shareholders	190	174	-	-
	641	189	-	-
Accrued expenses:				
Insurance to liquidate	14	101	-	-
Remunerations payable	7,314	11,887	-	-
Interest payable	3,393	1,348	-	-
Other expenses payable	30,414	33,038	-	-
	41,135	46,374	-	-
Deferred income:				
Invoiced work not performed (Note 31)	21,947	30,595	-	-
Other deferred income	12,589	4,956	-	-
	34,536	35,551	-	-
Other:				
Advance payments from clients	126,088	114,899	57,091	79,976
Advances on account of sales	26	-	-	26
	126,114	114,899	57,091	80,002
	217,977	224,370	57,091	80,002

40 - CONTINGENT LIABILITIES, GUARANTEES AND COMMITMENTS

Following several inspections of the periods 2008 to 2013, carried out by the Tax and Customs Authority (AT) to the accounting elements of TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A., a company in which 100% of its share capital was held directly by the "TD, S.A.", the following corrections were made to the tax losses initially calculated by this subsidiary:

Period	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 periods from 2008 to 2011 were subject to Corporate Income Tax settlement statements and compensatory interest issued to the parent company during these periods - TEIXEIRA DUARTE – Engenharia e Construções, S.A. Under the terms of the law, this company contested corrections made by AT to the periods 2008 to 2011.

The correction related to the 2012 period was subject to an additional settlement by the parent company from that period, "TD, S.A.", which contested it within the statutory 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 periods subject to dispute.

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

The correction to the tax loss calculated in the 2013 period 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 - income distributed by the Closed Real Estate Investment Fund TDF

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 Closed Real Estate Investment Fund TDF.

TEIXEIRA DUARTE – Engenharia e Construções, S.A., in its capacity as parent company during the 2008 period, 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 the 2008 period, the respective taxable profit calculated with reference to that period was corrected to the amount of 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 2014 period, 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 periods 2013, 2014, 2015 and 2016, owed by the group of companies taxed under the Special Taxation Regime for Company Groups (RETGS) of which "TD, S.A." is the parent company, the following corrections were made:

1. Application of Article 90 of the IRC (Corporation Tax) code to RETGS

Period	Corrected tax	Tax canceled by the AT
2013	811	811
2014	1,097	1,097
2015	559	559
2016	653	653
2017	663	-
	3,783	3,120

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,S.A.", in its capacity as parent company. Following delivery of the aforementioned legal actions, "TD, S.A." was notified of a change in understanding by AT and, in mid 2020, new settlement statements were issued disregarding this correction.

Despite this change in AT's position, at the end of 2020 "TD, S.A." was notified of the Report of Conclusions of the inspection performed on the Corporation Tax (IRC) calculation within the

scope of the RETGS for the 2017 period, in which AT once again made this correction, amounting to 663 thousand euros.

TD, S.A.", as the controlling company, will challenge this correction in the courts.

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

During the 2018 period, "TD, S.A." was notified of the Report on Conclusions on the inspection carried out by the AT on corporate income tax payable by the RETGS in the 2015 period, 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 periods under the scope of article 67 of the Corporation Tax Code, was challenged by "TD,SA" in its capacity as parent company.

Guarantees:

At 31 December 2020 and 2019, the group of companies included in the consolidation had provided guarantees to third parties, as follows:

	2020	2019
Granted bank guarantees	285,660	288,358
Guarantee insurance	110,996	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 purpose of suspending a tax enforcement proceeding filed with the subsidiary TEIXEIRA DUARTE - Engenharia e Construções, SA, relating to IRC (Corporation Tax) debt for the period of 2010, "TD, SA" presented a guarantee, amounting to EUR 10,139m, which was accepted by the AT.

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

- For the purposes of suspending the tax enforcement proceedings brought against the subsidiary TEIXEIRA DUARTE

- Engenharia e Construções, S.A. relating to corporation tax (IRC) debt from 2008, bank guarantees were issued in favor of AT, with a value of 16,887 thousand euros at 31 December 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 application of article 90 of the Corporation Tax (IRC) Code to the RETGS, some of the bank guarantees provided to suspend the corresponding executive proceedings were reduced and, in some cases, canceled. The details of the active guarantees with reference to 31 December 2020 are shown below:

Period	Amount of the bank guarantee
2015	125
2016	594
	719

At 31 December 2020, the Group's collateral had the following breakdown:

Geography	Bank	Type Financing	Date Contract	Due Date	Collateral
Portugal	Novo Banco	Commercial Paper	16/12/2005	15/12/2023	Pledge 4,760,000 BCP shares + Pledge of all shares: Shares Automóvel Angola + Soc. Distribuição Angola + Pledge TDSP Brasil + TD Angola, Lda. + Mortgage on Angola Hotels: Alvalade and Baía + Mortgage on Mozambique Hotels: Avenida and Tivoli Beira
Portugal	Novo Banco	Authorized Over-draft	01/02/2007	31/12/2033	Pledge on all shares: Shares Automóvel Angola + Soc. Distribuição Angola + Pledge TDSP Brasil + TD Angola, Lda. + Mortgage on Angola Hotels: Alvalade and Baía + Mortgage on Mozambique Hotels: Avenida and Tivoli Beira
Portugal	Banco Comercial Português	Loan	05/01/2009	17/06/2035	Pledge on all shares: Shares Automóvel Angola + Soc. Distribuição Angola + Pledge TDSP Brasil + TD Angola, Lda. + Mortgage on Angola Hotels: Alvalade and Baía + Mortgage on Mozambique Hotels: Avenida and Tivoli Beira
Portugal	Caixa Geral de Depósitos	Commercial Paper	07/07/2010	31/12/2033	Pledge 4,675,000 Participation Units TDF Fund + Pledge of all Shares: Shares Automóvel Angola + Soc. Distribuição Angola + Pledge TDSP Brasil + TD Angola, Lda. + Mortgage on Angola Hotels: Alvalade and Baía + Mortgage on Mozambique Hotels: Avenida and Tivoli Beira
Portugal	Novo Banco	Commercial Paper	30/12/2013	31/12/2033	Pledge of 12,500,000 EPOS Shares and 200,000,000 C+PA Shares + Pledge of 1,325,000 Shares in the TDF Fund + Mortgage on the TD Montijo Operations Center + Mortgage on 9 Lots in Mafamude + Mortgage on 10 Lots of the Santa Marinha Design District Development - Santa Marinha + Pledge of all shares: Shares Automóvel Angola + Soc. Distribuição Angola + Pledge TDSP Brasil + TD Angola, Lda. + Mortgage on Angola Hotels: Alvalade and Baía + Mortgage on Mozambique Hotels: Avenida and Tivoli Beira
Angola	BCGA - Banco Caixa Geral Angola	Loan	23/01/2014	30/04/2021	Mortgage on Hotel Trópico (Building no. 1826) - Ingombotas
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	Banco BIC	Escrow account	06/08/2015	31/12/2033	Mortgage TD-EC Angola Branch (Property nº 2254) - Commercial Complex and Workshops Automotive Center in Talatona (Angola)
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	Pledge 2,006,396 BCP shares + Pledge of all shares: Shares Automóvel Angola + Soc. Distribuição Angola + Pledge TDSP Brasil + TD Angola, Lda. + Mortgage on Angola Hotels: Alvalade and Baía + Mortgage on Mozambique Hotels: Avenida and Tivoli Beira
Portugal	Novo Banco	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	Banco Comercial Português	Loan	12/08/2016	30/12/2033	Mortgage on the developments of Magnólia and Coína + Vale Figueira, Lezíria Park 2, Villa Rio, Jardins da Póvoa and Póvoa Logistics Park + Pledge of all shares: Shares Automóvel Angola + Soc. Distribuição Angola + Pledge TDSP Brasil + TD Angola, Lda. + Mortgage on Angola Hotels: Alvalade and Baía + Mortgage on Mozambique Hotels: Avenida and Tivoli Beira

Geography	Bank	Type Financing	Date Contract	Due Date	Collateral
Portugal	Caixa Geral de Depósitos	Loan	12/08/2016	30/12/2033	Mortgage on the developments of Magnólia and Coína + Vale Figueira, Lezíria Park 2, Villa Rio, Jardins da Póvoa and Póvoa Logistics Park + Pledge of all shares: Shares Automóvel Angola + Soc. Distribuição Angola + Pledge TDSP Brasil + TD Angola, Lda. + Mortgage on Angola Hotels: Alvalade and Baía + Mortgage on Mozambique Hotels: Avenida and Tivoli Beira
Portugal	Novo Banco	Loan	12/08/2016	30/12/2033	Mortgage on the developments of Magnólia and Coína + Vale Figueira, Lezíria Park 2, Villa Rio, Jardins da Póvoa and Póvoa Logistics Park + Pledge of all shares: Shares Automóvel Angola + Soc. Distribuição Angola + Pledge TDSP Brasil + TD Angola, Lda. + Mortgage on Angola Hotels: Alvalade and Baía + Mortgage on Mozambique Hotels: Avenida and Tivoli Beira
Portugal	Caterpillar	Loan	12/12/2016	31/03/2021	Respective Equipment
Portugal	Banco Comercial Português	Loan	27/11/2017	31/12/2033	Pledge on all shares: Shares Automóvel Angola + Soc. Distribuição Angola + Pledge TDSP Brasil + TD Angola, Lda. + Mortgage on Angola Hotels: Alvalade and Baía + Mortgage on Mozambique Hotels: Avenida and Tivoli Beira
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	Caixa Geral de Depósitos	Loan	15/12/2018	30/12/2021	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	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
Brazil	Banco Itaú	Loan	09/05/2019	31/01/2022	Quartier Brooklin Condominium Real Estate Development - São Paulo / Brazil (108 Independent Units)
Brazil	Banco Itaú	Loan	15/05/2019	31/01/2021	Real Estate Development Condominium Verissimo Mooca - São Paulo / Brazil (42 Independent Units)
Brazil	Banco Mercedes-Benz	Loan	16/06/2019	16/03/2022	Respective Equipment
Brazil	Banco Bradesco	Loan	27/06/2019	30/04/2022	Condomínio Loomi Paulista Real Estate Development - São Paulo / Brazil (96 Independent Units)
Brazil	Sandvik Credit	Loan	19/10/2019	19/09/2023	Respective Equipment
Brazil	Banco Itaú	Loan	27/12/2019	30/09/2022	Condomínio Loomi Klabin real estate development - São Paulo / Brazil (60 Independent Units)
Brazil	Banco Safra	Loan	17/09/2020	16/09/2023	Respective Equipment

Financial commitments:

At 31 December 2020 and 2019, the comfort letters provided by "TD, S.A." and its subsidiaries amounted to 304,012 thousand euros and 337,686 thousand euros, respectively.

At 31 December 2020 and 2019, factoring contracts with no right of recourse were in force, which were recorded as a reduction of accounts receivable, with the amount of 789 and 4,865 thousand euros, 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.

41 - FINANCIAL RISK MANAGEMENT

General principles:

The Group is exposed to a number of financial risks arising from its activities, among which the following deserve special mention:

- interest rate risks arising from financial liabilities;
- exchange rate risk resulting essentially from the existence of operations and assets located outside the Eurozone, specifically Angola, Algeria, Brazil, Colombia, Morocco, Mozambique, Peru, Kuwait and Venezuela, as well as the availability of convertible currencies on some of these markets;
- credit risk, particularly from amounts receivable from customers related to the Group's operating activities;
- liquidity risk, as regards the maintenance of cash balance stability.

The Group's Financial Department ensures the centralised management of the financing operations, applications of cash surplus, currency conversion transactions, as well as the counterparty risk of the Group. It is also responsible for the identification, quantification and for the proposal and implementation of measures aimed at the management/mitigation of the financial risks to which the Group is exposed.

Following is a more detailed description of Group's main financial risks and measures implemented to manage them.

Interest rate risk

The objective of the interest rate risk management policy is the minimization of the cost of debt subject to the maintenance of a low level of volatility of financial costs.

At 31 December 2020 financial liabilities consist of 99% variable interest rate (96% at 31 December 2019) and 1% fixed interest rate (4% at 31 December 2019).

If market interest rates had been higher (lower) by 1% during the periods ended 31 December 2020 and 2019, the financial results for those periods would have decreased (increased) by (8,657) / 8,657 thousand euros and (6,998) / 6,998 thousand euros, respectively.

Exchange rate risk

The Group's operating activities are exposed to variations in the Euro exchange rate against other currencies.

In addition, considering the different countries where the Group runs its business, its exposure to the exchange rate risk by default results from its subsidiaries reporting assets and liabilities

in currencies different from the currency of the report, specifically, Angola, Algeria, Brazil, Colombia, Ecuador, Morocco, Mozambique, Peru, Kuwait and Venezuela.

The exchange rate risk management policy followed by the Group is ultimately aimed at reducing the sensitivity of the Group's net income to currency fluctuations.

The monetary assets and liabilities denominated in foreign currency, converted into Euro at 31 December 2020 and 2019, were as follows:

Currency	Assets		Liabilities	
	2020	2019	2020	2019
Venezuelan bolivar	2,309	491	4,345	960
Algerian dinar	19,164	18,671	13,380	21,386
Kuwaiti Dinar	15	26	252	-
Moroccan Dirham	-	63	35	2,215
American dollars	99,058	103,022	30,606	31,736
Cape Verdean escudo	-	2	3	1
Japanese yen	56	910	17	-
Pound Sterling	477	439	293	192
Angola Kwanza	55,253	73,589	88,550	69,155
Mozambican metical	37,554	20,580	40,104	39,299
Peruvian Novo Sol	4	5	-	-
Macanese pataca	-	-	22	325
Colombian Peso	-	-	3,219	2,144
South African Rand	34	39	21	12
Brazilian real	200	1,479	15,927	6,347
Qatar Rial	78	85	-	-
	214,202	219,402	196,774	173,775

The management of exchange rate risk is based on the permanent quantification and monitoring of financial and accounting exposures.

The possible impacts caused on net income in the periods ended 31 December 2020 and 2019, if a 5% appreciation of the aforementioned currencies were to occur, can be summarized as follows:

Currency	2020	2019
Venezuelan bolivar	(102)	(23)
Algerian dinar	289	(136)
Kuwaiti Dinar	(12)	1
Moroccan Dirham	(2)	(108)
American dollars	3,423	3,564
Japanese yen	2	45
Pound Sterling	9	12
Angola Kwanza	(1,665)	222
Mozambican metical	(128)	(936)
Macanese pataca	(1)	(16)
Colombian Peso	(161)	(107)
South African Rand	1	1
Brazilian real	(786)	(243)
Qatar Rial	4	4
	871	2,281

In the opinion of the Board of Directors, the sensitivity analysis presented above, based on the position on the indicated dates, may not be representative of exchange rate risk exposure to which the Group is subject over the course of the period.

Credit risk

Credit risk is primarily related to the balances receivable from customers and other receivables related to the Group's operating activities. The deterioration of global economic conditions or adversities that affect the economies on a local, national or international scale may result in the inability of the Group's customers to meet their obligations, with possible negative effects on the Group.

This risk is monitored on a regular basis by each of the Group's businesses for the purpose of:

- limiting credit granted to customers, considering their profile and age of the account receivable;
- monitoring the evolution of the level of credit granted;
- analysing the recoverability of receivables on a regular basis;
- the impairment losses of the accounts receivable are calculated considering:
 - the analysis of the age of the accounts receivable;
 - the customer's risk profile;
 - the financial conditions of customers;
 - the current macroeconomic environment resulting from the impact of the COVID-19 pandemic.

At 31 December 2020 and 2019, it is the conviction of the Board of Directors that the estimated impairment losses in accounts

receivable are adequately recorded in the financial statements.

At 31 December 2020 and 2019, trade receivables (Note 27) for which no impairment losses have been recorded, because the Board of Directors considers them to be realizable, are as follows:

	2020	2019
Balances		
Unexpired	58,427	51,302
Up to 180 days	41,626	89,398
From 180 to 360 days	5,812	24,171
Over 360 days	58,266	87,770
	164,131	252,641

The credit quality of the accounts receivable which are not yet due included in the table above is monitored on a regular basis, based on the objectives described above.

Liquidity risk

This risk can occur if the sources of financing, such as the cash flows from operating activities, divestment, credit lines and from financing operations, do not meet the financing needs, such as the cash outflows for operating activities and financing, investments, remuneration of shareholders and debt repayment.

As a way of mitigating this risk, the Group seeks to contract new financing and maintain a net position and an average debt maturity that allow it to amortize its debt in adequate periods of time.

The financial liability valid up to a year is, whenever deemed appropriate, substituted by medium and long term maturity.

The maturity of the financial liabilities at 31 December 2020 and 2019 is as follows:

2020					
	Until 1 year	From 1 to 2 years	From 2 to 3 years	Over 3 years	Total
Obtained financing	77,285	116,400	43,373	537,333	774,391
Suppliers	106,197	-	-	-	106,197
Lease liabilities	6,157	5,300	4,628	19,245	35,330
Other Creditors	15,970	5,367	-	-	21,337
Other liabilities	217,977	42,718	6,617	7,756	275,068
	423,586	169,785	54,618	564,334	1,212,323

2019					
	Until 1 year	From 1 to 2 years	From 2 to 3 years	Over 3 years	Total
Obtained financing	119,899	89,947	40,237	561,820	811,903
Suppliers	148,122	-	-	-	148,122
Lease liabilities	6,919	5,853	4,876	23,865	41,513
Other Creditors	26,920	376	-	-	27,296
Other liabilities	224,370	60,887	19,115	-	304,372
	526,230	157,063	64,228	585,685	1,333,206

At 31 December 2020 and 2019, the value of available cash and the unused value of the commercial paper and credit lines program totaled 210,822 thousand euros and 218,380 thousand euros, respectively.

42 – FINANCIAL ASSETS AND LIABILITIES UNDER IFRS 9

The accounting policies established in IFRS 9 for financial instruments were applied to the following items:

	2020			
	Loans and accounts receivable	Financial assets	Other liabilities and financing obtained	Total
Assets:				
Cash and cash equivalents	116,215	-	-	116,215
Customers	164,131	-	-	164,131
Other financial investments at fair value through other comprehensive income	-	11,648	-	11,648
Other financial investments at amortized cost	-	2,569	-	2,569
Other debtors	42,453	-	-	42,453
Other Assets	133,412	-	-	133,412
Total financial assets	456,211	14,217	-	470,428
Liabilities:				
Obtained financing	-	-	774,391	774,391
Suppliers	-	-	106,197	106,197
Other Creditors	-	-	21,337	21,337
Other liabilities	-	-	224,981	224,981
Lease liabilities	-	-	35,330	35,330
Total financial liabilities	-	-	1,162,236	1,162,236

	2019			
	Loans and accounts receivable	Financial assets	Other liabilities and financing obtained	Total
Assets:				
Cash and cash equivalents	135,380	-	-	135,380
Customers	252,641	-	-	252,641
Other financial investments at fair value through other comprehensive income	-	15,876	-	15,876
Other financial investments at amortized cost	-	2,806	-	2,806
Other debtors	51,211	-	-	51,211
Other Assets	154,321	-	-	154,321
Total financial assets	593,553	18,682	-	612,235
Liabilities:				
Obtained financing	-	-	811,903	811,903
Suppliers	-	-	148,122	148,122
Other Creditors	-	-	27,296	27,296
Other liabilities	-	-	241,464	241,464
Lease liabilities	-	-	41,513	41,513
Total financial liabilities	-	-	1,270,298	1,270,298

43 - MEASUREMENTS AT FAIR VALUE

Fair value estimate - assets and liabilities measured at fair value

The following table presents the Group's assets and liabilities, measured at fair value as of 31 December 2020 according to the following fair value hierarchy levels:

- Level 1: the fair value of financial instruments is based on prices on active liquid markets on the reference date of the financial position statement;
- Level 2: the fair value of financial instruments is not determined based on lending net market prices, but rather through use of valuation models;
- Level 3: the fair value of financial instruments is not determined based on lending net market prices, but rather through use of valuation models whose main inputs are not observable on the market.

Category	Item	Level 1	Level 2	Level 3
Assets:				
Other financial investments at fair value through other comprehensive income	Actions	822	8,873	1,953
Investment Properties	Buildings and land	-	234,235	-

Except for non-current financing obtained, most financial assets and liabilities have short term maturities and so their fair value is considered to be identical to their respective book values.

Most of the financing obtained, as stated in Note 35, is contracted at variable interest rates. It is considered that their book value (amortised cost) does not differ significantly from corresponding market value.

44 – AUDITOR FEES AND SERVICES

In the periods ended 31 December 2020 and 2019, the fees for services provided by audits to companies that make up the Group (Moore Stephens and BDO in Portugal; Moore; Moore Stephens and Deloitte in Brazil; Moore Stephens in Spain and Belgium; Deloitte in Angola and Venezuela; Ernst & Young in Mozambique and other auditors) were as follows:

	2020	2019
Legal accounts review services	733	741
Other reliability assurance services	3	2
Tax advisory services	17	20
Other services	16	13
	769	777

45 – CURRENCY CONVERSION ADJUSTMENTS

During the periods ending 31 December 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:

	2020	2019
Angola	(107,258)	(139,407)
Algeria	(6,037)	380
Brazil	(39,655)	(2,599)
Mozambique	(15,288)	1,212
Venezuela	(5,702)	(10,059)
Other Markets	(2,047)	380
	(175,987)	(150,093)

46 - APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements for the period ended 31 December 2020 were approved at a meeting of the Board of Directors on April 25, 2021, however, they are still subject to approval under the commercial law in force in Portugal by the General Meeting of Shareholders, whose meeting is scheduled to take place on 24 May 2021.

47 - SUBSEQUENT EVENTS

The Teixeira Duarte Group companies continued their activities in the various markets on which they operate, with no material event having been reported between the close of the period and this date.



Teixeira Duarte

Reports and Accounts 2020

Reports, Opinions and Certifications of the Supervisory Bodies 2020

REPORT AND OPINION OF THE SUPERVISORY BOARD

Dear Shareholders,

Introduction

Pursuant to article 420(1)(g) of the Companies Code, the Supervisory Board presents its report on the supervisory activities that it conducted at TEIXEIRA DUARTE, S.A., as well as its opinion on the report and accounts for the financial year ended 31 December 2020, and on the proposed application of results.

The appraised report and accounts were approved by the Board of Directors at a meeting held on 13 April 2021 and include the Consolidated Management Report, Non-Financial Information, the Corporate Governance Report and the Individual and Consolidated Financial Statements.

Report

Under the scope of attributes and competences legally conferred upon us, we monitor the activities of the Company and Group, specifically by means of the Chair of the Audit Committee regularly participating in monthly meetings of the Board of Directors, and in other meetings and contacts with the Board of Directors, management and other Group managers, as well as in meetings with the Official Accounts Auditor Company.

We also held periodic meetings in which we appraised the activity and business of the Company and the Group, and compliance with the law and the articles of incorporation, and we analyzed the interim reports and accounts, including the accounting policies and the adopted valuation criteria, in order to ensure that they lead to a correct appraisal of equity and results.

In addition to these meetings, some of which were held remotely using electronic communication platforms, we supervised the process of preparing and disclosing the annual financial and non-financial information contained in the accounting documents and:

- we found that the management report contains a clear presentation of the most significant aspects of the evolution of the business, of its financial and non-financial performance and of the financial situation of the Company and the Group, as well as of the impact on the Group's business caused by the constraints arising from the global pandemic declared in the first quarter of 2020;
- we have verified that both the management report and the corporate governance report provide detailed information on the operational, financial, market and other risks to which the different activities and Group companies are subject, specifically exchange rate risk resulting from exposure to

some markets where the Group has activities and whose currencies are very volatile with a significant impact on assets, results and equity;

- we found that the individual and consolidated financial statements, including the respective annexes, offer a true and fair view of the financial position of the Company and of the TEIXEIRA DUARTE Group, respectively;
- we appraised the Legal Accounts Certificate and Audit Report of the individual financial statements and the Legal Accounts Certificate and Audit Report of the consolidated financial statements issued by the Official Accounts Audit Firm, which contain no qualifications or emphases. We also appraised the Additional Report addressed to the Supervisory Board, issued under the terms of current legislation, which describes how the aforementioned Company conducted the audit and verified the conclusions.

We understand that the audit services were provided independently, under the terms of current legislation, and the Official Accounts Audit Firm has declared that it has not rendered any other permitted services.

Opinion

Accordingly, taking into account the information provided to us by the Board of Directors and the Company's Services, as well as the conclusions contained in the Legal Accounts Certificate and Audit Report on the individual and consolidated financial statements issued by the Official Accounts Audit Firm, we are of the opinion that;

- a) the Management Report of the Board of Directors should be approved;
- b) the individual and consolidated financial statements relative to 2020 financial year should be approved;
- c) the proposed appropriation of net income submitted by the Board of Directors should be approved.

Statement referred to in article 245(1)(c) of the Securities Code.

Pursuant to subparagraph c) of number 1 of article 245 of the Portuguese Securities Market Code, the members of the Supervisory Board state that, to the best of their knowledge, the annual accounts and other documents presenting the accounts were prepared in accordance with the applicable accounting standards, giving a true and fair view of the assets and liabilities, financial situation and net income of TEIXEIRA DUARTE, S.A. and the companies included in the consolidation perimeter. They also state that the management report faithfully sets out the evolution of the businesses, the performance and financial position of TEIXEIRA DUARTE, S.A., and of the companies included in the consolidation perimeter, and that the aforementioned report contains a description of the main business risks and uncertainties.

Lisbon, 28 April 2021

Óscar Manuel Machado de Figueiredo - Chairman

Ana Cristina Louro Ribeiro Doutor Simões - Director

João Salvador dos Santos Matias – Member

CERTIFICAÇÃO LEGAL DAS CONTAS E RELATÓRIO DE AUDITORIA

RELATO SOBRE A AUDITORIA DAS DEMONSTRAÇÕES FINANCEIRAS

Opinião

Auditámos as demonstrações financeiras anexas da Teixeira Duarte, S.A. (a Entidade), que compreendem o balanço em 31 de dezembro de 2020 (que evidencia um total de 1.048.300 milhares de euros e um total de capital próprio de 250.797 milhares de euros, incluindo um resultado líquido negativo de 17.904 milhares de euros), a demonstração dos resultados por naturezas, a demonstração das alterações no capital próprio e a demonstração dos fluxos de caixa relativas ao ano findo naquela data, e as notas anexas às demonstrações financeiras que incluem um resumo das políticas contabilísticas significativas.

Em nossa opinião, as demonstrações financeiras anexas apresentam de forma verdadeira e apropriada, em todos os aspetos materiais, a posição financeira da Teixeira Duarte, S.A. em 31 de dezembro de 2020 e o seu desempenho financeiro e fluxos de caixa relativos ao ano findo naquela data, de acordo com as Normas Contabilísticas e de Relato Financeiro adotadas em Portugal através do Sistema de Normalização Contabilística.

Bases para a opinião

A nossa auditoria foi efetuada de acordo com as Normas Internacionais de Auditoria (ISA) e demais normas e orientações técnicas e éticas da Ordem dos Revisores Oficiais de Contas. As nossas responsabilidades nos termos dessas normas estão descritas na secção “Responsabilidades do auditor pela auditoria das demonstrações financeiras” abaixo. Somos independentes da Entidade, nos termos da lei, e cumprimos os demais requisitos éticos nos termos do código de ética da Ordem dos Revisores Oficiais de Contas.

Estamos convictos de que a prova de auditoria que obtivemos é suficiente e apropriada para proporcionar uma base para a nossa opinião.

Matérias relevantes de auditoria

As matérias relevantes de auditoria são as que, no nosso julgamento profissional, tiveram maior importância na auditoria das demonstrações financeiras do ano corrente. Essas matérias foram consideradas no contexto da auditoria das demonstrações financeiras como um todo, e na formação da opinião, e não emitimos uma opinião separada sobre essas matérias.

MATÉRIAS RELEVANTES DE AUDITORIA

SÍNTESE DA ABORDAGEM DE AUDITORIA

Valorização das participações financeiras em subsidiárias

Conforme divulgado nas notas 3.2 a) e 9 anexas às demonstrações financeiras, os investimentos financeiros em subsidiárias, no montante de 980.588 milhares de euros, são valorizados pelo método de equivalência patrimonial.

A valorização das participações financeiras da Entidade foi considerada matéria relevante na nossa auditoria, porque o montante escriturado destes ativos é significativo e o processo de mensuração adotado é complexo, face ao elevado número de participações diretas e indiretas e à diversidade das geografias em que as subsidiárias operam.

Executámos diversos procedimentos de auditoria com vista a mitigar os riscos de distorção material nesta área, destacando os seguintes:

- Obtenção das demonstrações financeiras das subsidiárias e respetivas certificações legais das contas ou relatórios de auditoria;
- Pesquisa da existência de eventuais indícios de que estes ativos possam estar em imparidade;
- Comprovação da adequação dos critérios de mensuração adotados, teste da exatidão dos cálculos efetuados e verificação do adequado reconhecimento contabilístico; e
- Validação das divulgações incluídas nas notas anexas às demonstrações financeiras.

Responsabilidades do órgão de gestão e do órgão de fiscalização pelas demonstrações financeiras

O órgão de gestão é responsável pela:

- preparação de demonstrações financeiras que apresentem de forma verdadeira e apropriada a posição financeira, o desempenho financeiro e os fluxos de caixa da Entidade de acordo com as Normas Contabilísticas e de Relato Financeiro adotadas em Portugal através do Sistema de Normalização Contabilística;
- elaboração do relatório de gestão, relatório de governo societário, demonstração não financeira e relatório sobre remunerações nos termos legais e regulamentares aplicáveis;
- criação e manutenção de um sistema de controlo interno apropriado para permitir a preparação de demonstrações financeiras isentas de distorções materiais devido a fraude ou a erro;
- adoção de políticas e critérios contabilísticos adequados nas circunstâncias; e
- avaliação da capacidade da Entidade de se manter em continuidade, divulgando, quando aplicável, as matérias que possam suscitar dúvidas significativas sobre a continuidade das atividades.

O órgão de fiscalização é responsável pela supervisão do processo de preparação e divulgação da informação financeira da Entidade.

Responsabilidades do auditor pela auditoria das demonstrações financeiras

A nossa responsabilidade consiste em obter segurança razoável sobre se as demonstrações financeiras como um todo estão isentas de distorções materiais devido a fraude ou a erro, e emitir um relatório onde conste a nossa opinião. Segurança razoável é um nível elevado de segurança, mas não é uma garantia de que uma auditoria executada de acordo com as ISA detetará sempre uma distorção material quando exista. As distorções podem ter origem em fraude ou erro e são consideradas materiais se, isoladas ou conjuntamente, se possa razoavelmente esperar que influenciem decisões económicas dos utilizadores tomadas com base nessas demonstrações financeiras.

Como parte de uma auditoria de acordo com as ISA, fazemos julgamentos profissionais e mantemos ceticismo profissional durante a auditoria e também:

- identificamos e avaliamos os riscos de distorção material das demonstrações financeiras, devido a fraude ou a erro, concebemos e executamos procedimentos de auditoria que respondam a esses riscos, e obtemos prova de auditoria que seja suficiente e apropriada para proporcionar uma base para a nossa opinião. O risco de não detetar uma distorção material devido a fraude é maior do que o risco de não detetar uma distorção material devido a erro, dado que a fraude pode envolver conluio, falsificação, omissões intencionais, falsas declarações ou sobreposição ao controlo interno;
- obtemos uma compreensão do controlo interno relevante para a auditoria com o objetivo de conceber procedimentos de auditoria que sejam apropriados nas circunstâncias, mas não para expressar uma opinião sobre a eficácia do controlo interno da Entidade;
- avaliamos a adequação das políticas contabilísticas usadas e a razoabilidade das estimativas contabilísticas e respetivas divulgações feitas pelo órgão de gestão;
- concluímos sobre a apropriação do uso, pelo órgão de gestão, do pressuposto da continuidade e, com base na prova de auditoria obtida, se existe qualquer incerteza material relacionada com acontecimentos ou condições que possam suscitar dúvidas significativas sobre a capacidade da Entidade para dar continuidade às suas atividades. Se concluirmos que existe uma incerteza material, devemos chamar a atenção no nosso relatório para as divulgações relacionadas incluídas nas demonstrações financeiras ou, caso essas divulgações não sejam adequadas, modificar a nossa opinião. As nossas conclusões são baseadas na prova de auditoria obtida até à data do nosso relatório. Porém, acontecimentos ou condições futuras podem levar a que a Entidade descontinue as suas atividades;
- avaliamos a apresentação, estrutura e conteúdo global das demonstrações financeiras, incluindo as divulgações, e se essas demonstrações financeiras representam as transações e acontecimentos subjacentes de forma a atingir uma apresentação apropriada;
- comunicamos com os encarregados da governação, incluindo o órgão de fiscalização, entre outros assuntos, o âmbito e o calendário planeado da auditoria, e as conclusões significativas da auditoria incluindo qualquer deficiência significativa de controlo interno identificada durante a auditoria;
- das matérias que comunicamos aos encarregados da governação, incluindo o órgão de fiscalização, determinamos as que foram as mais importantes na auditoria das demonstrações financeiras do ano corrente e que são as matérias relevantes de auditoria. Descrevemos essas matérias no nosso relatório, exceto quando a lei ou regulamento proibir a sua divulgação pública; e
- declaramos ao órgão de fiscalização que cumprimos os requisitos éticos relevantes relativos à independência e comunicamos-lhe todos os relacionamentos e outras matérias que possam ser percebidas como ameaças à nossa independência e, quando aplicável, quais as medidas tomadas para eliminar as ameaças ou quais as salvaguardas aplicadas.

A nossa responsabilidade inclui ainda a verificação da concordância da informação constante do relatório de gestão com as demonstrações financeiras, e as verificações previstas nos números 4 e 5 do artigo 451.º do Código das Sociedades Comerciais na matéria de governo societário, bem como a verificação de que a demonstração não financeira e o relatório de remunerações foram apresentados.

RELATO SOBRE OUTROS REQUISITOS LEGAIS E REGULAMENTARES

Sobre o relatório de gestão

Dando cumprimento ao artigo 451.º, n.º 3, al. e) do Código das Sociedades Comerciais, somos de parecer que o relatório de gestão foi preparado de acordo com os requisitos legais e regulamentares aplicáveis em vigor, a informação nele constante é concordante com as demonstrações financeiras auditadas e, tendo em conta o conhecimento e a apreciação sobre a Entidade, não identificámos incorreções materiais. Todavia, entendemos, dever salientar que a Entidade não preparou um relatório de gestão autónomo sobre a atividade individual uma vez que, conforme habitualmente, toda a informação relevante consta do relatório consolidado de gestão. Conforme referido no artigo 451º, n.º 7 do Código das Sociedades Comerciais este parecer não é aplicável à demonstração não financeira incluída no relatório de gestão.

Sobre o relatório de governo societário

Dando cumprimento ao artigo 451.º, n.º 4 do Código das Sociedades Comerciais, somos de parecer que o relatório de governo societário inclui os elementos exigíveis à Entidade nos termos do artigo 245.º-A do Código dos Valores Mobiliários, não tendo sido identificadas incorreções materiais na informação divulgada no mesmo, cumprindo o disposto nas alíneas c), d), f), h), i) e m) do n.º 1 referido artigo.

Sobre a demonstração não financeira

Dando cumprimento ao artigo 451.º, n.º 6 do Código das Sociedades Comerciais, informamos que a Entidade incluiu no seu relatório de gestão a demonstração não financeira prevista no artigo 66.º-B do Código das Sociedades Comerciais.

Sobre o relatório de remunerações

Dando cumprimento ao artigo 245.º-C, n.º 6, do Código dos Valores Mobiliários, informamos que a Entidade incluiu em capítulo autónomo, no seu relatório sobre o governo das sociedades, as informações previstas no n.º 2 do referido artigo.

Sobre os elementos adicionais previstos no artigo 10.º do Regulamento (UE) nº 537/2014

Dando cumprimento ao artigo 10.º do Regulamento (UE) n.º 537/2014 do Parlamento Europeu e do Conselho, de 16 de abril de 2014, e para além das matérias relevantes de auditoria acima indicadas, relatamos ainda o seguinte:

- Fomos eleitos auditores da Teixeira Duarte, S.A. pela primeira vez na assembleia geral de acionistas realizada em 30 de maio de 2015 para o mandato de 2015 a 2018, tendo sido reeleitos na assembleia geral de 27 de maio de 2019 para o mandato em curso (2019 a 2022).
- O órgão de gestão confirmou-nos que não tem conhecimento da ocorrência de qualquer fraude ou suspeita de fraude com efeito material nas demonstrações financeiras. No planeamento e execução da nossa auditoria de acordo com as ISA mantivemos o ceticismo profissional e concebemos procedimentos de auditoria para responder à possibilidade de distorção material das demonstrações financeiras devido a fraude. Em resultado do nosso trabalho não identificámos qualquer distorção material nas demonstrações financeiras devido a fraude.

- Confirmamos que a opinião de auditoria que emitimos é consistente com o relatório adicional que preparámos e entregámos ao órgão de fiscalização da Entidade em 27 de abril de 2021.
- Declaramos que não prestámos quaisquer serviços proibidos, nos termos do artigo 77.º, nº 8 do Estatuto da Ordem dos Revisores Oficiais de Contas e que mantivemos a nossa independência face à Entidade durante a realização da auditoria.

Lisboa, 27 de abril de 2021

MOORE STEPHENS & ASSOCIADOS, SROC, S.A.
Representada por António Gonçalves Monteiro, ROC

CERTIFICAÇÃO LEGAL DAS CONTAS E RELATÓRIO DE AUDITORIA

RELATO SOBRE A AUDITORIA DAS DEMONSTRAÇÕES FINANCEIRAS CONSOLIDADAS

Opinião

Auditámos as demonstrações financeiras consolidadas anexas da Teixeira Duarte, S.A. (o Grupo), que compreendem a demonstração consolidada da posição financeira em 31 de dezembro de 2020 (que evidencia um total de 1.599.643 milhares de euros e um total de capital próprio de 238.265 milhares de euros, incluindo um resultado líquido atribuível a detentores de capital de 3.558 milhares de euros), a demonstração consolidada dos resultados por naturezas, a demonstração consolidada do outro rendimento integral, a demonstração consolidada das alterações no capital próprio e a demonstração consolidada dos fluxos de caixa relativas ao ano findo naquela data, e as notas anexas às demonstrações financeiras consolidadas que incluem um resumo das políticas contabilísticas significativas.

Em nossa opinião, as demonstrações financeiras consolidadas anexas apresentam de forma verdadeira e apropriada, em todos os aspetos materiais, a posição financeira consolidada da Teixeira Duarte, S.A. em 31 de dezembro de 2020 e o seu desempenho financeiro e fluxos de caixa consolidados relativos ao ano findo naquela data de acordo com as Normas Internacionais de Relato Financeiro (IFRS) tal como adotadas na União Europeia.

Bases para a opinião

A nossa auditoria foi efetuada de acordo com as Normas Internacionais de Auditoria (ISA) e demais normas e orientações técnicas e éticas da Ordem dos Revisores Oficiais de Contas. As nossas responsabilidades nos termos dessas normas estão descritas na secção “Responsabilidades do auditor pela auditoria das demonstrações financeiras consolidadas” abaixo. Somos independentes das entidades que compõem o Grupo, nos termos da lei, e cumprimos os demais requisitos éticos nos termos do código de ética da Ordem dos Revisores Oficiais de Contas.

Estamos convictos de que a prova de auditoria que obtivemos é suficiente e apropriada para proporcionar uma base para a nossa opinião.

Matérias relevantes de auditoria

As matérias relevantes de auditoria são as que, no nosso julgamento profissional, tiveram maior importância na auditoria das demonstrações financeiras consolidadas do ano corrente. Essas matérias foram consideradas no contexto da auditoria das demonstrações financeiras consolidadas como um todo, e na formação da opinião, e não emitimos uma opinião separada sobre essas matérias.

MATÉRIAS RELEVANTES DE AUDITORIA

SÍNTESE DA ABORDAGEM DE AUDITORIA

1. Exposição Internacional

Conforme divulgado na Nota 7 anexa às demonstrações financeiras consolidadas, a atividade do Grupo está distribuída por 6 áreas de negócio, com operações relevantes em 7 países, com diferentes contextos económicos e riscos operacionais.

A atividade exercida pelo Grupo fora de Portugal representa 69,1% do volume de negócios. Conforme referido na Nota 41 anexa às demonstrações financeiras consolidadas, vários territórios onde o Grupo opera, nomeadamente Angola, Venezuela e Brasil, estão sujeitos a variações cambiais significativas das suas moedas face ao euro.

A exposição às divisas dos referidos países e do agravamento da envolvente económica global acarreta riscos acrescidos para o Grupo, nomeadamente:

- i) *Risco Cambial*, decorrente da forte desvalorização das moedas funcionais locais face ao euro;
- ii) *Risco de Liquidez*, resultante da dificuldade de repatriamento de divisas desses territórios; e
- iii) *Risco de Crédito*, decorrente da redução do poder de compra e da insuficiente capacidade de resposta e apoios às economias locais.

Pelo seu significado e imprevisibilidade, consideramos estes temas como matérias relevantes da nossa auditoria.

A nossa abordagem de auditoria incluiu a execução de diversos procedimentos com vista a mitigar os riscos de distorção material, destacando os seguintes:

- Avaliação dos tipos de riscos a que o Grupo está exposto e validação da adequacidade das divulgações do Grupo, relativamente à política de gestão dos riscos;
- Aferição do grau de exposição do Grupo a geografias de elevado risco cambial e de liquidez;
- Avaliação dos riscos de cobrabilidade e da adequação do reconhecimento de eventuais imparidades em contas a receber;
- Análise da conversão cambial das demonstrações financeiras das subsidiárias das diferentes geografias, por referência às Normas Internacionais de Relato Financeiro (IFRS);
- Acompanhamento das ações desenvolvidas em 2020 para a redução da exposição do Grupo em geografias de maior instabilidade e risco de negócio; e
- Validação das divulgações incluídas nas notas anexas às demonstrações financeiras consolidadas.

MATÉRIAS RELEVANTES DE AUDITORIA

SÍNTESE DA ABORDAGEM DE AUDITORIA

2. Reconhecimento do rédito de contratos de construção

Conforme evidenciado na Nota 7 anexa às demonstrações financeiras consolidadas, o rédito do Grupo provém de diversas áreas de negócio, sendo a construção o segmento com maior relevância, representando 55,5% do rédito (60,7% em 2019).

Conforme referido na Nota 2.21 anexa às demonstrações financeiras consolidadas, os rendimentos e os gastos provenientes do segmento da construção são reconhecidos de acordo com a IFRS15 - "Rédito de contratos com clientes", a qual prevê que o rédito e as margens associados aos contratos de construção em curso sejam reconhecidos de acordo com a percentagem de acabamento, determinada pelo rácio entre os gastos incorridos e os gastos totais estimados para cada obra.

Dada a incerteza e complexidade dos julgamentos associados às estimativas dos gastos a incorrer até à conclusão das obras, consideramos esta matéria relevante para efeitos da nossa auditoria.

Executámos diversos procedimentos de auditoria com vista a mitigar os riscos de distorção material nesta área, destacando os seguintes:

- Descrição e avaliação dos procedimentos adotados e do ambiente de controlo interno relacionado com o reconhecimento do rédito de contratos de construção e teste da eficácia dos controlos existentes;
- Verificação da conformidade da política contabilística adotada com a IFRS 15 – "Rédito de contratos com clientes";
- Obtenção e conciliação dos mapas das obras com os valores constantes dos registos contabilísticos;
- Identificação e análise de uma amostra de contratos que suportam os rendimentos globais dos projetos;
- Seleção por amostragem de autos de medição e de orçamentos que suportam o cálculo das percentagens de acabamento e análise dos gastos incorridos e das estimativas de gastos a incorrer para concluir a obra;
- Análise crítica dos julgamentos efetuados pela gestão relativamente às estimativas e ao reconhecimento das margens previsionais, por referência a informação histórica obtida;
- Revisão da razoabilidade e adequação de provisões necessárias para fazer face a eventuais perdas esperadas em contratos e ainda para garantias de obra; e
- Validação das divulgações incluídas nas notas anexas às demonstrações financeiras consolidadas.

MATÉRIAS RELEVANTES DE AUDITORIA

SÍNTESE DA ABORDAGEM DE AUDITORIA

3. Valorização e reconhecimento de imparidades em clientes

Conforme divulgado na Nota 27 anexa às demonstrações financeiras consolidadas, as perdas por imparidade acumuladas em contas de clientes representam 63.291 milhares de euros, cerca de 27,8% do total (227.422 milhares de euros), tendo sido reforçadas, no período, em cerca de 8.326 milhares de euros.

O Grupo reconhece as perdas por imparidades esperadas em contas a receber de clientes, em conformidade com a IFRS 9 – Instrumentos Financeiros, sendo a quantia de imparidades acumuladas atualizada em cada data de relato, por forma a refletir as alterações de risco de crédito ocorridas desde o reconhecimento inicial dos respetivos ativos.

A estimativa das perdas por imparidade é efetuada com base numa matriz de incobrabilidade, baseada no histórico de crédito dos clientes do Grupo, ajustada por fatores específicos identificáveis tais como geografia, unidade de negócio, tipologia do devedor, nível de solvabilidade e outros, designadamente no que se refere ao impacto da pandemia COVID-19 no agravamento generalizado das condições operacionais e financeiras dos clientes das diferentes geografias.

Consideramos este tema como uma matéria relevante de auditoria, sobretudo pelo facto de a recuperação de créditos, em algumas geografias, ser particularmente morosa e as estimativas utilizadas pela gestão envolverem um elevado grau de julgamento.

Executámos diversos procedimentos de auditoria com vista a mitigar os riscos de distorção material nesta área, destacando os seguintes:

- Entendimento e avaliação do ambiente de controlo interno especificamente associado à valorização e ao reconhecimento de imparidades em clientes, tendo identificado os controlos chave e testado a sua efetividade, com vista à redução do risco de distorção material associado a esta rubrica das demonstrações financeiras.
- Análise da antiguidade de saldos de clientes e identificação do valor das respetivas imparidades acumuladas;
- Revisão específica de saldos relevantes com entidades sediadas em geografias de maior risco, tendo em consideração a antiguidade da dívida, a capacidade financeira dos devedores e o histórico de cobranças;
- Avaliação dos critérios e pressupostos que estiveram na base dos julgamentos para reconhecer, ou não, ajustamentos por imparidade em clientes;
- Revisão do cálculo do valor descontado dos créditos e avaliação dos pressupostos utilizados pela gestão, nomeadamente o prazo estimado do recebimento e a taxa de desconto utilizada;
- Análise da matriz de incobrabilidade elaborada pela gestão para as várias entidades do Grupo, e validação dos seguintes parâmetros: i) identificação dos valores considerados por cada entidade no que respeita às imparidades reconhecidas nas contas; ii) avaliação da fiabilidade e da adequação da informação histórica utilizada; iii) aferição quanto à adequada segmentação das entidades do Grupo, tendo em consideração a sua geografia, segmento de negócio e tipologia de devedor; iv) avaliação dos pressupostos e da base de informação utilizados pela gestão para refletir o agravamento generalizado dos riscos de crédito provocados pela pandemia COVID-19;
- Realização de testes substantivos relativamente a recebimentos subsequentes ou ocorrência de eventos ou de negociações que reforçam as expectativas de recuperação dos créditos;
- Conclusão sobre a razoabilidade e adequação das quantias reconhecidas como imparidades acumuladas; e
- Validação das divulgações incluídas nas correspondentes notas anexas às demonstrações financeiras consolidadas.

MATÉRIAS RELEVANTES DE AUDITORIA

SÍNTESE DA ABORDAGEM DE AUDITORIA

4. Valorização de classes homogêneas de ativos fixos tangíveis

Conforme descrito nas Notas 2.2, 2.5 e 20 anexas às demonstrações financeiras consolidadas, o Grupo continuou a adotar o modelo de revalorização como política contabilística adequada para a mensuração de classes homogêneas de ativos fixos tangíveis.

Os efeitos da revalorização representam em 2020 um aumento do valor dos ativos fixos tangíveis e dos capitais próprios de 74.657 milhares de euros e 55.814 milhares de euros, respetivamente, líquidos do efeito de imposto diferido passivo de 18.843 milhares de euros.

A adoção do modelo de revalorização pressupõe que o justo valor possa ser determinado com fiabilidade.

As revalorizações foram efetuadas por avaliadores independentes de forma a assegurar que a quantia escriturada não difira materialmente do justo valor no fim do período de relato.

Consideramos este tema como uma matéria relevante de auditoria, dada a relevância dos efeitos da revalorização destes ativos fixos tangíveis nas demonstrações financeiras consolidadas.

Executámos procedimentos de auditoria com vista a mitigar os riscos de distorção material nesta área, destacando os seguintes:

- Apreciação dos critérios e pressupostos que estiveram na base dos julgamentos para identificar e reconhecer determinados ativos como integrantes das classes homogêneas identificadas;
- Identificação dos avaliadores externos e análise da sua credibilidade e independência;
- Análise das avaliações independentes efetuadas e dos efeitos da revalorização para cada elemento incluído nas classes homogêneas de ativos;
- Aferição da razoabilidade dos principais pressupostos utilizados pelos peritos;
- Validação do reconhecimento contabilístico das quantias apuradas e do seu impacto nas contas; e
- Validação das divulgações incluídas nas notas anexas às demonstrações financeiras consolidadas.

5. Valorização das propriedades de investimento

A posição financeira do Grupo, em 31 de dezembro de 2020, apresenta um total de 234.235 milhares de euros referente a propriedades de investimento (208.478 milhares de euros em 31 de dezembro de 2019). Conforme descrito nas Notas 2.2, 2.8 e 21 anexas às demonstrações financeiras consolidadas, as propriedades de investimento são mensuradas pelo justo valor, determinado através de avaliações efetuadas por entidades especializadas e independentes.

As propriedades de investimento encontram-se substancialmente localizadas em Portugal e Angola, estando estas últimas sujeitas aos efeitos da variação cambial da moeda local.

Tendo em consideração a expressão destes ativos nas demonstrações financeiras consolidadas e o julgamento envolvido na determinação do justo valor, justifica que esta tenha sido tratada como matéria relevante da nossa auditoria.

Executámos procedimentos de auditoria com vista a mitigar os riscos de distorção material nesta área, destacando os seguintes:

- Identificação dos imóveis que foram objeto de avaliação;
- Identificação dos avaliadores externos e análise da sua credibilidade e independência;
- Aferição da razoabilidade dos principais pressupostos utilizados pelos peritos;
- Validação dos valores reconhecidos nas contas, por referência aos valores constantes das avaliações;
- Validação da adequada conversão cambial do justo valor das propriedades de investimento localizadas no estrangeiro; e
- Validação das divulgações incluídas nas notas anexas às demonstrações financeiras consolidadas.

MATÉRIAS RELEVANTES DE AUDITORIA

SÍNTESE DA ABORDAGEM DE AUDITORIA

6. Recuperabilidade dos ativos por impostos diferidos

Conforme descrito na Nota 26 anexa às demonstrações financeiras consolidadas, em 31 de dezembro de 2020, o saldo da rubrica de ativos por impostos diferidos ascende a 145.766 milhares de euros e tem a seguinte composição:

- 106.577 milhares de euros relativos a perdas por imparidade de ativos financeiros;
- 12.180 milhares de euros decorrentes de prejuízos fiscais originados entre 2015 a 2020;
- 12.546 milhares de euros resultantes de crédito de imposto por dupla tributação internacional; e
- 14.463 milhares de euros relativos a outras situações.

Nos termos da IAS12 – “Impostos sobre o rendimento”, os ativos por impostos diferidos apenas podem ser registados na medida em que seja provável a existência de lucros tributáveis futuros que permitam a recuperabilidade dos referidos ativos.

O Grupo preparou uma estimativa dos lucros tributáveis para os períodos futuros, tomando por base o seu Plano de negócios e demais pressupostos assumidos pelo órgão de gestão.

Tendo em consideração a natureza, a extensão e o risco de recuperabilidade desta classe de ativos, entendemos que esta matéria se reveste de especial relevância para a nossa auditoria.

A nossa abordagem de auditoria incluiu a execução de diversos procedimentos com vista a mitigar os riscos de distorção material, destacando os seguintes:

- Análise da aplicabilidade dos normativos legais que reconhecem o direito à dedução de prejuízos fiscais em lucros tributáveis futuros;
- Verificação de que o reconhecimento dos ativos por impostos diferidos foi efetuado em conformidade como os normativos aplicáveis;
- Avaliação dos juízos e pressupostos adotados pelo órgão de gestão que servem de base às projeções efetuadas, que conduziram à determinação de lucros tributáveis futuros;
- Pesquisa de ocorrências ou situações que possam indiciar eventuais riscos na recuperação de ativos por impostos diferidos, designadamente por caducidade do direito à dedução; e
- Validação das divulgações incluídas nas notas anexas às demonstrações financeiras consolidadas.

Responsabilidades do órgão de gestão e do órgão de fiscalização pelas demonstrações financeiras consolidadas

O órgão de gestão é responsável pela:

- preparação de demonstrações financeiras consolidadas que apresentem de forma verdadeira e apropriada a posição financeira consolidada, o desempenho financeiro e os fluxos de caixa consolidados do Grupo de acordo com as Normas Internacionais de Relato Financeiro (IFRS) tal como adotadas na União Europeia;
- elaboração do relatório consolidado de gestão, relatório de governo societário, demonstração não financeira consolidada e relatório sobre remunerações nos termos legais e regulamentares aplicáveis;
- criação e manutenção de um sistema de controlo interno apropriado para permitir a preparação de demonstrações financeiras consolidadas isentas de distorções materiais devido a fraude ou a erro;
- adoção de políticas e critérios contabilísticos adequados nas circunstâncias; e
- avaliação da capacidade do Grupo de se manter em continuidade, divulgando, quando aplicável, as matérias que possam suscitar dúvidas significativas sobre a continuidade das atividades.

O órgão de fiscalização é responsável pela supervisão do processo de preparação e divulgação da informação financeira do Grupo.

Responsabilidades do auditor pela auditoria das demonstrações financeiras consolidadas

A nossa responsabilidade consiste em obter segurança razoável sobre se as demonstrações financeiras consolidadas como um todo estão isentas de distorções materiais devido a fraude ou a erro, e emitir um relatório onde conste a nossa opinião. Segurança razoável é um nível elevado de segurança, mas não é uma garantia de que uma auditoria executada de acordo com as ISA detetará sempre uma distorção material quando exista. As distorções podem ter origem em fraude ou erro e são consideradas materiais se, isoladas ou conjuntamente, se possa razoavelmente esperar que influenciem decisões económicas dos utilizadores tomadas com base nessas demonstrações financeiras.

Como parte de uma auditoria de acordo com as ISA, fazemos julgamentos profissionais e mantemos ceticismo profissional durante a auditoria e também:

- identificamos e avaliamos os riscos de distorção material das demonstrações financeiras consolidadas, devido a fraude ou a erro, concebemos e executamos procedimentos de auditoria que respondam a esses riscos, e obtemos prova de auditoria que seja suficiente e apropriada para proporcionar uma base para a nossa opinião. O risco de não detetar uma distorção material devido a fraude é maior do que o risco de não detetar uma distorção material devido a erro, dado que a fraude pode envolver conluio, falsificação, omissões intencionais, falsas declarações ou sobreposição ao controlo interno;
- obtemos uma compreensão do controlo interno relevante para a auditoria com o objetivo de conceber procedimentos de auditoria que sejam apropriados nas circunstâncias, mas não para expressar uma opinião sobre a eficácia do controlo interno do Grupo;
- avaliamos a adequação das políticas contabilísticas usadas e a razoabilidade das estimativas contabilísticas e respetivas divulgações feitas pelo órgão de gestão;
- concluímos sobre a apropriação do uso, pelo órgão de gestão, do pressuposto da continuidade e, com base na prova de auditoria obtida, se existe qualquer incerteza material relacionada com acontecimentos ou condições que possam suscitar dúvidas significativas sobre a capacidade do Grupo para dar continuidade às suas atividades. Se concluirmos que existe uma incerteza material, devemos chamar a atenção no nosso relatório para as divulgações relacionadas incluídas nas demonstrações financeiras consolidadas ou, caso essas divulgações não sejam adequadas, modificar a nossa opinião. As nossas conclusões são baseadas na prova de auditoria obtida até à data do nosso relatório. Porém, acontecimentos ou condições futuras podem levar a que o Grupo descontinue as suas atividades;

- avaliamos a apresentação, estrutura e conteúdo global das demonstrações financeiras consolidadas, incluindo as divulgações, e se essas demonstrações financeiras representam as transações e os acontecimentos subjacentes de forma a atingir uma apresentação apropriada;
- obtemos prova de auditoria suficiente e apropriada relativa à informação financeira das entidades ou atividades dentro do Grupo para expressar uma opinião sobre as demonstrações financeiras consolidadas. Somos responsáveis pela orientação, supervisão e desempenho da auditoria do Grupo e somos os responsáveis finais pela nossa opinião de auditoria;
- comunicamos com os encarregados da governação, incluindo o órgão de fiscalização, entre outros assuntos, o âmbito e o calendário planeado da auditoria, e as conclusões significativas da auditoria incluindo qualquer deficiência significativa de controlo interno identificada durante a auditoria;
- das matérias que comunicamos aos encarregados da governação, incluindo o órgão de fiscalização, determinamos as que foram as mais importantes na auditoria das demonstrações financeiras consolidadas do ano corrente e que são as matérias relevantes de auditoria. Descrevemos essas matérias no nosso relatório, exceto quando a lei ou regulamento proibir a sua divulgação pública; e
- declaramos ao órgão de fiscalização que cumprimos os requisitos éticos relevantes relativos à independência e comunicamos-lhe todos os relacionamentos e outras matérias que possam ser percebidas como ameaças à nossa independência e, quando aplicável, quais as medidas tomadas para eliminar as ameaças ou quais as salvaguardas aplicadas.

A nossa responsabilidade inclui ainda a verificação da concordância da informação constante do relatório consolidado de gestão com as demonstrações financeiras consolidadas, e as verificações previstas nos números 4 e 5 do artigo 451.º do Código das Sociedades Comerciais em matéria de governo das sociedades, bem como a verificação de que a demonstração não financeira consolidada e o relatório de remunerações foram apresentados.

RELATO SOBRE OUTROS REQUISITOS LEGAIS E REGULAMENTARES

Sobre o relatório consolidado de gestão

Dando cumprimento ao artigo 451.º, n.º 3, al. e) do Código das Sociedades Comerciais, somos de parecer que o relatório consolidado de gestão foi preparado de acordo com os requisitos legais e regulamentares aplicáveis em vigor, a informação nele constante é concordante com as demonstrações financeiras consolidadas auditadas e, tendo em conta o conhecimento e apreciação sobre o Grupo, não identificámos incorreções materiais. Conforme referido no artigo 451.º, n.º 7 do Código das Sociedades Comerciais este parecer não é aplicável à demonstração não financeira consolidada incluída no relatório consolidado de gestão

Sobre o relatório de governo societário

Dando cumprimento ao artigo 451.º, n.º 4 do Código das Sociedades Comerciais, somos de parecer que o relatório de governo societário inclui os elementos exigíveis ao Grupo nos termos do artigo 245.º-A do Código dos Valores Mobiliários, não tendo sido identificadas incorreções materiais na informação divulgada no mesmo, cumprindo o disposto nas alíneas c), d), f), h), i) e m) do n.º 1 do referido artigo.

Sobre a demonstração não financeira consolidada

Dando cumprimento ao artigo 451.º, n.º 6, do Código das Sociedades Comerciais, informamos que o Grupo incluiu no seu relatório consolidado de gestão a demonstração não financeira consolidada prevista no artigo 508.º-G do Código das Sociedades Comerciais.

Sobre o relatório de remunerações

Dando cumprimento ao artigo 245.º-C, n.º 6, do Código dos Valores Mobiliários, informamos que a Entidade incluiu em capítulo autónomo, no seu relatório sobre o governo das sociedades, as informações previstas no n.º 2 do referido artigo.

Sobre os elementos adicionais previstos no artigo 10º do Regulamento (UE) n.º 537/2014

Dando cumprimento ao artigo 10.º do Regulamento (UE) n.º 537/2014 do Parlamento Europeu e do Conselho, de 16 de abril de 2014, e para além das matérias relevantes de auditoria acima indicadas, relatamos ainda o seguinte:

- Fomos eleitos auditores da Teixeira Duarte, S.A. pela primeira vez na assembleia geral de acionistas realizada em 30 de maio de 2015 para o mandato de 2015 a 2018, tendo sido reeleitos na assembleia geral de 27 de maio de 2019 para o mandato em curso (2019 a 2022).
- O órgão de gestão confirmou-nos que não tem conhecimento da ocorrência de qualquer fraude ou suspeita de fraude com efeito material nas demonstrações financeiras. No planeamento e execução da nossa auditoria de acordo com as ISA mantivemos o ceticismo profissional e concebemos procedimentos de auditoria para responder à possibilidade de distorção material das demonstrações financeiras consolidadas devido a fraude. Em resultado do nosso trabalho não identificámos qualquer distorção material nas demonstrações financeiras consolidadas devido a fraude.
- Confirmamos que a opinião de auditoria que emitimos é consistente com o relatório adicional que preparámos e entregámos ao órgão de fiscalização do Grupo em 27 de abril de 2021.
- Declaramos que não prestámos quaisquer serviços proibidos nos termos do artigo 77.º, n.º 8, do Estatuto da Ordem dos Revisores Oficiais de Contas e que mantivemos a nossa independência face ao Grupo durante a realização da auditoria.

Lisboa, 27 de abril de 2021

MOORE STEPHENS & ASSOCIADOS, SROC, S.A.
Representada por António Gonçalves Monteiro, ROC



PORTUGAL

Headquarters
Lagoas Park, Edifício 2
2740-265 Porto Salvo
Tel.: (+351) 217 912 300
Fax: (+351) 217 941 120
E-mail: geral@teixeiraduarte.com
Site: www.teixeiraduarte.com

Polo Operacional Teixeira Duarte
Av. da Indústria, 540
2870-635 Alto do Estanqueiro - Jardia - Montijo
Tel.: (+351) 219 948 000

Rua das Pretas, 4 - 4.º Dto.
9000-049 Funchal - Madeira
Tel.: (+351) 291 206 930

Edifício Tower Plaza
Rotunda Eng.º Edgar Cardoso, nº 23 - Piso 8
4400-676 Vila Nova de Gaia
Tel.: (+351) 226 166 180
Fax: (+351) 226 104 297

SOUTH AFRICA

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Tel.: (+27) 711615033 / (+27) 823760615

ANGOLA

Avenida Pedro de Castro Van-Dúnem Loy
Baixo Morro Bento (Maxipark)
Edifício Teixeira Duarte, 387 - Luanda
Tel.: (+244) 222 641 500
Fax: (+244) 222 641 560

Polo Operacional Teixeira Duarte
Rua S/N, Zona Industrial Polo Operacional
de Viana - Edifício Central
Viana - Luanda

ALGERIA

08 Route Ben Aknoun - El Biar
16030 Alger
Tel.: +213 (0) 21 92 74 33

BELGIUM

TDGI, S.A.
Avenue Jean Monnet, 1
1348 LOUVAIN-LA-NEUVE
Tel.: (+32) 2 318 38 04

BRAZIL

Av. das Nações Unidas, 12.901,
2.º andar, cj. 201, Torre Norte - CENU
Brooklin Novo - São Paulo/SP
CEP 04578-910
Tel.: (+55) 11 3585 0800

Rua Iguatemi, 448 - 10.º Andar
Itaim Bibi - São Paulo - SP
CEP 01451 - 010
Tel.: (+55) 112 144 57 00

Av. Paulo Ferreira da Costa, 553
Vista Alegre, Lagoa Santa/MG
CEP 33400-00
Tel.: (+55) 31 3268 0007

SHN, Quadra 02, Bloco F, Sala 1.022
Edifício Executive Office Tower
Asa Norte - Brasília/DF
CEP 70702-906
Tel.: (+55) 61 3224 5985

CAPE VERDE

Travessa do Moinho de Vento, Nº 1,
2.º Andar do Prédio Amarelo,
Encosta de Chã de Areia
CP. 156-C - Cidade da Praia

CHINA (MACAU)

Avenida Dr. Mário Soares, nº 25
Edifício Montepio, Ap. 26-28, 3.º Andar
Macau
Tel.: (+853) 28 780 288
Fax: (+853) 28 780 188

COLOMBIA

Carrera 11, 94-02 - Oficina 201
Edifício Centro de Negócios Manhattan
Bogotá
Tel.: (+57) 1 6754530

ECUADOR

Avenida 12 de Octubre, nº 24-660
Calle Francisco Salazar, Edifício Concorde, Piso 11
Quito - Ecuador

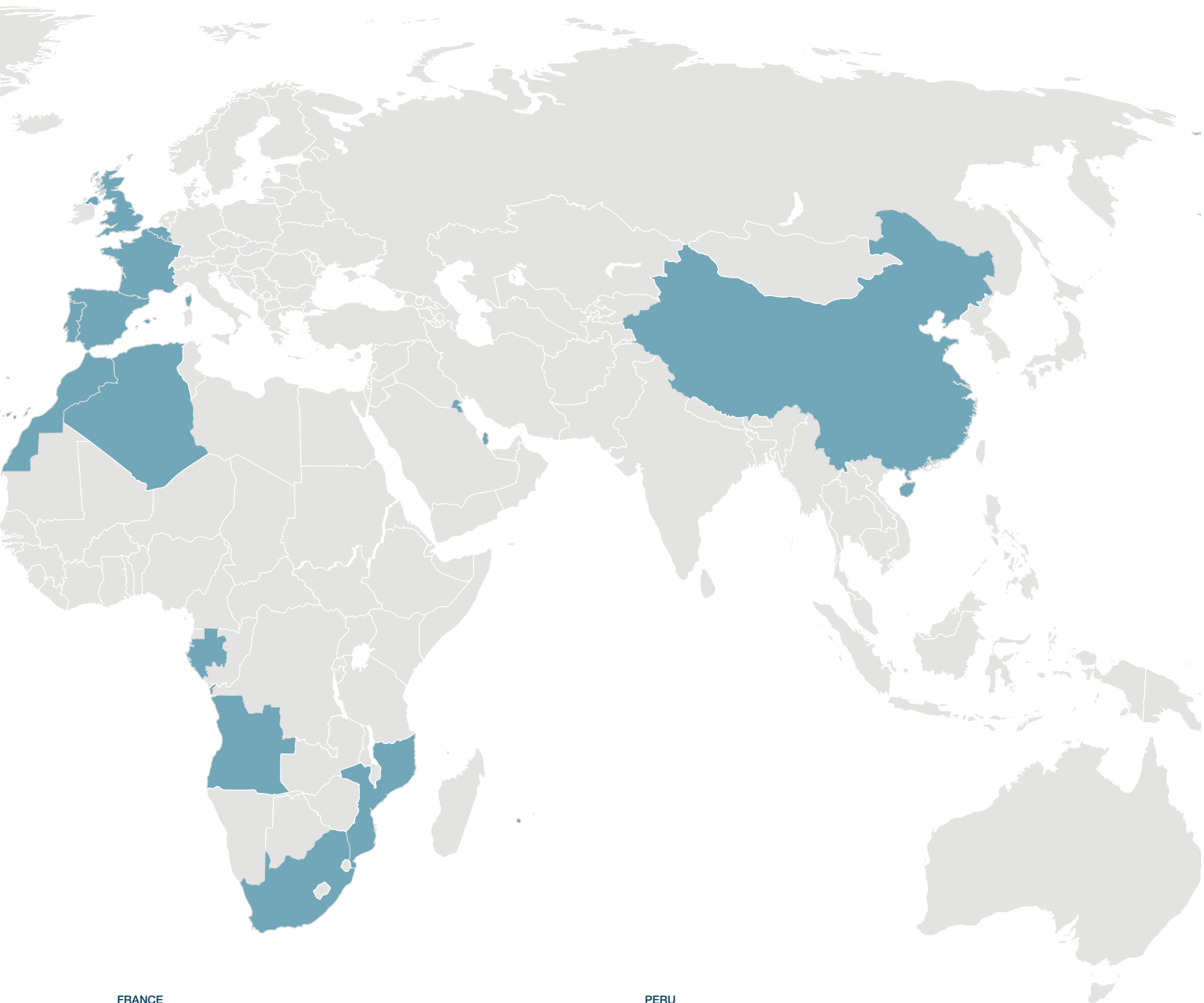
SPAIN

Calle Caleruega, 76, 1.º piso, oficina 1
28033 Madrid
Tel.: (+34) 915 550 903
Fax: (+34) 915 972 834

UNITED STATES OF AMERICA

1030 Salem Road
Union, NJ 07083

TDRE Investments, LLC
16800 Dallas Pkwy., Ste. 240, Dallas,
TX 75248-1991
Tel.: +1 (469) 655-5845



FRANCE

SOMAFEL, S.A (Branch)
11, Bis, Passage Dartois Bidot
94100 Saint-Maur des Fosses

GABON

SOMAFEL Gabon
Z.I. OWENDO
BP: 2198
Libreville
Tel.: (+241) 66 8 09 84

KUWAIT

Mazaya Towers, Tower 2, 8th Floor
Khalid Ibn Al Waleed St., Block 3, Mirqab
Kuwait City
Tel.: (+965) 2228 2382

MOROCCO

SOMAFEL, S.A (Branch)
Angle BD Anfa et Rue Clos de Province,
N° 2, 6ème Étage, N° 6B
20040 Casablanca
Tel.: (+212) 223 62 890
Fax: (+212) 223 62 647

MOZAMBIQUE

Avenida Julius Nyerere, 4 - R/C
Maputo
Tel.: (+258) 214 914 01
Fax: (+258) 214 914 00

PERU

Avenida Javier Prado Este N° 560
Oficina 1601
San Isidro - Lima

QATAR

TDGISERV Services WLL
Al Mana Plaza, 1st Floor, Office 101
Qatari Bin Fujaah St., Bin Mahmoud
PO Box 7098
Doha – Qatar
Tel.: (+974) 4498 9556

UNITED KINGDOM

SOMAFEL - Railway Construction, S.A.
Davidson House, Forbury Square
Reading, RG1 3EU
Tel.: (+44) 1189 001440

VENEZUELA

Av. Venezuela del Rosal, con Calle Mohedano,
Torre JWM, frente al BOD, piso 5, El Rosal
1060 Caracas
Phone: (+58) 212 951 2012
Fax: (+58) 212 953 7409

