

An aerial photograph of a wide river flowing through a lush green forest. A concrete bridge spans the river, and a group of people is standing on it. The text 'REPORT AND ACCOUNTS 2021' is overlaid in white. The company logo and name are at the bottom.

# REPORT AND ACCOUNTS 2021

 **TEIXEIRA DUARTE**



Cover photo



INITIATIVE OF A GROUP OF EMPLOYEES TO COME TOGETHER TO SYMBOLISE IN “HUMAN DRAWING” THE CELEBRATION OF THE HUNDRED YEARS OF TEIXEIRA DUARTE, ON THE BRIDGE OVER THE ALMADA RIVER, ILHÉUS - BRAZIL



# REPORT AND ACCOUNTS 2021



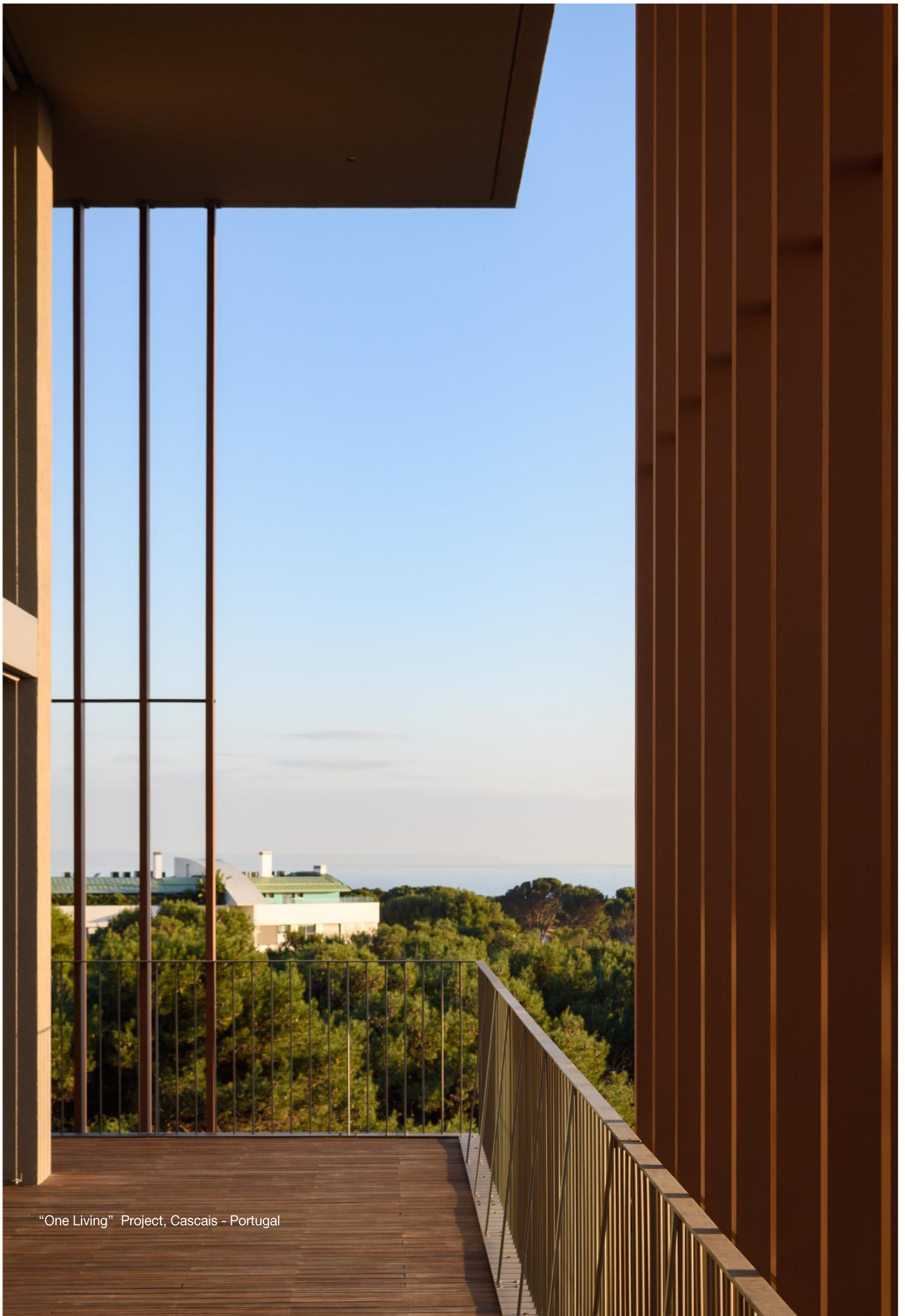
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“One Living” Project, Cascais - Portugal



# Management Report of the Board of Directors 2021

## COMPANY IDENTIFICATION

**Teixeira Duarte, S.A.**

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

Share Capital: € 210,000,000

Single Legal Person Number: 509 234 526



## INTRODUCTION

### THE CONSOLIDATED MANAGEMENT REPORT

The Board of Directors of "Teixeira Duarte, S.A." (TD,SA), in compliance with the regulatory and legal provisions for publicly traded companies, hereby presents its management report for the financial year of 2021.

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 appropriation of net income, 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 subsidiaries have their own management bodies, which report on their individual activities, this document will provide only some observations to enable 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 the Portuguese Securities Market Commission (CMVM) Regulation 5/2008, as amended by Regulation 7/2018).

### NON-FINANCIAL INFORMATION REPORT

In compliance with applicable legislation (Decree-Law 89/2017 of July 28), a separate chapter has been included in the Management Report to provide a "Non-Financial Information" report. This report follows other voluntary reporting frameworks: it has been prepared in accordance with the GRI Standards - Core option -, and the Non-Financial Information Reporting Template issued by the Portuguese Securities Market Commission (CMVM), attaching it the respective correspondence tables with these two references.

Due to the entry into force of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (Taxonomy Regulation), Teixeira Duarte, S.A. discloses, in the Non-Financial Information reporting section regarding the environmental component, the information relating to the European Taxonomy relating to the environmental component to the 2021 financial year.

### CORPORATE GOVERNANCE REPORT

Also submitted in this set of documents is a detailed report on the corporate governance structure and practices in 2021 (drawn up in accordance with Article 29-H of the Securities Market Code and with CMVM Regulation 4/2013), underpinned by the 2018 Corporate Governance Code of the Portuguese Corporate Governance Institute (IPCG), in force since 1 January 2018 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 Supervisory 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 Article 29-G(1)(c) 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,SA 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 phrase, it should be noted that both the Board of Directors of TD,SA and the boards of the other Teixeira Duarte Group entities continue to monitor the development of the Covid-19 pandemic situation, which began at the end of 2019, and are acting in accordance with recommendations issued by the World Health Organisation 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 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.

Likewise, the development of the geopolitical situation in Europe and its impacts on the economies with which the Group operates directly and indirectly is continued, with particular focus on obtaining services, commodities and raw materials.

#### **EUROPEAN SINGLE ELECTRONIC FORMAT – ESEF**

The Annual Report and Accounts were prepared in the European Single Electronic Format (ESEF) in accordance with the specifications laid down in Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 and in accordance with subsequent amendments, taking into account the guidelines provided by the European Securities and Markets Authority (ESMA) and also taking into account the information disclosed by the CMVM regarding the rules applicable to the new electronic format for the disclosure of Financial Information.

## I. TEIXEIRA DUARTE GROUP

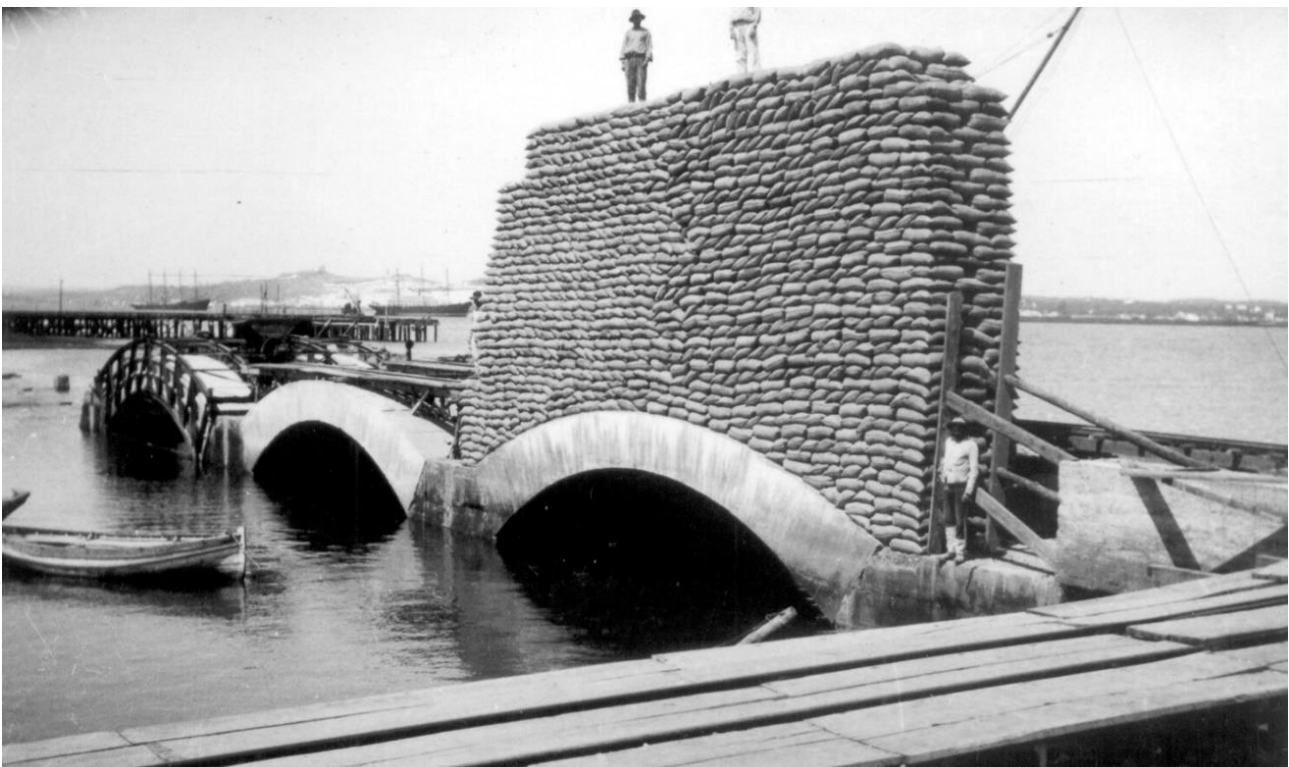
# A CENTURY-OLD PORTUGUESE GROUP FOUNDED IN AN ENGINEERING COMPANY

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 Esquível 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, Hospitality, Distribution and Automotive sectors.

Today, after 100 years, this Portuguese economic group comprises more than 176 entities operating in 22 countries with the commitment and dedication of 9,100 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

**9,100**  
**EMPLOYEES**

**176**  
**ENTITIES**

### SECTOR

**CONSTRUCTION**  
SINCE 1921

**CONCESSIONS  
AND SERVICES**  
SINCE 1984

**REAL ESTATE**  
SINCE 1973

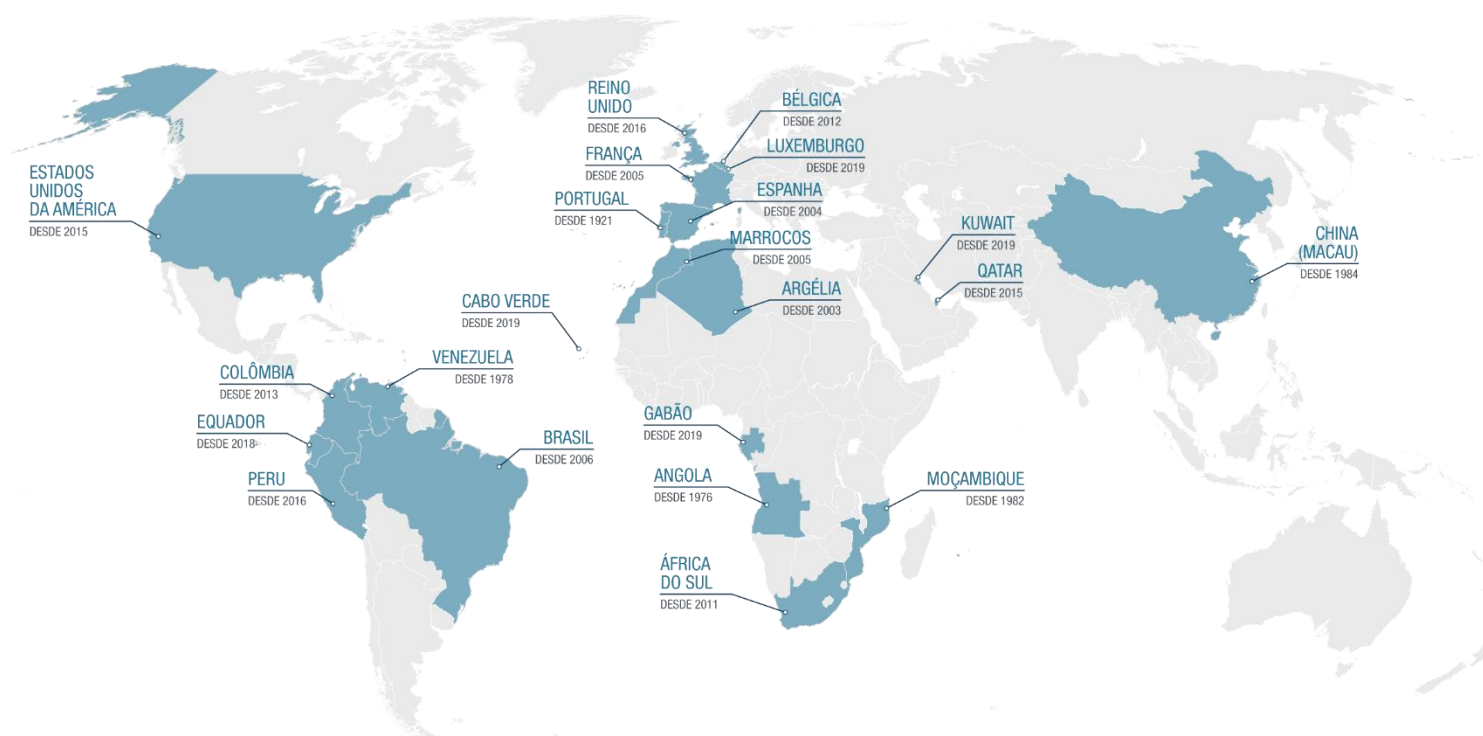
**HOSPITALITY**  
SINCE 1992

**DISTRIBUTION**  
SINCE 1996

**AUTOMOTIVE**  
SINCE 1991

**22**  
**COUNTRIES**

**4**  
**CONTINENTS**

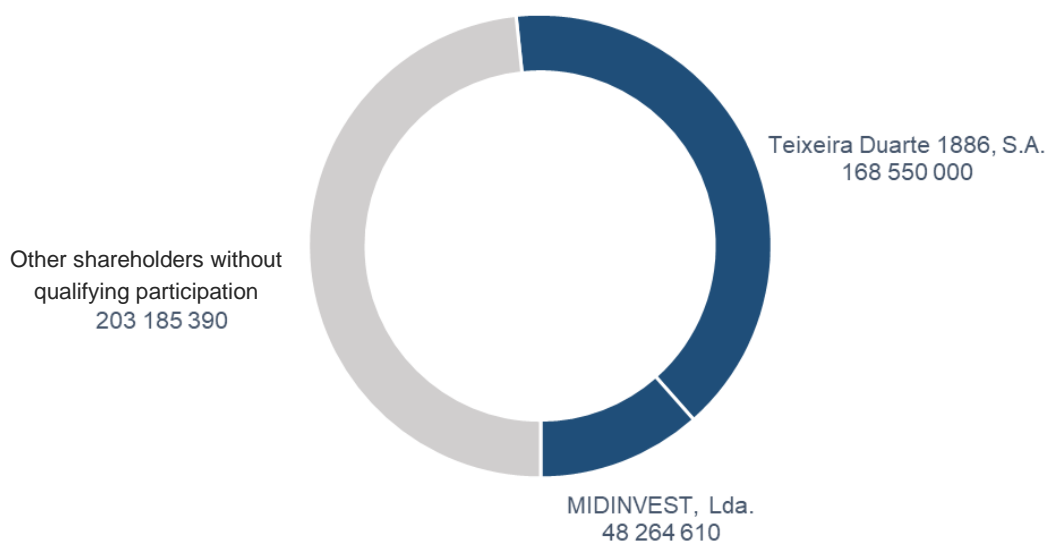




Contract for the Complete Requalification of the MUDE Building - Design and Fashion Museum, Lisbon - Portugal

## SHAREHOLDERS

“Teixeira Duarte, S.A.” is the top listed company of the Teixeira Duarte Group, whose share capital as at 31 December 2021 was distributed among 4,166 shareholders as follows:



Distribution of shares representing TD,SA's share capital among shareholders at the end of the 2021 period

## 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 six members and two supervisory bodies: A Supervisory Board (with three members) and an Audit Firm.

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

### Board of the General Meeting:

Chairman

José Luciano Vaz Marcos

Deputy Chairman

José Mário Ferreira de Almeida

Secretary

José Pedro Poiares Cobra Ferreira

### Board of Directors:

Chairman

Manuel Maria Calainho de Azevedo Teixeira Duarte

Directors

Carlos Gomes Baptista

Maria da Conceição Maia Teixeira Duarte

Diogo Bebianho Branco de Sá Viana Rebelo

Isabel Maria Nunes Correia Teixeira Duarte

Miguel Calainho de Azevedo Teixeira Duarte

### Supervisory Board:

Chairman

Óscar Manuel Machado de Figueiredo

Members

Ana Cristina Louro Ribeiro Doutor Simões

João Salvador dos Santos Matias

Alternate

Rui Pedro Ferreira de Almeida

### Statutory Auditor:

"Moore Stephens & Associados, SROC S.A." represented by  
António Gonçalves Monteiro

### Chief Compliance Officer

Carlos Ferraz

### Company Secretary

Permanent

José Pedro Poiares Cobra Ferreira

Alternate

Filipe Manuel Cavaco Bismarck

### Representative for Market Relations

José Pedro Poiares Cobra Ferreira

## ORGANISATIONAL MODEL

In addition to the governing 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 Teixeira Duarte Group and the organisational 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: Geotechnics and Foundations; Buildings (including a Concrete Production Centre); Infrastructure (including Maritime Works); Metalworking; Underground Works; and Railway Works.

All of these operational areas divide production and commercial skills into structures that are essential in the training of management staff and in the monitoring of their career in the Operation Centres and Departments. These operational areas also have a set of specific Support Structures for this Construction sector, in particular in the areas of Formwork and Prestressing (including a Reinforcement Production Centre), Projects, Equipment Management and Logistics of Proposals, and a Materials Laboratory.

In this Sector, the Group also has an important Project Department, through which Engineering Studies and Technical Projects are developed and executed, for the entire Teixeira Duarte Group, which have proved to be of great importance in the technically based presentation of proposals and projects. This Department is also responsible for coordinating and implementing BIM (Building Information Modelling) throughout the entire Teixeira Duarte Group, by consolidating internal and external training, developing projects with this methodology and creation of internal procedures.

Equally integrated into the Construction structures, there are other Structures that, although more focused on this activity, also support other sectors of the Group in terms of Management and Procurement Systems.

In addition to all those structures more directly linked to the Company's operational area, there is a set of Central Structures and Services with special transversal support responsibilities, which constitute the so-called 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 organisational structures, identified on the following organisational chart below:



## TEIXEIRA DUARTE ORGANISATIONAL CHART

### Teixeira Duarte, S.A.

#### Board of Directors

Manuel Maria Teixeira Duarte  
Carlos Gomes Baptista  
Maria da Conceição Teixeira Duarte  
Diogo Rebelo  
Isabel Teixeira Duarte  
Miguel Teixeira Duarte

### 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

#### CORPORATE AREA

Internal Audit  
Mário Faria

Accounting  
Alexandre de Jesus  
Sérgio Castro

Finance  
Sérgio Pereira  
Pedro Cruz

Innovation  
Rita Moura

Legal  
Maria António Ambrósio

Shared Processes  
André Henriques

Human Resources  
Rogério Fonseca

Corporate Affairs  
José Pedro Cobra Ferreira

Sustainability  
Erica Torres Silva

Information Technologies  
Rui Pedroso  
Rui Miranda

#### ACTIVITY SECTORS

##### Construction

Geotechnics and Foundations  
Miguel Rocha

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

Infrastructures  
Rosa Saraiva  
Hélder Matos  
Gustavo Lebreiro  
João Pedro Lopes  
António Diniz  
Jorge Barata  
Pinto Guedes

Metalworking  
Henrique Nicolau

Underground Works  
Dias de Carvalho  
Carlos Russo

Railway Works  
Rui Costa

Shuttering and Pre-Stressing  
Caetano Machado

Project Design  
Laura Esteves

Supplies  
Rosa Almeida

Equipment Management  
Rodrigo Ouro

Management Systems  
Ivo Rosa

Proposal's Logistics  
Mário Baptista

Materials Laboratory  
Ivo Rosa

##### Concessions and Services

Facilities Management  
Rodolfo Valentim  
Mariana Coimbra

Education  
Diogo Rebelo

##### Real Estate

Alfredo Silva  
Guilherme Silva

##### Hospitality

Luís Vicente  
Cláudia Bazílio

##### Distribution

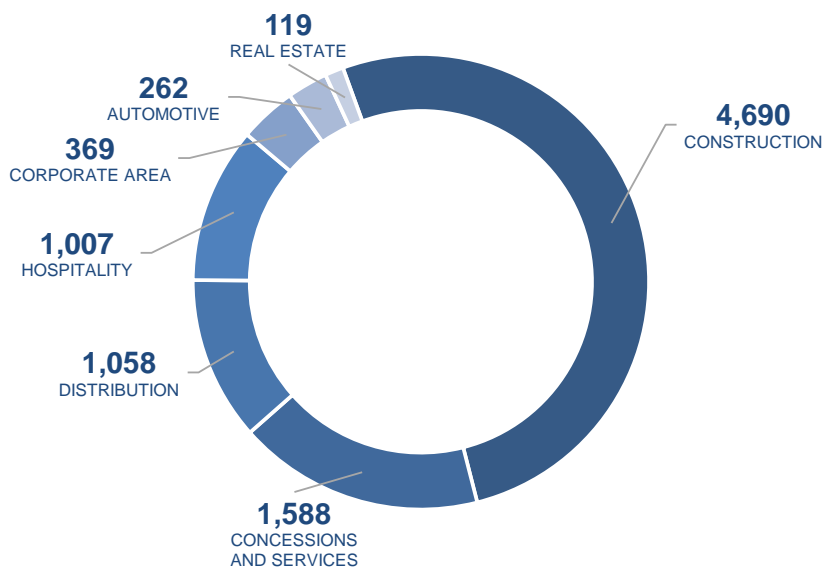
Diogo Rebelo  
João Cordeiro

##### Automotive

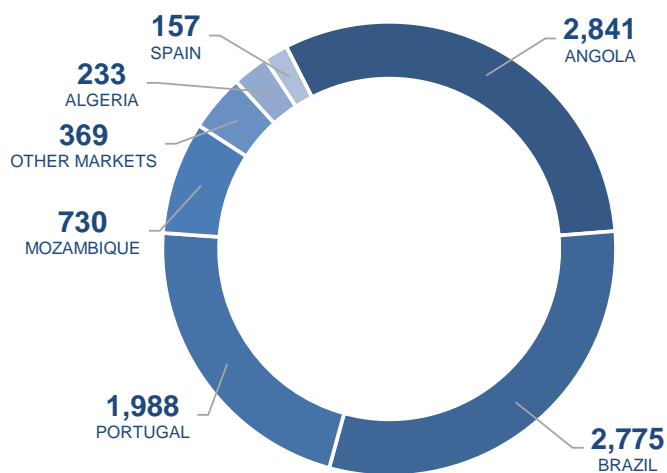
Pedro Medo

## EMPLOYEES

Employees are the core of the activity of all Teixeira Duarte Group companies and their greatest resource. As at 31 December 2021, the 9,093 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. The central core of these ethics is grounded in 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.

### VALUES

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

## INGENUITY

Value based on the origin and purpose of the Company: “An Engineering Establishment” that, based on research and a thorough grasp of the principles of science, innovates and develops knowledge and techniques to apply, with efficiency and the minimum of waste, in the resolution of practical issues, in training, encouraging and trusting “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 Group 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, clients 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, which involves the following corporate control areas that give support to the company:

- The Internal Audit Department, whose main functions are the evaluation and improvement of the effectiveness of risk management processes and internal control systems, as well as the conduct of an examination of the activities carried out by the Group;
- The Chief Compliance Officer, tasked with developing the Compliance Programme in order to promote, within the Teixeira Duarte Group (i) compliance with legal, regulatory and internal regulations, (ii) the correct identification and assessment of the respective risks inherent to activities developed by the Group companies and (iii) the development of efficient measures to comply with the aforementioned regulations and to mitigate the respective risks, establishing guidelines for the analysis of reality, treatment and reporting of information, defining areas of action and respective means and subsequent monitoring of the results and promoting the necessary reviews of such measures; and
- The Management Systems Department, which includes in its functions to ensure that the Group Policies are complied with, also implementing supervisory criteria, carrying out the corresponding training, respective internal audit and presenting proposals for improvement.

## I.2 Message from the Chairman of the Board of Directors



Manuel Maria Calainho  
Teixeira Duarte

Chairman of the Board of  
Directors

Dear Shareholders and Stakeholders,

The year of 2021 was difficult for many and especially for Teixeira Duarte.

In a period when the trend was to protect ourselves from the dangers to which the pandemic exposed us all, many of Teixeira Duarte's employees wanted to be present on the various fronts, particularly in the geographies where access to health care is more limited, responding with an unusual spirit of mission so that, in such adverse circumstances and in sometimes fearful and hesitant environments, Teixeira Duarte was determined to make its Mission concrete on its daily journey: "Execute, Contributing Towards the Construction of a Better World".

Everyone, as a community that we are, must be grateful for that commitment, courage, and inherent sacrifice.

It turns out that the figures of the exercise do not do justice to this attitude and way of being, nor to the success that, overcoming the challenges we had, we managed to achieve in different areas.

In fact, when we registered a reduction in Sales and Services Rendered of 69,130 thousand euros, it seems that there was less "Doing", in the same way that, when we find negative Net Income Attributable to Shareholders for the expressive value of 119,140 thousand euros, it seems that this "Doing" was not well done.

The truth is that the financial statements of 2021 were marked by two non-recurring events and, one of them, following the end of the period.

A surprising and abusive occupation of the facilities of the Port of La Guaira, on 15 October 2021, ended with the concession that we had been developing there.

A court judgement of last resort handed down on 17 February 2022 by an Algerian court in the context of proceedings concerning a partner of Teixeira Duarte - Engenharia e Construções, S.A. called into question the operational and financial conditions that made it possible to ensure the normal execution of six public contracts contracted in Algeria.

In order to understand the impact of these two events on these indicators - in terms that are best developed later in the text of this Report and Accounts - they led to a decrease in Sales and Services Rendered of 73,123 thousand euros and the impact on Net Income Attributable to Shareholders of 88,039 thousand euros.

Without the aforementioned Algerian and Venezuelan markets, we would have achieved 11.3% growth in Sales and Services Rendered.

I would also point out that the quality of our balance sheet contributed to the fact that, despite the negative impact resulting from the above facts, equity had reduced by only 49,060 thousand euros to 189,205 thousand euros.

But in addition to these financial indicators, 2021 was also an important year for other reasons that I want to mention.

This was the year in which we celebrated 100 years, a story of which we are proud, of evolution, overcoming, also with many difficulties and less easy and challenging moments, such as the one we are now going through, which allows us to be here today and with the capacity and willingness to adapt.

The year of 2021 was one of committed reorganisation of resources. Today we have more digitised processes, senior management closer to operations and, not least, operations more focused on our strategic markets: Portugal, Angola, Brazil and Mozambique

Alongside this, and in a transversal way, we remain dedicated to contributing to the United Nations Sustainable Development Goals, an agenda for sustainable development to which we cooperate in terms of relations with people, communities and organisations that we impact. This year we maintained our contributions in various areas of this agenda, with emphasis on health, education and vocational training, employment and economic growth, innovation, production and responsible consumption. We are committed to continuing to contribute to the construction of a better, more sustainable economic world, socially and environmentally, also through this sharing of efforts on a global scale.

Thus, we are better prepared for the future and grateful to the many who work at this establishment with Ingenuity, Truth and Commitment, as well as the trust of Clients, Suppliers, Subcontractors, Financiers and Shareholders, without whom it would not have been possible to "do" these 100 Years of History.



## I.3 Main Financial Indicators

<b>OPERATING INCOME</b>	<b>€637 M</b>
<b>SALES AND SERVICES RENDERED</b>	<b>€539 M</b>
<b>EBITDA</b>	<b>€(35) M</b>
<b>OPERATING RESULTS</b> (EBIT)	<b>€(102) M</b>
<b>NET INCOME</b> Attributable to shareholders	<b>€(119) M</b>
<b>NET DEBT</b>	<b>€718 M</b>
<b>FINANCIAL AUTONOMY</b>	<b>11.5 %</b>
<b>ORDER PORTFOLIO</b> For the Construction Sector	<b>€1,024 M</b>

	2021	2020	Var. %
Operating income	637,454	722,566	(11.8)%
Operating expenses	(672,024)	(622,072)	8.0%
EBITDA	(34,570)	100,494	-
Depreciation and amortisation	(43,765)	(46,312)	(5.5)%
Provisions and impairment of depreciable/amortisable assets and Goodwill	(24,077)	(1,758)	s.s.
Operating Results (EBIT)	(102,412)	52,424	-
Financial Results	(33,131)	(39,240)	(15.6)%
Earnings before tax	(135,543)	13,184	-
Income tax	17,921	(10,233)	-
Consolidated net income for the period	(117,622)	2,951	-
Attributable to:			
Shareholders	(119,140)	3,558	-
Non-controlling interests	1,518	(607)	-

(Values in thousand euros)

## I.4 Risk Management

Risk management plays an important role in the Group's management structure: the operating rules and guiding principles that have defined Teixeira Duarte's performance, allowing it to successfully overcome the challenges it has faced over the more than one hundred years of activity, are a source of pride and to encourage the growth of the Group.

The Risk Management process of Teixeira Duarte Group 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. It is the Board of Directors of Teixeira Duarte, S.A. that, duly supported by the other corporate control areas that provide support to society, is responsible for determining and assessing the risks to which the Company is subject, as well as for the promotion of the necessary initiatives for the respective prevention, which is responsible for designing the internal control and risk management systems that prove necessary and appropriate for the various situations identified. This body is also responsible for monitoring and monitoring the functioning of the implemented risk management system.

Teixeira Duarte's activity is exposed to a variety of risks. In fact, in addition to the direct and indirect impact that the current Covid-19 pandemic situation and the development of the geopolitical situation in Europe may have on the development of the Group's activity, the companies of the Teixeira Duarte Group are exposed in the exercise of their activities – albeit with different scope and dimensions according to the countries and sectors concerned – the following main economic, financial and legal risks:

- 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, loan spreads and exchange rates, as well as cash balances 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.

Additionally, Point III of the Corporate Governance Report for the period of 2021 - called Internal Control and Risk Management - further explains the risk management model implemented in the Teixeira Duarte Group, with the identification and description of the main risks to which the Company it is exposed in the exercise of its activity, as well as with the explanation of the monitoring model and existing risk mitigation measures.

## 1.5 Corporate Events

### 2021 GENERAL MEETINGS

#### ANNUAL GENERAL MEETING – 24 MAY 2021

In the pandemic scenario that lasted throughout 2021, the Board of the General Meeting and the Board of Directors maintained the objective assumed in 2020 of defining procedures for the holding of the Annual General Meeting that would balance the efficiency in guaranteeing the effective rights of the Shareholders and compliance with the public health measures in force. The annual meeting was held in person, on 24 May 2021, at Lagoas Park Congress Centre. The exercise of postal voting and the remote monitoring of the General Meeting work by the Shareholders were allowed through video and audio access made available on the internet.

The presence of Shareholders, members of the Teixeira Duarte family and of collaborating shareholders and former employees, reinforced the union around the Company at a time marked by a difficult situation, but at the same time, of celebration of the 100th anniversary of Teixeira Duarte.

The Annual General Meeting was chaired by José Luciano Vaz Marcos and was attended by the Vice-Presidency of José Mário Ferreira de Almeida. The holders of other social positions were also present, including the members of the Board of Directors and supervisory bodies.

At the meeting of 24 May 2021, the following resolutions were taken, as disclosed by the press released to the market published on the actual day of the General Meeting:

1. The Consolidated Management Report was unanimously approved, which includes a chapter on Non-Financial Information, and the Accounts, both in their individual and consolidated scope, for the financial year of 2020, as well as the Report on the Government of the Company for the financial year of 2020, all of them in terms of the respective timely filed documents, that is, including the respective annexes, as well as the Report and Opinion of the Supervisory Board and the Legal Certifications of Accounts and Audit Reports presented by the Audit Firm.
2. The proposed appropriation of net income presented by the Board of Directors was unanimously approved, proposing that the net income of Teixeira Duarte, S.A. calculated for the financial year of 2020, negative to the value of €17,904,404.60 (seventeen million, nine hundred and four thousand, four hundred and four euros and sixty cents) should be transferred to retained earnings.
3. A vote of confidence in the Board of Directors, the Supervisory Board, all its Members and the Audit Firm was unanimously approved, as well as a vote of praise for the way in which they performed their duties during 2020.
4. The Remuneration Policy for Members of the Management and Supervisory Bodies of Teixeira Duarte, S.A., was approved by 99.78% of the votes (95.57% in favour, 0.21% against and 4.22% abstentions).
5. The acquisition and disposal of own shares was unanimously approved under the terms of the proposal presented.

#### ANNUAL GENERAL MEETING – 8 OCTOBER 2021

The Teixeira Duarte shareholders held an Extraordinary General Meeting on 8 October 2021.

The holding of this Extraordinary General Meeting - which deliberated on the proposals for the recomposition of the Board of Directors and the Remuneration Committee - was promoted following the resignation presented by Mr. Dr. Pedro Maria Calainho Teixeira Duarte to the position of Chairman of the Board of Directors, by letter dated 31 May 2021.

This personal decision was made after more than 40 years of work contributing to a better company, a better family group, a better world.

Dr. Pedro Maria Calainho Teixeira Duarte had already resigned from the same position at Teixeira Duarte - Engenharia e Construções, S.A. on the date on which he had reached 65 years of age, implementing a common practice within the Teixeira Duarte Group itself.

Thus, and as he expressed, this decision was made following traditional criteria within the Company and understood as appropriate for the implementation of the natural renewal of the teams and governing bodies, which also support the Group's evolution.

The Extraordinary General Meeting held on 8 October 2021 was chaired by José Luciano Vaz Marcos, with the presence of the members of all the other governing bodies, as well as, among others, Shareholding members of the Teixeira Duarte family and employed Shareholders and former employees, having approved the proposed recomposition of the Board of Directors and Remuneration Committee, which henceforth have the following composition:

**Board of Directors:**

Chairman:

- Manuel Maria Calainho de Azevedo Teixeira Duarte

Directors:

- Carlos Gomes Baptista
- Maria da Conceição Maia Teixeira Duarte
- Diogo Bebianho Branco de Sá Viana Rebelo
- Isabel Maria Nunes Correia Teixeira Duarte
- Miguel Calainho de Azevedo Teixeira Duarte

**Remuneration Commission:**

- Miguel Calainho de Azevedo Teixeira Duarte
- António Carlos Calainho de Azevedo Teixeira Duarte
- Manuel Ferreira

This Extraordinary General Meeting was concluded with an intervention by the newly elected Chairman of the Board of Directors, Manuel Maria Calainho de Azevedo Teixeira Duarte, and which is transcribed here:

*Good afternoon everyone,*

*I thought it more appropriate to make my speech after the items on the agenda were closed, and, first of all, I want to thank the proposal also presented by Dr. Pedro Maria Teixeira Duarte regarding the reshuffle of the Board of Directors, including my appointment as Chairman and also thank the shareholders for the trust placed with the approval of such proposal. And give a word of welcome to the two new members of this Board of Directors.*

*It is an honour for such a proposal to be endorsed by him as well and a privilege to perform such a position in his succession, with the same sense of mission, both by the Teixeira Duarte Group and by the family that unites us and unites shareholders around this Company.*

*In fact, in addition to other functions with which he began working at Teixeira Duarte, it was in the 80s that the Teixeira Duarte Group, under the drive of Dr. Pedro Maria, has evolved from a Surveys and Foundations Company to a large Business Group, with operations in several countries and sectors, being one of the few in the construction area that survived the various crises and is recognised in the market, among many other virtues, for this resilience and do it for that.*

*It was under his leadership that we grew a lot, for various markets and activities, and that we also knew how to resist in the most difficult moments that a 100-year-old group inevitably goes through, even having, in a process of committed adaptation, gained strengths that made us even stronger.*

*It was on June 30, this year in which we celebrated the 100th anniversary of Teixeira Duarte, that Dr. Pedro Maria Teixeira Duarte ended his duties as Chairman of the Board of Directors of Teixeira Duarte. Today, with the acceptance of the resignation of the position of member of the Remuneration Committee, you will no longer hold any position in the Teixeira Duarte Group.*

*In his resignation letter, he told us about the more than 40 years he worked at this Establishment, contributing to make a better company and a better world, in a clear alignment between his purpose and way of being and the mission of Teixeira Duarte.*

*He told us about how Doing Better is a permanent challenge, since the origins of the Company, and a way of contributing to the work already done. He also mentioned how ceasing to exercise the role of Chairman of the Board of Directors is part of the renewal processes of Teams and Governing Bodies that also support the evolution of this Group.*

*For us, Teixeira Duarte,*

- *There is an example of the contagious desire to do; and to always do better than what has already been achieved;*
- *This is an example of a presence that allowed us to always believe that it was possible to happen;*
- *This is the example of attention to others, attention to shareholders, attention to employees, suppliers and clients, attention to people.*

*It is therefore with this inspiration, and with its example, that we continue to be united, motivated and accepting the responsibility of continuing to do, contributing to the construction of a better world.*

*Thank you all very much for your attention. And above all, on behalf of the many employees of this Establishment who have so often received your attention, thank you very much, Dr. Pedro Maria!*

## II. ECONOMIC AND FINANCIAL ANALYSIS

In order to allow a framed assessment of the Group's performance in the current year, it was considered appropriate to begin this chapter with the presentation of the main economic indicators of the most relevant markets in which the Group operated in 2021.

In **Portugal**, the expected recovery of GDP was experienced, with GDP having grown by 4.9% in real terms, and average inflation standing at 1.3%.

In relation to foreign markets, it should be noted that the exchange rate changes to which the Group is exposed may have a different impact on the Balance Sheet and the Profit and Loss Statement, as shown by the accounting policy related to Assets, Liabilities and Transactions in foreign currency, set out in the annex to the statements consolidated financial.

With regard to **Angola**, despite the strong impacts of the Covid-19 pandemic, after five years of consecutive GDP decrease, this indicator will have grown by 0.7% in real terms, and forecasts point to a significant growth in the coming years. Average annual inflation is said to have been around 26%, and although the Kwanza appreciated 20.2% at the end of the year compared to 31 December 2020, the average exchange rate is expected to have decreased by 12.8%.

In **Brazil**, GDP grew 5.2%, with inflation reaching 7.7%. The Real appreciated 1.0% and the average exchange rate decreased by 8.4%.

In **Mozambique**, GDP grew 2.5%, with inflation reaching 6.7%. The Metical appreciated 21.4% and the average exchange rate increased by 1.8%.

For the Teixeira Duarte Group, the year of 2021 was particularly difficult, having been heavily influenced by non-recurring effects resulting from exceptional events in Algeria and Venezuela, as well as by the economic impacts derived from the Covid-19 pandemic situation, which were very significant in the geographies where the Group operates, however there is some diversity of its size, depending on the geography and the sector or area of activity concerned, as further explained in the chapter on Activity By Sectors in 2021.

For an adequate reading and understanding of the operational and financial information presented below, it is essential to know, and bear in mind, the two exceptional and relevant facts, mentioned above and which had a significant impact on the Group's activity and accounts:

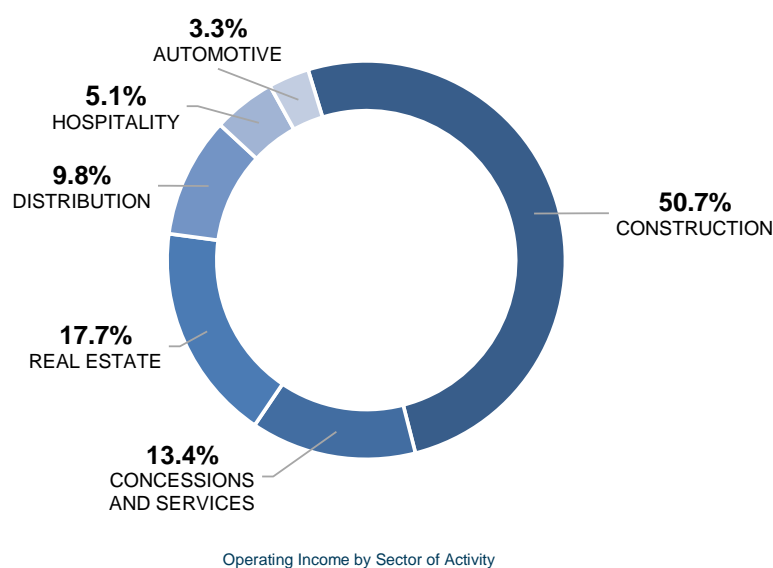
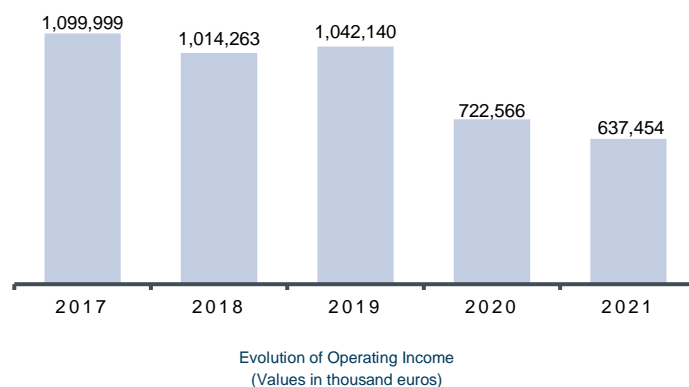
- Following the unpredictable decision taken by the Venezuelan public company, BOLIPUERTOS, S.A. which, in summary, resulted in the notification of the decision to terminate the Strategic Alliance for Port Operation and Management of the Specialised Container Terminal of the Port of La Guaira, signed with Teixeira Duarte - Engenharia e Construções, S.A. and which was in force since 1 April 2017 and the inherent occupation, on 15 October 2021, by the aforementioned BOLIPUERTOS, S.A., of the facilities assigned to Aliança, the Board of Directors of Teixeira Duarte - Engenharia e Construções, S.A. decided to recognise the effects in the financial year's accounts the loss of the concession for the operation of the port of La Guaira that would be in force until 31 March 2037, which resulted in a reduction in Intangible Assets and an increase in Net Income of 26,919 thousand euros. It is expected, however, that the absence of legal basis for the aforementioned unexpected, abusive and detrimental action to the interests of the Company will give rise to the corresponding compensation for losses and damages.
- A court judgement of last resort handed down on 17 February 2022 by an Algerian court in the context of proceedings concerning a partner of Teixeira Duarte - Engenharia e Construções, S.A. called into question the operational and financial conditions that made it possible to ensure the normal execution of six public contracts contracted in Algeria. In this context, despite being a subsequent event, the Board of Directors decided to recognise, in the accounts for the 2021, the effects arising from the suspension of the activity of those six public contracts, the estimated impact of which is reflected in a worsening of Net Income by 61,120 thousand euros, a reduction of Liabilities by 13,722 thousand euros and a reduction of Assets by 74,842 thousand euros.



**Operating Income** decreased by 11.8% compared to 2020, reaching 637,454 thousand euros, corresponding to a reduction of 85,112 thousand euros.

This decrease is essentially explained by the suspension of activity in six works in Algeria, and due to the derecognition of increases in income from these six contracts, as mentioned above, had a negative impact of 73.123 thousand euros on Operating Income.

Portugal recorded a 4.9% increase and overseas markets dropped by 21.3% overall compared to the same period of the previous year, with Portugal coming to represent 43.3% of the Group's total operating income in 2021.



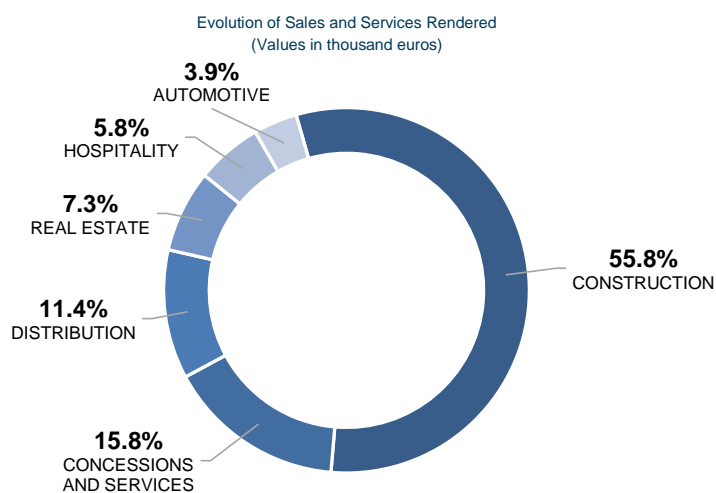
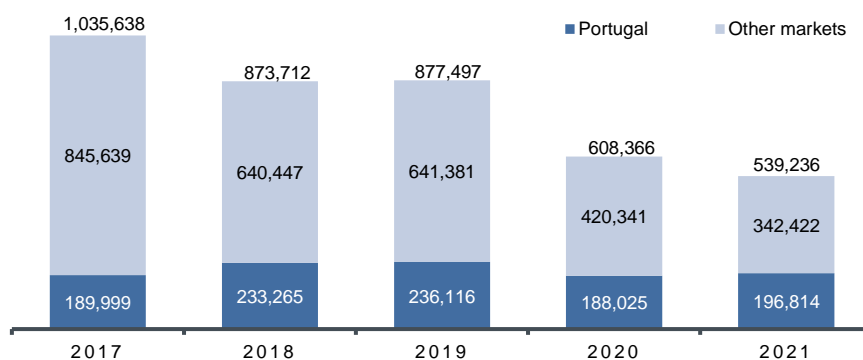
**Sales and Services Rendered** reached 539,236 thousand euros, having fallen by 11.4% compared to 2020, i.e., 69,130 thousand euros less.

Portugal registered an increase of 4.7% over the same period last year, driven by the Construction sector. It should be noted that this indicator does not express the continued good performance of the Group's real estate sector in this period – evidenced in the operating income shown above of 71.294 thousand euros –, also driven by income not included in Sales and Services Rendered.

External markets recorded an 18.5% decrease in Sales and Services Rendered as a whole, which corresponds to a reduction of 77,919 thousand euros, and the Algerian market, as mentioned above, negatively affected Sales and Services Rendered by 73,123 thousand euros. The good performances of Brazil and Mozambique were noteworthy, with increases of 24.5% and 68%, respectively.

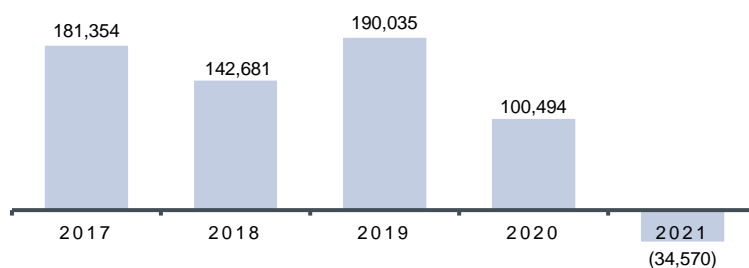
In this context, foreign markets that accounted for 69.1% of the Group's Sales and services rendered in 2020 shifted to represent 63.5% in 2021.

It should also be noted that Sales and Services Rendered were generally affected in all sectors by the current economic situation, which is very much affected by the Covid-19 pandemic, even so, with strong growth of the Hospitality and Automotive sector.



Sales and Services Rendered by Sector of Activity

EBITDA reached a negative amount of 34,570 thousand euros, registering a decrease of 135.064 thousand euros compared to the previous year, a reduction influenced by the recognition of losses due to the suspension of the six works in Algeria of 88,569 thousand euros.

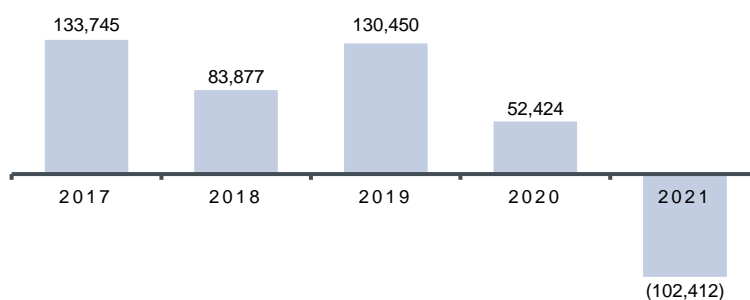


Evolution of EBITDA  
(Values in thousand euros)

EBITDA by Sector of Activity	2021	2020	Var. (%)
Construction	(70,799)	30,607	-
Concessions and Services	2,268	11,849	(80.9)%
Real estate	19,680	41,303	(52.4)%
Hospitality	11,864	12,618	(6.0)%
Distribution	3,223	5,866	(45.1)%
Automotive	3,903	1,256	210.7%
Not allocated to segments	(4,709)	(3,043)	(54.7)%
Eliminations	-	38	s.s.
	(34,570)	100,494	(134.4)%

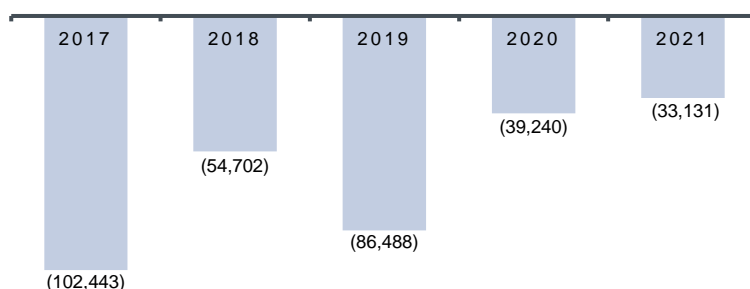
**Operating Result (EBIT)** reached a negative amount of 102,412 thousand euros, having decreased by 154,836 thousand euros compared to the previous year.

In addition to the development of the activity of the Group companies, this indicator was influenced by some facts that we should highlight, namely the recognition of losses due to the suspension of the six contracts in Algeria of 76,455 thousand euros and the recognition of losses from the Concession - Operation and Management Port of the Specialised Container Terminal of the Port of La Guaira in Venezuela for 33,431 thousand euros.



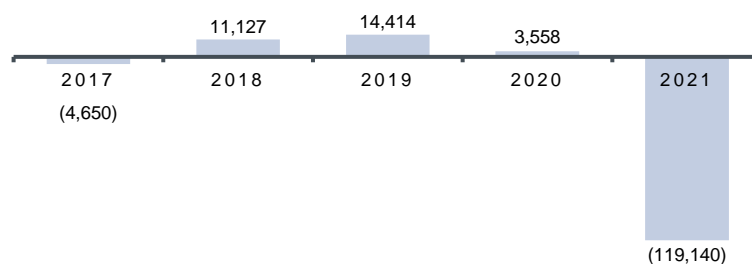
Evolution of Operating Result (EBIT)  
(Values in thousand euros)

**Financial Results** stood at a negative 33,131 thousand euros, compared to the negative 39,240 thousand euros in 2020.



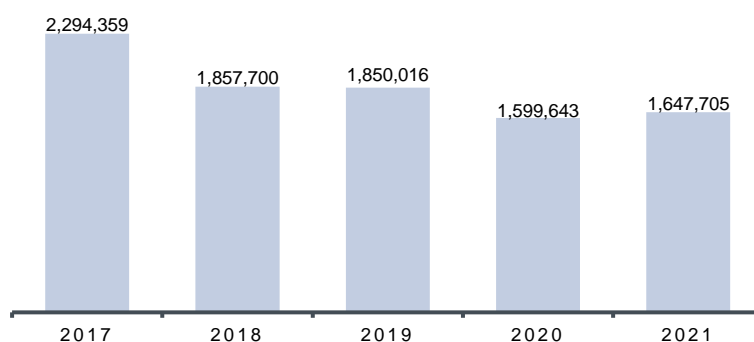
Evolution of Financial Results  
(Values in thousand euros)

**Net Income Attributable to Shareholders** stood at a negative 119,140 thousand euros, compared to the positive 3,558 thousand euros in 2020.



Evolution of Net Income  
(Values in thousand euros)

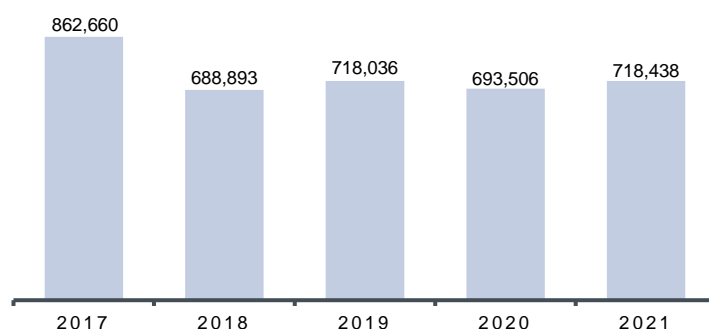
**Total Assets** increased by 3% compared to 31 December 2020, reaching 1,647,705 thousand euros, positively impacted by 131,605 thousand euros of exchange rate effect in the year, mainly as a result of the appreciation of the Angolan Kwanza and the Mozambican Metical and negatively due to the derecognition of losses due to the suspension of the six works in Algeria of 74,842 thousand euros and the recognition of the loss of the Concession in Venezuela of 26,919 thousand euros.



Evolution of Net Assets  
(Values in thousand euros)

**Net Financial Debt** stood at 718,439 thousand euros at the end of 2021, corresponding to an increase of 24,933 thousand euros compared to last year.

It should be noted that the Group spent 65,092 thousand euros on fixed capital, representing an increase of 15.7% compared to 2020, a value 21,327 thousand euros higher than the depreciation and amortisation expenses.



Evolution of Net Financial Debt  
(Values in thousand euros)

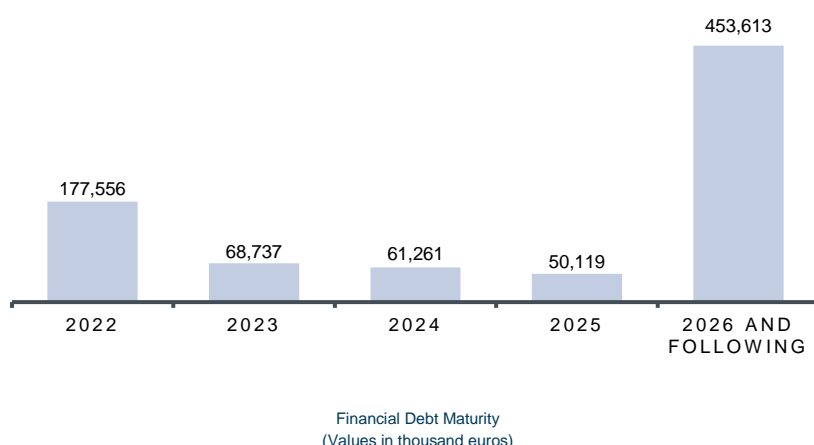
Net Financial Debt = Financing Obtained + Lease Liabilities – Cash and Cash Equivalents

The **Net Financial Debt** was influenced by exchange rate valuations of 4,674 thousand euros (availabilities increased by 7,008 thousand euros and financing 2,334 thousand euros), highlighting that, without this effect, the increase in net financial debt would have been 29,607 thousand euros.

**Gross Bank Financing** increased by 4,239 thousand euros compared to the end of 2020, of which 2,334 thousand euros result, as mentioned, from the exchange rate appreciation.

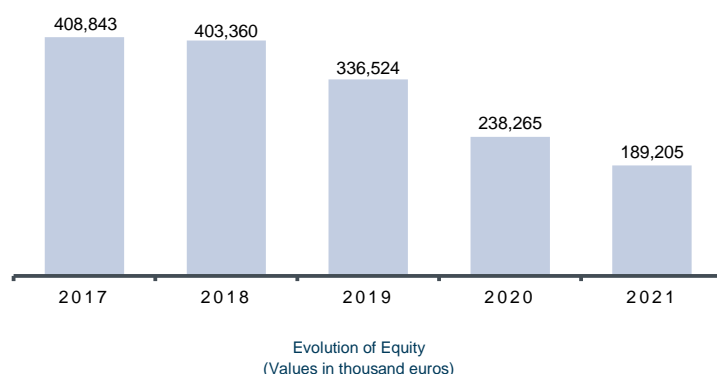
The Company subscribed to the legal moratorium for principal and interest under the legal protection of loan arrangement due to the Covid-19 pandemic.

The **Maturity of the Group's Financial Debt** as at 31 December 2021 is as follows:



**Equity** decreased by 20.6% compared to 31 December 2020, standing at 189,205 thousand euros.

The reduction in **Equity** of 49,060 thousand euros results essentially from the negative Net Income of 117,622 thousand euros and, positively, from the effects of the Currency Conversion Adjustments resulting from the appreciation of the currencies of the countries in which the Group operates, of the value of 93,718 thousand euros.



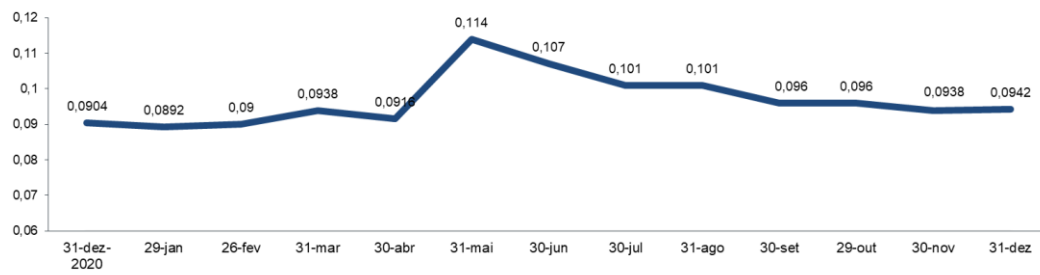
It is important to note that the impact of the Group's Consolidated Net Income, negative at 117,622 thousand euros, was not fully reflected in the variation in Equity, which decreased by 49,060 thousand euros, nor in the variation in Net Debt, which increased by 24,933 thousand euros.

**Financial Autonomy** stood at 11.5% as at 31 December 2021, a decrease of 3.4 p.p. compared to the end of 2020.

During 2021, the share price appreciated by 4.2%, increasing from 0.0904 euros as at 31 December 2020 to 0.0942 euros as at 31 December 2021. In terms of liquidity and volume of trades executed during this financial year, 63,267,278 shares were traded on the Stock Exchange, with a trading volume amounting to 6,118,824 euros. In 2020, 114,114,602 shares were traded, with a trading volume of 13,836,243 The graph shows the evolution of the stock market share prices during 2021: As at today's date, 22 April 2022, the price is €0.0950.



## Management Report of the Board of Directors 2021



Share Price Evolution

## III. NON-FINANCIAL INFORMATION

### INTRODUCTION

Teixeira Duarte discloses to its stakeholders, for the fifth consecutive year, the consolidated non-financial performance of its subsidiaries, namely concerning human resources, socioeconomic aspects, including its relationship with communities, and environmental management.

The information provided here covers the activity of the subsidiaries between 1 January and 31 December 2021. Whenever relevant, information about previous years is included, to allow a comparative assessment of performance.

In addition to complying with the requirements of the Commercial Companies Code and Decree-Law 89/2017 of July 28, the report follows other voluntary reporting frameworks: it has been prepared in accordance with the GRI Standards - Core option -, and the Non-Financial Information Report Model issued by the Securities Market Commission, with the correspondence tables with these two references being attached herewith.

#### Note on the methodology regarding coverage of indicators

The indicators presented here regarding Human Resources, Communities and the Environment cover, whenever possible, 100% of the companies included in the consolidation perimeter of Teixeira Duarte, S.A.

However, given the diversity of sectors and the local circumstances of the Group's areas of activity, the scope of coverage may vary in some indicators. This fact is mentioned, when applicable, in the development of this chapter, using the number of employees as coverage index.

#### 1. 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 overall sustainability of its subsidiaries, 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 sustainability challenges of its activities, with guidance from the Group regarding cross-cutting guidelines and local objectives for each country.



In order to manage Sustainability in an organised and cohesive manner, ensuring that its subsidiaries are aligned in compliance with the cross-cutting principles defined by the Group, a Sustainable Development Commission was created in 2019.

With sustainability management functions from a strategic point of view at the Teixeira Duarte Group level, the Sustainable Development Committee depends, in functional terms, on the Board of Directors, and operationally consists of representatives of all businesses from the most representative markets of the Group, under general coordination of the Corporate Sustainability Area. In 2019, representatives from Portugal, Angola and Brazil were integrated into this Commission and, in 2020, representatives of the Mozambican market were integrated.

The Commission shall develop joint guidelines for the areas that the Group has defined as priorities, in order to establish its position in relation to them, ensure the articulation of information, good practices and enhance synergies between companies through collaboration on cross-cutting projects and in specific initiatives. The Commission meets on a monthly basis and there are also extraordinary meetings whenever appropriate.

## 2. COMMUNICATION WITH STAKEHOLDERS

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

In order to better understand the expectations of these different groups and communicate more efficiently with them, the subsidiaries use various instruments, particularly the following:



## 3. ALIGNMENT WITH SUSTAINABLE DEVELOPMENT GOALS

In 2018, Teixeira Duarte adopted the United Nations Sustainable Development Goals as an overall framework to guide the performance of its subsidiaries in the field of Sustainable Development and among their stakeholders, as it identified significant affinities between these Goals and its mission, values and corporate vision on Sustainability.

### 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 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 identified and carries out an ongoing assessment of the impacts of the activities carried out by its subsidiaries on the global priorities and aspirations for 2030 defined in the 17 SDGs. To prioritise the most significant impacts exerted by these activities on the topics of sustainable development proposed in the SDGs, the sectors/business areas operating in the markets of Angola, Brazil, Portugal and Mozambique were consulted, currently responsible for 94% of the operating income of Group, and determined the material SDGs in each of these countries.

Thus, despite contributing to several other SDGs, Teixeira Duarte has taken as priorities, at a local level, 5 SDGs to which it believes it can contribute actively and more effectively.



Priority SDG for the Teixeira Duarte Group in the main markets of action as at 31 December 2021

## SUMMARY OF THE CONTRIBUTIONS OF THE TEIXEIRA DUARTE GROUP TO THE PRIORITY SDG



- Health, safety and hygiene promotion policies at work of the subsidiaries;
- Implementation of occupational health and safety management systems in various subsidiaries;
- Employee health monitoring policies, including medical and medication assistance in several subsidiaries;
- Access to health insurance, protocols and partnerships in the field of health in several subsidiaries;
- Disease prevention initiatives, provision of screenings and health training among employees and communities;
- Support for social institutions that support people in the health field;

### EXAMPLES

- “Give Life” Programme in Angola and Mozambique;
- “MaxiHealth” programme in Angola;
- Annual flu vaccination campaign in Brazil;
- “Be Well” Programme in Brazil;
- “We All Give” Programme in Portugal, Angola, Algeria, Brazil, Spain and Mozambique.



- Group Policy for the Development of Skills of employees of the subsidiaries;
- Continuous training programmes aimed at updating skills and advancing the career of employees of the subsidiaries;
- Programmes for attraction and development of young talent of the subsidiaries;
- Training actions for the personal development of employees and for raising awareness in the field of sustainability;
- Initiatives with communities and support for social institutions that support people in the field of education.

### EXAMPLES

- “Teixeira Duarte Academy” programme in Portugal and Angola;
- Teixeira Duarte Professional Development Centre in Angola;

- “Go Fishing” programme in Angola;
- School Site Projects in Brazil;
- “We All Give” Programme in Portugal, Angola, Algeria, Brazil, Spain and Mozambique.



- Creation of jobs and generation of economic wealth in the markets where the subsidiaries operate;
- Specific youth employment promotion programmes in various subsidiaries;
- Widespread adoption of responsible practices on issues such as labour rights, occupational health and safety, freedom of association and collective bargaining, working hours, remuneration;
- Generalised promotion of diversity, gender equality and the reconciliation of employees' professional, personal and family lives;
- Programmes to support the development of local producers from various subsidiaries mainly in developing countries;

#### EXAMPLES

- “Teixeira Duarte Academy” programme in Portugal and Angola;
- “Fishing” programme in Angola;
- “Fazenda Maxi” programme in Angola;
- Adoption of a Group Plan for Equality;
- “Roots” programme in Angola.



- Participation in national and international projects related to Innovation;
- Establishment of a Group Innovation Committee;
- Contribution to the regulatory action of the activity sectors;
- Partnerships between the subsidiaries and Educational Institutions and Entities of the Scientific and Technological Systems;
- Programmes to support the development of local producers from various subsidiaries mainly in developing countries.

#### EXAMPLES

- Digital Construction Revolution Project - REV@CONSTRUCTION;
- “OMICRON” Project;
- “Fazenda Maxi” programme in Angola.



- Implementation of environmental management systems in various subsidiaries;
- Provision of specialised energy efficiency services by some subsidiaries;
- Implementation of energy rationalisation measures at company facilities;
- Programmes to encourage sustainable consumption with the employees of the subsidiaries;
- Digitalisation/dematerialisation of processes;
- Generalised assessment of suppliers based on social and environmental sustainability criteria.

#### EXAMPLES

- “Analysis and Diagnosis and Energy Solutions” services provided to the market by TDGI;
- Responsible procurement policy of Teixeira Duarte – Engenharia e Construções, S.A.;
- Various initiatives to raise awareness among employees.

## 4. 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 Organisation for Economic Cooperation and Development (OECD), the International Labour Organisation (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, S.A., in Portugal, is also voluntarily certified to the International Standard SA 8000, showing the organisation's commitment to developing, maintaining and applying responsible practices to issues such as slave and child labour,



occupational health and safety, freedom of association and collective bargaining, discrimination, disciplinary practices, working hours, remuneration and management systems.

## 5. 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, memorise 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 geographic 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 transversally, the current Code of Ethics and Conduct is available on the website [www.teixeiraduarte.com](http://www.teixeiraduarte.com).

## 6. MANAGEMENT AND DEVELOPMENT OF HUMAN RESOURCES

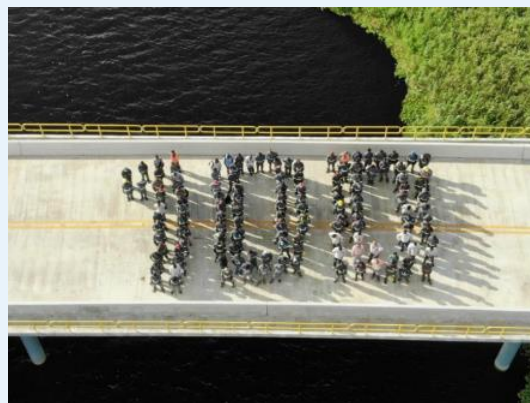
Referring its beginning to the performance of its founder, Engineer Ricardo Esquível Teixeira Duarte, Teixeira Duarte marked 100 years of activity in 2021. This milestone was achieved thanks to the commitment and dedication of thousands of men and women who, throughout this period, accompanied and contributed to the sustained growth of the Group. The centenary celebration thus sought to focus on the recognition of all the people who were part of the Teixeira Duarte Group and of those who are now part of it and who share the honour and responsibility of starting its second century of activity.

### COMMEMORATION OF THE CENTENNIAL OF THE TEIXEIRA DUARTE GROUP

On the occasion of Company Day 2021, employees of Teixeira Duarte Group companies in the most diverse markets also marked their centenary through various commemorative initiatives, including videos produced by employees themselves and internal events.



Teixeira Duarte – Engenharia e Construções, Brazil



EMPA, Brazil



Teixeira Duarte – Engenharia e Construções, Mozambique



TD Hotels, Mozambique

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

### 6.1. Human Resources in 2021

As at 31 December 2021, the Group had 9,093 employees, registering a decrease of approximately 500 employees (6% less) compared to 31 December 2020, to which the number of employees in the Construction sector in Brazil contributed mainly at that time, taking into account the number and type of ongoing projects.

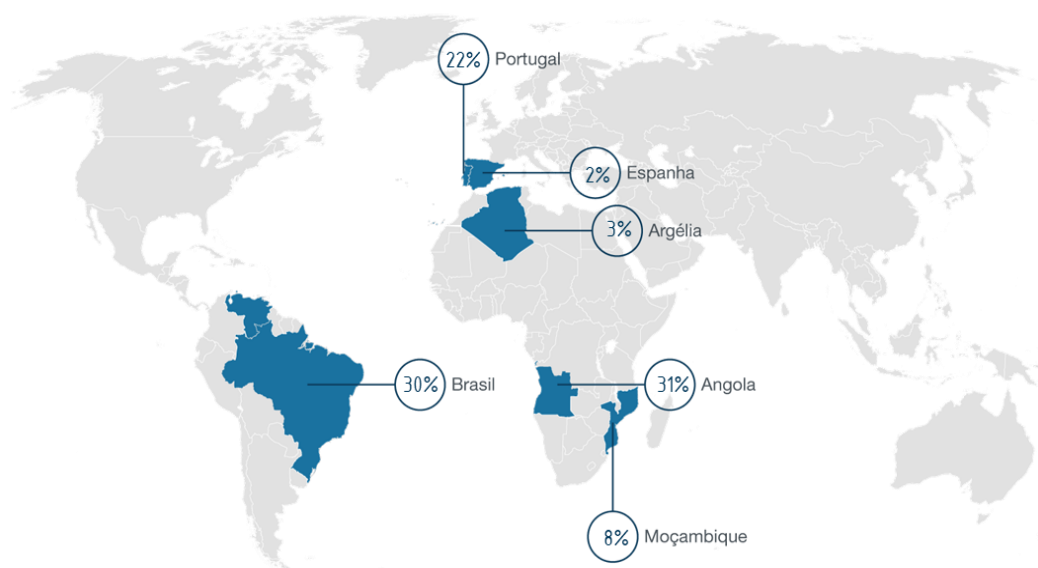


As in previous years, the performance of the subsidiaries operating in the Construction sector of the Teixeira Duarte Group strongly influenced its total number of employees. In 2021, this sector of activity accounted for 52% of the total workforce, but it decreased by 2 p.p. from its weight in 2020.



Distribution of the employees by activity areas as at 31 December 2021

As at 31 December 2021, Angola, Brazil and Portugal represented 83% of the total number of employees of the Teixeira Duarte Group, with 31%, 30% and 22% respectively. In 2020, on the same date, Angola represented 30%, Brazil registered 35% and Portugal 19%.



Geographic distribution of employees in the main markets in which the Group operates, as at 31 December 2021

In line with previous years, the majority of employees were male in 2021, which is not unrelated to the business areas of the Group's subsidiaries, particularly Construction and Facilities Management – which together accounted for 69% of the total workforce – where the vast majority of candidates are male.

Teixeira Duarte, S.A. has always been concerned about guaranteeing dignified treatment to all male and female employees, with respect for their human and labour rights, including effective equality among all. It adopts good practices in order to achieve an effective equality of treatment and opportunities between men and women, promotes the elimination of gender-based discrimination and encourages a personal, family and professional life balance. In 2021, the company published a new Equality Plan that presented the set of goals and measures to be developed by its subsidiaries in 2022 «in a manner appropriate to geographic and sector-related aspects of their operating situations.

#### PLAN FOR EQUALITY

At a Board of Directors meeting held on 13 September 2021, Teixeira Duarte, S.A. approved a new 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](http://www.teixeiraduarte.com).

The average age of employees of Teixeira Duarte Group companies was 39 years in 2021.

Although the vast majority of its employees are in the age cohort between 30 and 50 years old, the companies of the Teixeira Duarte Group consider the needs of the different generations present in their teams, promoting the integration of new employees and simultaneously the passage of knowledge through more experienced generations.

As at 31 December 2021, the majority of the employees of the Group companies were in an open-ended contractual situation, indicating a growing trend in this regard in recent years.

From a viewpoint by Areas of Action, there was a predominance of the open-ended contract model, being less expressive in Distribution and Concessions and Services activities.

As an employer, Teixeira Duarte is recognised in the markets in which it operates for focusing on its “in-house” people, who are given autonomy, and the corresponding responsibility, to develop their careers within the Group.

Also as a result of this attitude, several areas of activity of the Group stand out for being able to retain employees for several years and present high medium antiques. Overall, the Group has an average seniority of 6 years.

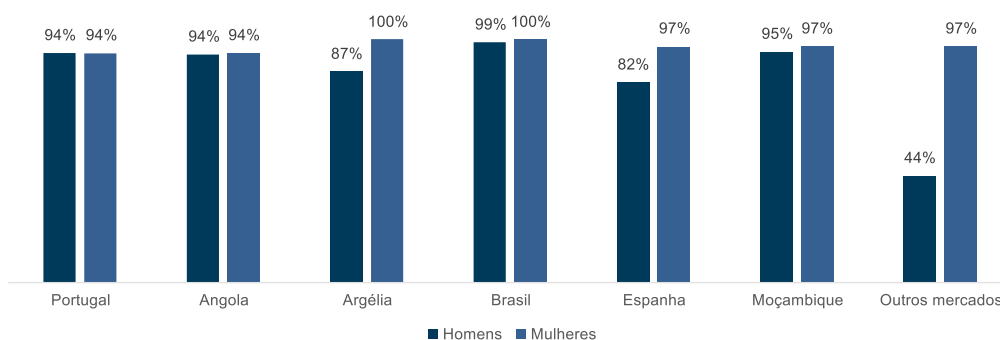
**6**  
AVERAGE  
SENIORITY

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. As at 31 December 2021, employees from 40 different nationalities worked in the Group, highlighting the degree of diversity in Portugal.

**68%**  
OPEN-ENDED  
CONTRACT

## 6.2. Recruitment, Selection and Retention of People with Potential Talent

Many of the Group's subsidiaries position themselves in their markets as employers that offer personal and professional development perspectives to their employees, regardless of their level of experience. The promotion of young employment, with potential talent, and strong professional qualification policies have been particularly important for the Group's expansion into various markets, in which its subsidiaries consistently demonstrate a great capacity to retain national employees in their operations.



Percentage of national employees by market, as at 31 December 2021

In 2021, 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 within the Teixeira Duarte Group.



### “BE WELL” PROGRAMME

In 2021, the Teixeira Duarte Group launched an internal programme aimed at encouraging its subsidiaries in Brazil to autonomously develop actions that contribute to the improvement of the organisational climate and increase the well-being of its employees, named “Be Well”. By seeking to work on the aspects of health, environment, communities, nutrition, sports and leisure, this programme assists Group companies in the development of actions that are relevant to the quality of life of employees, in any of their fixed and temporary units, in an aligned and more coordinated manner.



The Group monitors 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 organisational structures. In 2021, this structure underwent several changes in terms of its constitution. The respective organisational chart as at 31 December 2021 can be found in this report's "Profile" subchapter.

With regard to absenteeism, the different companies in the Group have rates that vary according to the business areas and the countries in which they operate. It is recalled that, in 2020, the vast majority of companies registered an increase in the rate of absenteeism due, on the one hand, to the compliance and application of the determinations of the health and government authorities regarding the prevention of Covid-19 in terms of work reorganisation and, on the other hand, from absences directly related to the disease and compliance with quarantine/prophylactic isolation and assistance to the family. However, in 2021, absenteeism generally declined again due to the easing of Covid-19 restrictions. Overall, in the Group's companies, absenteeism was 2.8% in the last financial year.

As at 31 December 2021, 41 people with disabilities or incapacities were included in the companies owned by Teixeira Duarte. In Portugal and Brazil, these employees represent 1% of the workforce.

### Compliance with International Labour Organisation (ILO) Conventions

The promotion of the fundamental conventions of the International Labour Organisation (ILO) and 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.

The activities of the Construction, Hospitality, Distribution and Automotive sectors are the Group's most prominent activities in terms of collective labour regulation instruments, considering collective agreements, collective agreements and company agreements.

This scope is reflected in the number of unionised employees in the markets where these sectors operate. Although it is not possible for the subsidiaries to identify the totality of unionised employees, companies operating in the Brazilian and Mozambican markets in particular have found a higher percentage of unionised employees. In Brazil, it should be noted that the union contribution was mandatory until 2017.

### 6.3. Health and safety protection and promotion



Covid-19 disinfection tunnel at Teixeira Duarte – Engineering and Construction site, in Portugal

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 optimise 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.

Although the same support mechanisms in the field of curative medicine continue to be ensured in the various markets, directly (internal services) and/or indirectly (protocols with private clinics and/or health insurance), since 2020, as the impacts of the Covid-19 pandemic have been reflected in the rate of employee coverage with examinations carried out at Group companies, either due to limitations in conducting face-to-face exams or due to the efforts channelled to prevent and respond to the risks of the pandemic.



Even so, in emergency situations of high severity, such as those experienced in 2020 and 2021 with the pandemic crisis, the existence of internal curative medicine services allowed an effective monitoring of problematic situations in health matters and, in parallel, improved the response capacity of companies.

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.

#### MALARIA PREVENTION



Awareness action on World Mosquito Day, at the TDA Centre, in Angola

As Malaria is the leading cause of death in Angola, Teixeira Duarte Group companies regularly reinforce information and training among their employees with a view to contributing to a lower incidence of this disease. In August 2021, on the occasion of World Mosquito Day, various subsidiaries of the Teixeira Duarte Group in this country acted, once again and in different ways, to raise the awareness of their employees on the importance of preventing daily situations that favour the proliferation of mosquitoes, reinforcing the care to be taken for the prevention and treatment of the disease.

Throughout 2021, the Group companies provided their employees with 1,391 curative medicine consultations and 31,832 complementary diagnostic tests, which represented, compared to 2020, an increase of 12% and 25% respectively.

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.

#### WORLD DAY FOR SAFETY AND HEALTH AT WORK

Every year, several Teixeira Duarte Group companies are mobilising to mark the 28th of April, World Occupational Safety and Health Day, with a view to strengthening the awareness of employees and the resilience of their operations in the face of their professional risks. In accordance with the theme “Anticipate, prepare and respond to crises – Investing now in resilient occupational health and safety systems”, in 2021, actions were carried out with work teams from the most diverse sectors of activities and markets.



Teixeira Duarte – Engenharia e Construções, Portugal



Teixeira Duarte – Engenharia e Construções, Brazil



Teixeira Duarte – Engenharia e Construções, Mozambique



Somafel, Portugal



EPOS, Portugal



EMPA, Brazil

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 the ISO 45001 and OHSAS 18001 standards 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.

In 2021, Teixeira Duarte Group companies in the Construction sector recorded fewer work-related injuries with medical discharge than in recent years, reducing their frequency rate by half. However, in 2021, the Group regrets the occurrence of one fatal accident that took the life of an employee of one of the subsidiaries in this sector in Brazil.

Regarding the severity (number of days lost due to the occurrence of occupational accidents per one million man-hours worked), and although Construction and Real Estate performance worsened in 2021, the levels of all sectors were in the parameters of “Good” and “Very Good”, according to the World Health Organisation reference values.

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.

## PREVENTION OF CARDIOVASCULAR DISEASE

During the months of August and September 2021, the Teixeira Duarte Group held several screening sessions aimed at identifying cardiovascular disease risks for employees in all its sectors of activity in Angola. With the technical support of the Angolan Society of Cardiovascular Diseases, aspects such as weight, blood pressure and waist circumference were controlled, and recommendations on health and nutrition were provided. More than 550 employees participated, with an identified incidence of arterial hypertension of around 35%.



Screening at Teixeira Duarte Group facilities in Morro Bento, Angola



## YELLOW SEPTEMBER

Several Teixeira Duarte Group companies, namely in Portugal and Brazil, marked Mental Health month in September 2021.

Awareness-raising actions were developed in the companies' fixed and temporary premises, interviews were given to specialists with online broadcasting, among other initiatives.



Awareness action at EMPA construction site in Brazil



Lactation space made available to nursing employees at the Teixeira Duarte Group headquarters in Portugal

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.

### 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 labour 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, insurance companies, educational establishments, car dealerships, travel agencies and airlines, allowing employees access to goods and services under more advantageous market conditions.

## ACCESS TO INSURANCE WITH SUBSIDISED PRICES IN ANGOLA

In 2021, the Group's automotive companies in Angola established a protocol with a view to making available to their employees an integrated insurance plan with subsidised prices that are not accessible to the general public, including 50% of the auto insurance bonus and 30% of the bonus in health insurance, funeral, personal accidents, housing, among others.



In 2021, the Group promoted, with its companies in Portugal, the adoption of a complementary solution within the scope of partnerships to expand the network of discounts accessible to employees and their families - the “Compras.TD” Portal.

#### c) Flexible benefits programme

In January 2021, the Teixeira Duarte Group launched a new edition of the programme created in 2019 that offers employees the possibility of accessing a set of benefits for themselves and their families according to their preferences.

Addressed to all employees of the permanent staff of the subsidiaries in Portugal, membership of the programme is voluntary and allows access to advantages, such as reimbursement of health expenses, child vouchers, professional training, acquisition of technology and acquisition of vehicles.

#### 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 legalisation, travel and accommodation of family members of employees who are subject to certain criteria and are displaced outside their country.

### 6.4. Qualification for the expression of talent: development and training

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

Given the speed of transformations that characterise today's world, which has been strongly accelerated by the Covid-19 pandemic, along with the volatility, complexity and ambiguity of the contexts in which we live, it is critical that organisations adapt quickly to changes in their environment and stakeholder expectations.

Always guided by the Values of Ingenuity, Truth and Commitment and by the Mission “To Do, contributing to the construction of a better world”, the Group's companies are aware of the role of their People in their capacity for adaptation and resilience in this increasingly non-linear world. The development and qualification of employees are therefore essential to direct companies to new growth models and to overcome constant challenges.

Despite the diversity of activities that exist today within the Teixeira Duarte Group and the geographic dispersion across several countries, the Group has developed, and has been evolving, a robust model for the effective transmission of values and practices that constitute its corporate vision with regard to employee development and training. The Group encourages its subsidiaries to pursue the following objectives:

- To enhance talent within the organisation, 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 strategy of the company;
- To communicate their organisational identities effectively, creating strong value propositions both internally and externally;
- To build learning 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 (in daily work, observing and interacting with others, formal learning through courses in classrooms and online platforms).

## SKILLS DEVELOPMENT POLICY

In 2021, the Teixeira Duarte Group's Skills Development Policy was continued according to the model defined in 2018 and duly adapted, since 2020, to other 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 2021, the Professional Qualification Coordination Committee continued with the continuous support work for transversal processes and with the promotion of key projects in these areas. One of the especially relevant projects was the adoption of a common e-learning platform that aggregated personal and professional development regardless of the physical location of people and operations. It is possible to access online training and information on the "OK – Online Knowledge | Powered by Grupo Teixeira Duarte" platform, on which content developed externally and internally by each Group company can be accessed.

In line with the need for personal and professional development of employees as a privileged way of responding to current and future challenges, the companies included in the consolidation perimeter of Teixeira Duarte, S.A. conducted, in 2021, an overall average of 24 hours of training per employee (+30% than in 2020), with positive emphasis on the performance of activities in Angola and Brazil in particular, despite the constraints that the Covid-19 pandemic situation imposed on professional training formats.



Employees in practical training at "Maxi" stores in Angola

Qualifying activities, in 2021, covered 58,991 trainees (number of employees who attended an activity) and amounted to 222,205 hours of training volume (total training hours attended by all trainees), which, compared to 2020, represent decreases of 67% and 68% respectively. The growth of these indicators was transversal to the Group's companies in the different markets and reveals their ability to overcome the adaptation needs - in methodologies and formats - imposed by the Covid-19 pandemic. To account for these indicators from a geographic point of view, the Teixeira Duarte Group considers the market of the company to which the employee is assigned, and in specific situations, that the employee may be displaced from it.

**58.991**  
TRAINEES (+67%)

**222.205**  
HOURS OF TRAINING VOLUME (+68%)



## WORLD DAY OF ENGINEERING FOR SUSTAINABLE DEVELOPMENT



**PODCASTS**

# OPORTUNIDADES E DESAFIOS DE UMA INDÚSTRIA MAIS SUSTENTÁVEL

SÉRIE DE 4 ENTREVISTAS  
A ESPECIALISTAS CONVIDADOS

 **MARÇO 2021**  
**NOVO PODCAST ÀS QUINTAS-FEIRAS**

 **TEIXEIRA DUARTE**  
ENGENHARIA E CONSTRUÇÕES, S.A.

**04**  
MARÇO

 **DIA  
MUNDIAL  
DA ENGENHARIA**

On the occasion of World Engineering Day for Sustainable Development, which is celebrated annually on March 4, Teixeira Duarte – Engenharia e Construções, S.A. promoted a series of podcasts on the “Opportunities and challenges of a more sustainable industry”, released during said month on its internal communication channels, in all markets. With the participation of invited experts, the objective of the initiative was to raise the awareness of the employees on the growth strategies based on new policies and legislation with a view to profoundly transforming the economy and society and putting them on a more sustainable path.

In Portugal, Teixeira Duarte - Engenharia e Construções, S.A. maintained its training entity certification, granted by DGERT - Directorate General of Employment and Labour 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.

### SPECIALISED TRAINING IN BIM

With the “Building Information Modelling” (BIM) methodology as a pillar to leverage the digital transformation of its sector, Teixeira Duarte - Engenharia e Construções consistently promotes the qualification of employees in BIM, including Civil Engineers, Architects, Designers and Preparers. In 2021, more than 60 hours of training were given in this matter by external entities, and the training was adjusted to real cases of the Company in order to prepare trainees for their day-to-day needs.

In October 2021, the Teixeira Duarte Group started a new edition of the Teixeira Duarte Academy Trainee Programme in Portugal. As part of Teixeira Duarte – Engenharia e Construções, S.A. and SOMAFEL – Engenharia e Obras Ferroviárias, S.A., eight young graduates from various areas of Engineering were selected to join this 9-month programme, with a view to contacting each of the areas of the Companies and learning methodologies of work, with the possibility of receiving mentoring and coaching from key people in the organisation.



Welcome session for the trainees of the Teixeira Duarte Academy, held on 11 October at the headquarters of the Teixeira Duarte Group, with the presence of the Chairman of the Board of Directors, Dr. Manuel Maria Teixeira Duarte

Angola is one of the markets that stands out in terms of the average number of training hours per year per employee. Qualifying activities carried out throughout 2021 covered 21,292 trainees and amounted to a training volume of 76,376 hours, which represented an increase of 22% and 4% respectively compared to 2020.

The Teixeira Duarte Professional Development Centre (CDP) in Angola continues to be a structural pillar for the Teixeira Duarte Group companies in the construction of an ecosystem of lifelong learning of employees, as it concentrates a large part of the qualifying activities developed in this market. In 2021, the CDP resumed face-to-face training activities after they were suspended in March 2020 due to the Covid-19 pandemic.

#### TEIXEIRA DUARTE PROFESSIONAL DEVELOPMENT CENTRE

- Approximately 1,500m<sup>2</sup> 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.

#### Highlights:

- 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 the scope of employability, professional qualification and social responsibility of the Group in Angola, the “Fazer Pescar” Project was resumed in 2021, suspended in 2020 due to the emergency situation resulting from the pandemic, and the training of 3 classes was completed.

## “FAZER PESCAR”

### Main Sustainable Development Goals



### Scope

- Employability
- Professional Qualification
- Social Responsibility

### Target Group

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 job market.

### Description

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

“Fazer Pescar” (Teaching to Fish) is an initiative aimed at creating opportunities for young people, training them to autonomously become a fundamental part of the development of the community of which they form a part. It is an educational programme created in 2013 by the Teixeira Duarte Group in Angola, currently lasting 3 months, which includes a component of social integration, integration into the company and integration at work. 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.



### Sectors/Group companies involved

All sectors operating in Angola.

### Impact

- 38 classes graduated in 15 editions held since 2013 (3 classes in 2021);
- 485 young people graduated since 2013, with 450 young people being integrated into the Group's companies;
- As at 31 December 2021, around 160 young people integrated through this programme were working at the Group.

In Brazil, the improvement of procedures and access to training by employees resulting from the adaptations triggered by the Covid-19 pandemic had a very positive influence on the training capacity of the Group's companies. In 2021, activities were carried out that included 22,893 trainees, amounting to a training volume of 90,367 hours, which represent increases of 57% and 97% respectively when compared to 2020. The average number of training hours increased from 18 to 29 hours.

In Brazil, reference is made to two programmes in the fields of professional qualification and youth employment. Teixeira Duarte - Engenharia e Construções has for several years been running a training programme for newly graduated professionals, with a minimum duration of 12 months, aimed at developing young people through on-the-job training to enable them to join the company in the future. In 2021, 24 trainees were integrated – the largest number in recent years – with 6 young people being promoted in the company after the internship period and 18 integrated in a follow-up phase between 1 and 2 years. “Young Apprentice” is another important programme, aimed at young people in high school, that included 42 young people in 2021, of whom 3 joined the company. This initiative lasts for 16 months and aims to provide young people with experience in working environments.





Trainees of the “Fazer Pescar” Programme giving a presentation in the closing session of a course in Angola

#### EMPA SUPPORTS “CANTEIRO ESCOLA” PROJECT TO TRAIN AND EMPLOY RESIDENTS OF ILHÉUS, BRAZIL



Within the scope of the Porto Sul works, in which EMPA, a Teixeira Duarte Group company, participates, the “School Site” Project was created in 2021. The initiative is from BAMIN, the owner of the company, and aims to provide theoretical and practical professional training to the residents of Ilhéus with a view to their training and employability in the area of civil construction.

By the end of the year, 200 new professionals were trained to be absorbed, not only by EMPA, but also by other construction companies in the region.

The classes were provided by SENAI teachers, and EMPA was responsible for the logistics for the operation of the courses (electricity, air conditioning, internet, toilets) and equipment for practical classes.

In addition to the professional qualification component, the “School Site” Project is distinguished as a good practice to promote job creation and address the shortage of local specialised labour.

## 7. SOCIO-ECONOMIC PERFORMANCE

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.

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

### 7.1. 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 programme 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 compliance 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 behaviour, including facilitation payments or gifts, or the creation, maintenance or promise of irregular situations or favours.

Employees 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.

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.

Under the Teixeira Duarte Group's compliance system, the appointment of a Chief Compliance Officer stands out in 2021.

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 address [compliance@teixeiraduarte.com](mailto:compliance@teixeiraduarte.com);
  - Message sent through the Teixeira Duarte website ([www.teixeiraduarte.com](http://www.teixeiraduarte.com));
  - Message sent through the Teixeira Duarte Employee Portal.

## 7.2. Relations with people and organisations affected by the activities of Group companies

### a) Clients

A focus on quality, on continuously improving overall performance and the intention to meet client 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.

Sectors and markets in which Teixeira Duarte Group companies had implemented Quality Management Systems (ISO 9001), as at 31 December 2021:

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

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 clients and for receiving, handling and resolving complaints, and to assess their levels of satisfaction in accordance with the most appropriate 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 compliance systems compatible with their activities, with the objective of promoting and maintaining an ethical business environment.

In Portugal, Teixeira Duarte – Engenharia e Construções, S.A. underpinned by the SA 8000 Standard that it implemented in Portugal, promotes respect for labour rights and safe and healthy working environments for all workers, and among suppliers and contractors, by demanding compliance with social responsibility requirements, in particular:

- 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.

In 2021, 100% of the contracts established by Teixeira Duarte — Engenharia e Construções, S.A. with its suppliers included specific clauses on the requirements to be ensured with regard to social responsibility, ethics, integrity and transparency, in line with the Code of Ethics and Conduct of Teixeira Duarte, thus ensuring that the principles referred to therein are disseminated throughout the supply chain.

In the particular case of subcontractors, Group companies which operate in Construction 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.

## RESPONSIBLE SHOPPING

Teixeira Duarte — Engenharia e Construções, S.A. restructured the supplier qualification and risk assessment process in order to reinforce sustainability criteria, namely in the field of the environment, social responsibility, health and safety at work and compliance management and, in this way, privilege the hiring of suppliers that apply the best sustainability practices.



Based on the geographic area in which the supplier operates, the type of activity it carries out and the Company's ability to influence it, Teixeira Duarte – Engenharia e Construções, S.A. assesses the potential social risk of suppliers in relation to the expected risk, with highest risk cases being subsequently selected for monitoring. In 2021, 10 supplier inspections were carried out in Portugal, within the group of companies with which Teixeira Duarte - Engenharia e Construções, S.A. maintained supply relationships.

In the Distribution sector in Angola, the subsidiary CND has, since 2012, had a programme for suppliers, aimed at supporting agricultural and livestock production activities, job creation and entrepreneurship, and encouraging the formalisation and growth of micro, small and medium-sized enterprises. Through the "Fazenda Maxi" programme, 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.

Originally of an agricultural nature, "Fazenda Maxi" is now a programme in the farming sector that brings together a community of experienced and independent farmers, where the automation and mechanisation of production processes will be the next step.

In 2021, the number of members of the "Fazenda Maxi" Programme rose to 40 producers, expanding the programme's coverage to 11 provinces in Angola. The number of products purchased by CND from this network has been increasing consistently in recent years, having grown 27% from 2020 to 2021.



Presentation and promotion of products originating from the members of the "Fazenda Maxi" programme in a "Maxi" store in Angola

## FAZENDA MAXI

### Main Sustainable Development Goals



### Scope

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

### Target Group

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

A programme 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" (Maxi Farm) programme gives producers the assurance that products are sent to Maxi stores, by collecting them and transporting them. It also provides technical advice throughout the production process, and specialised training 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 client.



Under this programme, CND ensures the technical monitoring of producers, supplies, logistics and quality and food safety of products, by assigning the programme 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

- 3,600 tons purchased in 2021 (+ 1,000 tons than 2020);
- In 2021 it represented 67% of the volume of the Fruit & Vegetable category in "Maxi" stores, continuing to contribute to reducing the import rate in the category;
- 4,500 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.

Also in terms of support to local suppliers, CND in Angola, in 2021, maintained the "Raízes" Programme. Through the "Dakaza" retail brand specialising in furniture and decoration, the company established partnerships with Angolan artists and craftsmen and promoted contact between them and individual clients, by exhibiting, promoting and enhancing their articles in the brand's stores and other communication channels. In the fourth year of the initiative, 15 new exhibitions were held and around 5,000 items were sold.

## RAÍZES

### Main Sustainable Development Goals



#### Scope

- Entrepreneurship
- Inclusive economy
- Strengthening national cultural identity

#### Target Group

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

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

The "Raízes" (Roots) Programme makes it possible for Dakaza's clients to purchase national artwork 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 clients. "Dakaza" also promotes the reputation of creators in addition to selling their articles.

#### Sectors/Group companies involved

Distribution Sector in Angola.

#### Impact

- 55 artists and/or exhibitions promoted since 2018 (15 held in 2021);
- 8,580 items sold since 2018 (5,080 sold in 2021);
- 28,000 visitors impacted, on average, per year;
- More diverse range of national products.

### c) 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.

Under its support for social projects and social solidarity organisations, it should be noted that Teixeira Duarte has decided to adopt an institutionalised position through initiatives that are neither exclusive nor centralised in decisions by the Board of Directors, but rather involve all the employees in direct actions.

It was for this purpose that the "Todos Damos" Programme was promoted for the first time in 2015, a people-oriented project that allows companies in this Group to reinforce the donations that their employees intend to make to projects and institutions of social solidarity that support people.



Teixeira Duarte provides an annual amount for this purpose, and employees choose the institutions they want to support and, as a result, the Group companies donate twice the amount donated by them, thus tripling the amount of the donation delivered to the institutions.

In 2021, 64 applications were granted, involving employees from 15 companies of the Group in Portugal, Angola and Brazil.

A total of €59,103.00 was collected from employee donations and donations from Teixeira Duarte Group companies, distributed to 40 institutions.

## TODOS DAMOS

### Main Sustainable Development Goals



### Scope

- Social Responsibility

### Target Group

Employees

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

### Challenge

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

### Description

The “Todos Damos” (We All Give) Programme is an annual Social Responsibility programme created in 2015 by the Teixeira Duarte Group, which allows Group companies to reinforce the donations that their employees intend to make to projects and social solidarity 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 Programme, 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 “Todos Damos” Programme for 2021 was run between 1 January and 31 December 2021. The total budget for the programme amounted to €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 can join the Programme.

### Impact

- 64 applications in 2021 (+ 8 than in 2020);
- 40 institutions supported in Portugal, Angola, Brazil and Mozambique in 2021 (- 1 than in 2020);
- €59,103.00 were raised in 2021 (- €18,782.00 than in 2020) from donations by employees and donations by Teixeira Duarte Group companies.

Institutions supported financially through employee applications under the “Todos Damos” Programme are sometimes identified for other types of support by the subsidiaries, namely as beneficiaries of product raising actions from their employees, including food, clothing, books, toys, among others.

#### ACOSIDA ASSOCIATION (MOZAMBIQUE)

In 2021, the AIDS Orphan Children Support Association, in Mozambique, was supported by offering goods by employees of the Group's companies in this country, after being identified, in 2020, through the “We All Give” Programme. During the year, there were campaigns to collect goods on the occasion of International Children's Day (toys and clothing), International Literacy Day (books) and Christmas (food).



In Angola, the “MaxiSaúde” (Maxi Health) Programme, launched in 2016 by the company CND, which aims to promote the health of the population through awareness, prevention, screening and treatment actions in the communities surrounding the “Maxi” stores, has been suspended since 2020 due to the pandemic situation that has started.

#### ROAD ACCIDENT PREVENTION ANNUAL AWARENESS CAMPAIGN

In 2021, TDA, a subsidiary of the Teixeira Duarte Group that operates in the automotive sector in Angola, continued its awareness programme for the prevention of road accidents. As road accidents are the second 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 2022, includes training for employees and internal and external information, namely through the social media of TDA and the brands it represents.



Despite the constraints imposed by health regulations to combat the Covid-19 pandemic, various companies kept the “Dar Vida” Programme in operation in 2021. Created by the Group's Construction sector in Angola in 2019, the Programme aims to encourage regular voluntary blood donation by employees, thereby contributing to increase the amount of blood held by partner health institutions.

In 2021, in partnership with the National Blood Institute and the “Sagrada Esperança” Clinic, 12 blood collection actions were carried out within the Group companies in Angola, which brought together 175 volunteer employees.

Also this year, and according to the objective of the Teixeira Duarte Group, the “Dar Vida” Programme was extended to Mozambique, where various subsidiaries were able to implement blood collection actions that mobilised 88 volunteer employees.

Thus, in 2021, employees from these countries made 260 blood donations, which, considering that each donation can help save up to 3 lives, made it possible to help save the lives of nearly 800 people.

## DAR VIDA

### Main Sustainable Development Goals



#### Scope

- Public Health
- Information
- Social Responsibility

#### Target Group

Employees

Health institutions

#### Challenge

To contribute to the improvement of the voluntary blood donation system that allows universal access to timely supplies of safe, quality assured blood and blood components. In countries where the Group operates, such as Angola and Mozambique, the percentage of voluntary blood donations is quite low, so many employees are directly or indirectly faced with this potential unavailability of blood at some point in their lives.

#### Description

Social responsibility programme created in 2019 in Angola by the Group's Construction sector and currently promoted by several subsidiaries in Angola and Mozambique. It aims to encourage the regular voluntary blood donation of employees, contributing to the increase of the blood reserve in the health system. 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 Group 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.



#### Sectors/Group companies involved

Various sectors in Angola and Mozambique.

#### Impact

- 15 collection actions carried out in Angola since 2019 (12 in 2021) totalling 227 blood donations from employees;
- 2 collection actions carried out in Mozambique in 2021 that totalled 88 blood donations from employees;
- On average, 450ml of blood are collected from each donation, which can help save the lives of up to 3 people;
- Since the beginning of the Programme, blood samples have been collected in these two countries, that made it possible to help save the lives of about 1,000 people;
- Closer relationships with health institutions.

### 7.3. Investigation, Development and Innovation (IDI)

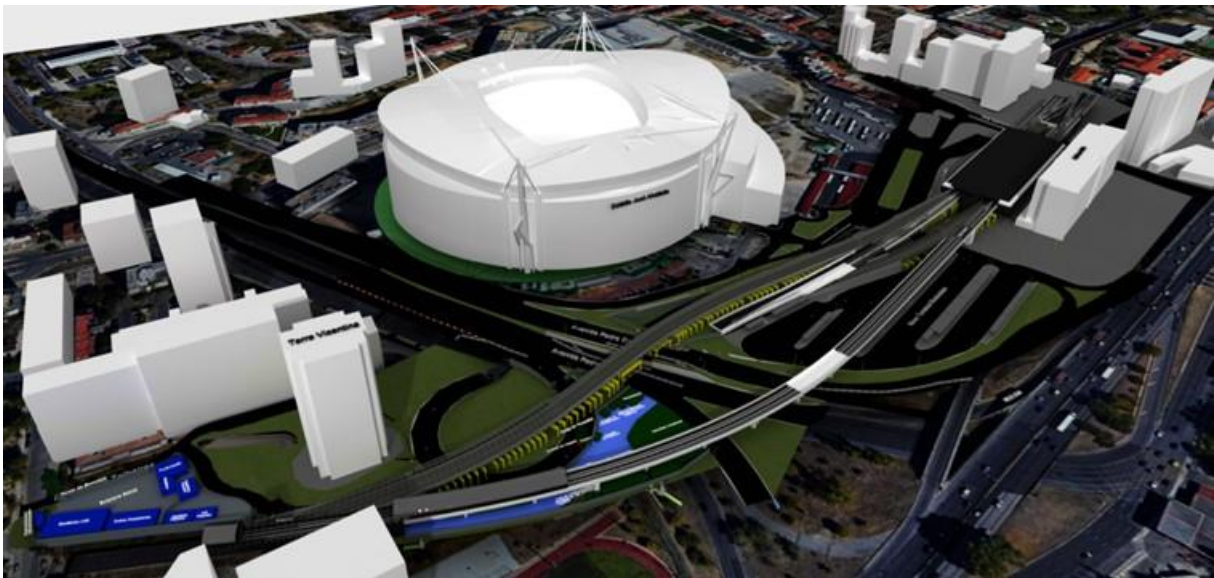
With the aim of promoting innovative solutions, fostering synergies and stimulating employees as innovation agents, the Teixeira Duarte Group established, in 2021, an Innovation Committee involving Management and representatives of its business areas and corporate areas. This team works to:

- Promote innovation within the Teixeira Duarte Group;
- Motivate business and develop a culture of innovation;
- Introduce methodologies, management tools and best practices between business and the market;
- Measure, analyse and disseminate the innovation activity within the Teixeira Duarte Group;
- Help transform ideas into real results with practical application;



- Improve processes, management and organisation, innovate in products and services;
- Increase business competitiveness in the market.

Aware of the importance of digital transformation for the Construction sector as a key to making it more competitive and sustainable, Teixeira Duarte - Engenharia e Construções, S.A. defined, in 2021, a new plan for the internal development of the “Building Information Modelling” (BIM) methodology. With experience in BIM in several previous projects, this new strategy aims to position the Company on a new level of competences in all dimensions of BIM and make it a reference in the market in this matter. In 2021, significant progress was made in training employees, in the production of BIM standards and templates adjusted to reality Teixeira Duarte, and in the development of plug-ins for project and construction teams, in addition to having been two pilot projects were initiated under this new approach of the Company.



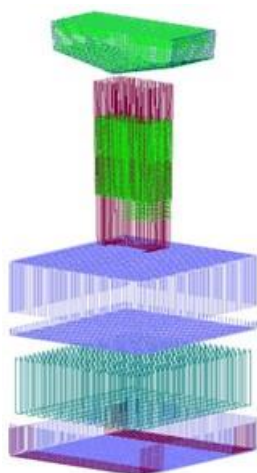
Pilot project: Campo Grande Viaducts in Lisbon



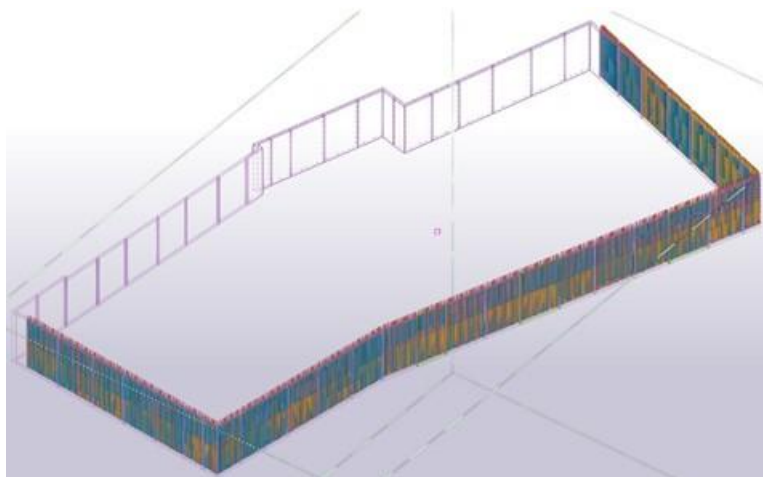
Pilot project: D. Luís Building in Lisbon

In June 2021, Teixeira Duarte — Engenharia e Construções, S.A. launched a new production support area aimed at industrialising steel preparation, cutting and moulding activities for the assembly of reinforcement, freeing much of the manual labour associated with these activities and contributing to increased efficiency and productivity, especially in the construction context.

Located at the Teixeira Duarte Operational Centre in Montijo, Portugal, the Armour Production Centre (APC) has different equipment and technological solutions that automate the various construction processes. The APC also enables the Company to carry out digital manufacturing processes of various components for the projects, by connecting its BIM models to the production machines.



Pillar assembly scheme in the Campo Grande Viaducts project, in Lisbon



3D modelling of moulded walls of the "Fábrica 1921" project (lot 33), in Lisbon

#### TDGI CREATES TECHNICAL CENTRE TO SUPPORT FIELD TEAMS USING AUGMENTED REALITY

In order to better respond to contexts of high expansion of teams and to make the integration of new employees more efficient in its activities, TDGI, whose performance is characterised by the need for technically very specialised human resources, created, in 2021, a technical centre of support for field teams based on a digital tool with collaborative Augmented Reality features. In this way, TDGI is able to ensure its technical expertise anywhere in the world remotely and regardless of travel to the clients' physical premises.

Also within the scope of Innovation, namely with the objectives of increasing the speed of construction and modular construction, the areas of Construction, Facilities Management and Real Estate have developed and/or participated in several projects, among 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 20 participants, including companies, academia, and sector associations, and is led by Teixeira Duarte - Engenharia e Construções, S.A. 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, S.A. 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 optimised 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 in the Portuguese team, by indication 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 €268,500.00 is a 100% grant, with being awarded to Teixeira Duarte.

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

This project began in 2019 and remains ongoing 2021. 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, at very low cost, and will save the lives of the occupants in the event of a strong earthquake.

It is a 1.1 million euro project co-developed by “Instituto Superior Técnico” (Higher Technical Institute - IST), financed by the Portugal 2020 Programme, with a total duration of 3 years. The project involves, on the part of Teixeira Duarte - Engenharia e Construções, S.A., the Metalworking areas, in the development of prototypes, and of Buildings, in the construction of partial models of masonry buildings. 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.

### UV-C RADIATION DISINFECTION SOLUTIONS

Given the needs of clients, especially in the hospital area, and which, due to the Covid-19 pandemic, have become widespread in other sectors of activity, TDGI has been developing different disinfection/sterilisation solutions based on ultraviolet light. UV-C radiation is a well-known surface and environment disinfectant, which eliminates 99.9% of viruses, bacteria and other microorganisms, including viruses of the Coronavirus family, automatically, safely and effectively, leaving spaces sterilised and disinfected. TDGI offers engineering services for the installation of fixed disinfection solutions and, more recently, its own mobile solutions, whose European certification was obtained in 2021.



UV-C radiation disinfection robot



### 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, S.A. 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 2021 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 standardisation of sectors of activity constitutes a way of setting them apart from the competition, as it prioritises the development of activities in accordance with sector rules and with national and international standards.

In this context, it should be highlighted that, in 2021, 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, S.A. also participates in the standardisation activities of the Portuguese Technical Commission for Standardisation CT156 - Geotechnics in Civil Engineering, chairing the SC10 subcommittee, the technical body responsible for issuing normative opinions and translating European standards from CEN and ISO in the field of Geotechnical Structures Testing and Execution of Special Geotechnical Works, also integrating the WG11 working group of the ISO Technical Committee TC182, responsible for the preparation of ISO 22477-2 *Geotechnical investigation and testing - Testing of geotechnical structures - Part 2: Testing of piles: Static tension load testing* and ISO 22477-6 *Geotechnical investigation and testing - Testing of geotechnical structures - Part 6: Testing of soil nails and rock bolts*.

### 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 development by carrying out Research, Development and Innovation 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, S.A. has held the Chair of PTPC since the date that it was set up in 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 internationalisation 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.

In 2021, Built CoLab had in its portfolio several projects relevant from the point of view of the sustainability of the sector, such as the “PaqGreen” project, “Towards Green Construction Facility”, “Circular Buildings”, “Built 4 People”, “Future of Construction”, among others.

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

Teixeira Duarte - Engenharia e Construções, S.A. 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:

#### ENCORD - European Network of Construction for Research and Development



Teixeira Duarte - Engenharia e Construções, S.A. was accepted into ENCORD in 2014. ENCORD 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 ENCORD.

Teixeira Duarte - Engenharia e Construções, S.A. is a member of the Strategic Council of ENCORD 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, S.A. sits on the Steering Committee of the ECTP, in the Vision Group and the Heritage and Regeneration Working Group.

## 8. 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 clients, specifically in the Construction and Real estate 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.

### WORLD ENVIRONMENT DAY

Every year, Teixeira Duarte Group companies promote multiple initiatives aimed at strengthening the awareness of employees about the role of each one in action on the environment. June 5, World Environment Day, is a milestone that companies seek to mark within the scope of this objective. In 2021, various activities were carried out in various markets seeking, once again, to increase employees' awareness of the importance of preserving natural resources and encouraging them to concentrate efforts around pressing environmental issues.



Teixeira Duarte – Engenharia e Construções, Brazil



EPOS, Portugal



EMPA, Brazil



TD Hotels, Angola

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.



### 8.1. 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.

Several companies in the Construction and Facilities Management sector had, in 2021, environmental management systems certified according to the ISO 14001 standard, in different countries:

- **Construction:** Portugal (Teixeira Duarte – Engenharia e Construções, S.A., EPOS, Somafel) and Brazil (Teixeira Duarte – Engenharia e Construções, S.A., EMPA);
- **Concessions and Services:** Portugal (TDGI) and Angola (TDGI).

#### ENVIRONMENTAL RESPONSIBILITY IN THE WORKS FOR ACCESS TO THE SOUTH PORT IN BRAZIL



The contracts developed by EMPA, in Brazil, for the implementation of the Porto Sul Project, located on the north coast of Ilhéus - Bahia, constituted, in 2021, an important case study in the field of environmental responsibility in the Construction sector. EMPA's activities included the implementation of various programmes aimed, among others, at controlling erosion and silting and environmental suppression, with a view to preserving the ecosystems of the areas where the structures are installed.

These environmental programmes determined technical procedures based on the qualitative and quantitative characterisation of the areas, seeking to ensure, for example, the economic use of commercially valuable firewood and wood contained in plant biomass and the targeting of the migration of terrestrial fauna to the remaining forest areas before the implementation of the project, thus reducing the mortality and stress caused by the handling of animals during rescue.

In the remaining realities of the Group companies, the parameterised and safeguarded environmental risks are indexed to the legal aspects and, where applicable, to contractual requirements. From the point of view of operational efficiency, measures and investments are also implemented that are reflected in gains, namely with regard to energy consumption, material consumption, waste management, among others.

As an example, and with regard to the analysis of the environmental sustainability of the goods supply chain in the Construction sector, in 2021, the identification of relevant indicators applicable to suppliers of the main categories of materials continued. Of particular note is the steel bar category for the production of reinforced concrete reinforcement, due to the fact that it has more than 80% of the supplies provided by manufacturers that have implemented an environmental management system.

#### CERTIFIED PRODUCTION OF METAL STRUCTURES

In 2021, Teixeira Duarte — Engenharia e Construções, S.A. maintained its certification in the scope of the production of metal structures according to the EN 1090-1 standard. This standard contains the technical requirements for the execution of structures and forms the basis for the CE marking. It should be noted that, in this exercise, the Company achieved Execution Class EXC4, which constitutes the highest level of Factory Production Control Certification under this standard.

## 8.2. 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 comply with legal obligations within the scope of liability for environmental damage, resulting from Decree-Law 147/2008 and subsequent amendments, the Teixeira Duarte Group companies covered by this legislation chose, in Portugal, to constitute guarantees amounting to €96,812.00 as at 31 December 2021, an amount that remained unchanged from the previous year.

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

## 8.3. 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 minimising energy consumption and, consequently, greenhouse gas emissions.

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.

Likewise, increasingly efficient energy solutions are chosen in the projects under development under the real estate activity of the Group companies, aimed at optimising consumption during the project operation phases.

### TDGI PROMOTES ENERGY EFFICIENCY AMONG CLIENTS

Through its area of "Analysis and Diagnosis and Energy Solutions", TDGI offers its clients services that allow the reduction of energy consumption in their facilities, with the consequent reduction of greenhouse gas emissions.

In 2021, the measures proposed to TDGI clients in this area represented a potential energy savings of around 3,000,000 kWh/year, equivalent to a reduction of almost 1,000 tons CO<sub>2</sub>e/year, values that have become increasingly significant along with the evolution of technologies of audit and of energy efficiency solutions available on the market.

## 8.4. 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 minimise 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 theme is widely disseminated in training and awareness-raising actions among work teams, with the aim of eliminating waste and maximising the resources available onsite. 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.

In the development of projects of the Group's real estate companies, the concern is increasingly rooted in the choice of equipment that allows the reduction of water consumption and that provides more efficient consumption throughout their life cycle.



Awareness action on the preservation of water resources carried out within the framework of World Water Day, in 2021, by Teixeira Duarte - Engineering and Construction in Mozambique

### 8.5. 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, S.A. 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 the Portuguese Quality Institute (IPQ) since 1996, and as one of the first laboratories in the country to obtain this accreditation in the field of concrete and aggregates, in 2021 the Materials Laboratory maintained its accreditation under the NP EN ISO/IEC17025 Standard.

In 2021, the Teixeira Duarte Group continued its digital process transformation strategy, consolidating several projects it has implemented in the last two years, and developing new instruments aimed at dematerialising processes and, consequently, reducing the consumption of role in the various fixed and temporary installations of their companies.

### 8.6. 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 minimise 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.

Concern about noise in projects with close sources of high noise is evident in the scope of the real estate activity. In these cases, designs are drawn up to ensure that the lowest amount of noise is transmitted to the interior of the buildings.

### 8.7. Emissions

Whether in offices, operating facilities or in the supply chain, Teixeira Duarte Group companies work to reduce their ecological footprint by reducing CO<sub>2</sub>e emissions and inherent to their activities.

In 2021, in Portugal, 95% of the purchases of Teixeira Duarte - Engenharia e Construções, S.A. were made from suppliers in Portugal, reducing their environmental impacts, resulting from shorter distances covered in transport and consequently lower CO<sub>2</sub>e emissions.

As part of the scope of its environmental management certification, Teixeira Duarte - Engenharia e Construções, S.A. collects data on CO<sub>2</sub>e emissions in Portugal, Brazil and Angola, where 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, S.A. is liquid fossil fuel, used to carry out the projects.

As regards CO<sub>2</sub>e 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 dialogue with local authorities.

#### 8.8. Waste



Action carried out by volunteer employees of Teixeira Duarte – Engineering and Construction for beach cleaning in Luanda, Angola

Waste production is one of the most significant environmental aspects in the Construction sector. The Teixeira Duarte Group companies have 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 authorised and licensed sites within the framework of the situation of each geographic area.

#### LAGOAS PARK HOTEL RECOGNISED WITH ENVIRONMENTAL SUSTAINABILITY SEAL FOR THE 2ND CONSECUTIVE YEAR

In 2021, Lagoas Park Hotel, a hotel belonging to the Teixeira Duarte Group, located in Oeiras, was once again recognised by the Portuguese Hospitality Association (AHP) with the "We Care" seal, under this unit's adherence to the HOSPES Programme.

The seal "We Care" recognises the implementation of good practices, specifically the collection, treatment and recycling of various types of hotel waste.



### 8.9. Environmental research partnerships

In 2021, Teixeira Duarte - Engenharia e Construções continued to participate in the working groups of the European Federation of Foundation Contractors (EFFC) for providing a tool that calculates CO<sub>2</sub> emissions from foundation and geotechnical work: the "CO<sub>2</sub> Foundations – Geotechnical Carbon Calculator". This is the first standardised tool for calculating CO<sub>2</sub> emissions for these types of projects, allowing the comparison of different technical approaches to the same project and their respective CO<sub>2</sub> emissions. In addition, it can be used throughout the development of a project to compare actual and planned performance.

### 8.10. European Taxonomy

With the approval of Regulation (EU) 2020/852 on 22 June 2020 - Taxonomy Regulation - companies subject to the obligation to publish a consolidated non-financial statement pursuant to Decree-Law 89/2017 of 28 July, now have to disclose the proportion of turnover, capital expenditures (CapEx) and operational expenditures (OpEx) that derive from environmentally sustainable economic activities. This Regulation seeks to direct investments towards sustainable projects and activities, contributing to the materialisation of the European Green Deal as part of the EU's response to climate and environmental challenges.

For each economic activity considered within the scope of the Taxonomy, the technical assessment criteria specify the environmental performance requirements that ensure that the activity contributes substantially to the environmental objective in question and that, at the same time, it does not significantly harm any of the remaining environmental objectives. The technical assessment criteria for two of the six environmental objectives - climate change mitigation and adaptation to climate change - were published in December 2021, in Annexes I and II of Delegated Regulation (EU) 2021/2139, and are applicable from January 2022. The publication of the technical criteria relating to the other environmental objectives is scheduled for 2022.

The requirement for organisations to disclose the Taxonomy is gradual. During the year of 2022, organisations must first disclose, for the financial year of 2021, the eligibility of their activities in relation to the two climate goals. An activity is considered eligible when it is included in the activities listed in the Taxonomy, regardless of its alignment with the technical evaluation criteria. In 2023, in addition to eligibility, the disclosure of this alignment of activities with Taxonomy is required.

In this context, Teixeira Duarte publishes its first exercise within the scope of the European Taxonomy, taking into account the reporting requirements defined in Article 8 of the Taxonomy Regulation.

#### 8.10.1. Eligibility

For the eligibility analysis of the activities of the Group companies, Teixeira Duarte relied on the Taxonomy Regulation, in particular, on Annexes I and II of Delegated Regulation (EU) 2021/2139. In this context, it is important to note that, due to the dynamic characteristics of the European Taxonomy, the assessment carried out by Teixeira Duarte in future years may be subject to variations, in accordance with the guidelines of the Regulation.

In methodological terms, Teixeira Duarte began the exercise of implementing the Taxonomy with the mapping of the eligible and ineligible economic activities of the companies included in its consolidation perimeter. From this mapping, the following eligible activities in the Construction, Concessions and Services and Real Estate sectors were identified:



Eligible Activities	Objectives	
	Climate Change Mitigation	Climate Change Adaptation
5.2 Renewal of water collection, treatment and supply systems	✓	✓
5.3 Construction, extension and operation of waste water collection and treatment	✓	✓
6.14 Infrastructure for rail transport	✓	✓
6.15 Infrastructure enabling road transport and public transport		✓
7.1 Construction of new buildings	✓	✓
7.2 Renovation of existing buildings	✓	✓
7.3 Installation, maintenance and repair of energy efficiency equipment	✓	✓
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	✓	✓
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	✓	✓
7.6 Installation, maintenance and repair of renewable energy technologies	✓	✓
9.3 Professional services related to energy performance of buildings	✓	
11 Education		✓

#### 8.10.2. Key Performance Indicators (KPI)

For 2021, the proportion of the Group's eligible and non-eligible economic activities for the Taxonomy, based on the consolidated total of its turnover, capital expenditures and operational expenditures, is as follows:

KPI	Total (Thousand euros)	Taxonomy eligible activities (Thousand euros)	Taxonomy eligible activities (%)	Taxonomy non- eligible activities (%)
Turnover	539 236	305 757	57%	43%
Capital Expenditures (CapEx)	65 092	48 545	75%	25%
Operational Expenditures (OpEx)	30 714	9 776	32%	68%

#### KPI Turnover

For the calculation of the proportion of eligible turnover, Teixeira Duarte considered the consolidated revenues related to the eligible activities (numerator). Regarding the denominator of the KPI turnover, the consolidated turnover was considered, presented in more detail in Note 8 of the Financial Statements.

#### KPI CapEx

The CapEx KPI (capital expenditures) is defined as the percentage of the total CapEx of the Teixeira Duarte Group companies, in reference to the eligible taxonomic activities. It is important to note that the CapEx eligible for Taxonomy consists mainly of investments related to the acquisition and ownership of buildings. The denominator includes additions to tangible, intangible and investment property during the fiscal year of 2021, before depreciation, amortisation and possible new valuations, including those resulting from revaluations and impairments, corresponding to the year in question, excluding changes in fair value. Additions to tangible, intangible assets, and investment property resulting from business combinations are also included.

#### KPI OpEx

The OpEx KPI (operational expenditures) is defined as the total OpEx of the Teixeira Duarte Group companies, according to the definition mentioned in the Taxonomy, in reference to the eligible taxonomic activities. Of the total operational costs for 2021 (395.1 million euros), the OpEx denominator, as specified in the Regulation, represents 7.8% (30.7 million euros). For the calculation of the OpEx denominator, all direct costs of the Group related to maintenance and repair and short-term *leasing* costs were considered, whose accounting accounts at the consolidated level are aligned with the definition of OpEx in the Taxonomy. For the calculation of the numerator, all denominator costs related to the eligible activities were considered.

## TABLE OF CORRESPONDENCES WITH GRI STANDARDS: CORE OPTION

Standard	Indicator	Response	Location	SDGs
GRI 102 – GENERAL DISCLOSURES: 2016				
ORGANISATIONAL PROFILE				
	102-1 Name of the organisation.	Teixeira Duarte, S.A.		
	102-2 Main activities, brands, products and services.	See Management Report of the Board of Directors. Chapter I.1 "Profile"	Page 12	
	102-3 Location of the organisation's headquarters.	Lagoas Park, Edifício 2, 2740-265 Porto Salvo. Portugal		
	102-4 Location of operations.	See Management Report of the Board of Directors. Chapter I.1 "Profile"	Page 12	
	102-5 Ownership and legal form.	Teixeira Duarte, S.A. is a public company, with head office at Lagoas Park, Edifício 2, 2740-265 Porto Salvo, registered at the Commercial Registry 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.1 "Profile"	Page 12	
	102-7 Scale of the organisation.	See Management Report of the Board of Directors. Chapter I.1 "Profile"	Page 12	8
	102-8 Information on employees and other workers.	See Management Report of the Board of Directors. Chapter III. "6.1. Human Resources in 2021"	Page 37	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 organisation and its supply chain.	See Corporate Governance Report, C. "Internal Organisation", III. 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"	Page 164	
	102-11 Precautionary Principle or approach.	See Corporate Governance Report, C. "Internal Organisation", III. "Internal Control and Risk Management"	Page 162	
	102-12 External initiatives.	See Management Report of the Board of Directors. Chapter III. "7.3. Investigation, Development and Innovation (IDI)"	Page 57	
	102-13 Membership of associations.	See Management Report of the Board of Directors. Chapter III. "7.3. Investigation, Development and Innovation (IDI)"	Page 57	
STRATEGY AND ANALYSIS				
	102-14 Statement from senior decision-maker.	See Management Report of the Board of Directors. Chapter I.2. Message of the Chairman of the Board of Directors	Page 20	
	102-15 Key impacts, risks, and opportunities.	See Management Report of the Board of Directors. Chapter I.4 Risk Management	Page 22	
ETHICS AND INTEGRITY				
	102-16 Values, principles, standards, and norms of behaviour.	See Management Report of the Board of Directors. Chapter I. "Profile Chapter I.1 "Mission and Values" and "Code of Ethics and Conduct". Chapter III. "5. Ethics and Conduct" and "7.1. Fighting Corruption and Bribery, Money Laundering and Terrorist Financing"	Page 18 Pages 36 and 50	16
	102-17 Mechanisms for advice and concerns about ethics.	See Management Report of the Board of Directors. Chapter III "7.1. Fighting Corruption and Bribery, Money Laundering and Terrorist Financing"	Page 50	16
GOVERNANCE				

## Management Report of the Board of Directors 2021

Standard	Indicator	Response	Location	SDGs
	102-18 Governance structure.	See Corporate Governance Report, B. "Governing Bodies and Commissions"	Page 143	
	102-19 Delegating authority.	See Corporate Governance Report, B. "Governing Bodies and Commissions"	Page 143	
	102-20 Executive-level responsibility for economic, environmental, and social topics	See Corporate Governance Report, B. "Governing Bodies and Commissions"	Page 143	
	102-21 Consulting stakeholders on economic, environmental, and social topics.	See Management Report of the Board of Directors, Chapter III "3. Alignment with Sustainable Development Goals"	Page 33	16
	102-22 Composition of the highest governance body and its committees	See Corporate Governance Report, B. "Governing Bodies and Commissions"	Page 143	5 16
	102-24 Nominating and selecting the highest governance body.	See Corporate Governance Report, B. "Governing Bodies and Commissions"	Page 143	16
	102-24 Nomination and selection of the highest governance body.	See Corporate Governance Report, B. "Governing Bodies and Commissions"	Page 143	5 16
	102-25 Conflicts of interest.	See Corporate Governance Report, E. "Transactions with Related Parties"	Page 180	16
	102-26 Role of highest governance body in setting purpose, values, and strategy.	See Corporate Governance Report, B. "Governing Bodies and Commissions"	Page 143	
	102-27 Sustainability knowledge of highest governance body.	See Corporate Governance Report, B. "Governing Bodies and Commissions"	Page 143	
	102-28 Evaluating the highest governance body's performance	See Corporate governance report, D. "Remunerations"	Page 170	
	102-29 Identifying and managing economic, environmental, and social impacts.	See Corporate Governance Report, C. "Internal Organisation", III. "Internal Control and Risk Management"	Page 162	16
	102-30 Effectiveness of risk management processes.	See Corporate Governance Report, C. "Internal Organisation", III. "Internal Control and Risk Management"	Page 162	
	102-31 Review of economic, environmental and social topics.	See Corporate Governance Report, C. "Internal Organisation", III. "Internal Control and Risk Management"	Page 162	
	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.		
	102-33 Communicating critical concerns.	See Corporate Governance Report, C. "Internal Organisation", III. "Internal Control and Risk Management"	Page 162	
	102-34 Nature and communication of critical concerns.	See Corporate Governance Report, C. "Internal Organisation", III. "Internal Control and Risk Management"	Page 162	
	102-35 Remuneration policies.	See Corporate governance report, D. "Remunerations"	Page 170	

Standard	Indicator	Response	Location	SDGs																																				
	102-36 Processes for determining remuneration.	See Corporate governance report, D. "Remunerations"	Page 170																																					
	102-37 Stakeholders' involvement in remuneration.	See Corporate governance report, D. "Remunerations"	Page 170	16																																				
	102-38 Annual total compensation ratio.	See Corporate governance report, D. "Remunerations"	Page 170																																					
	102-39 Percentage increase in annual total compensation ratio.	See Corporate governance report, D. "Remunerations"	Page 170																																					
STAKEHOLDER ENGAGEMENT																																								
	102-40 List of stakeholder groups.	See Management Report of the Board of Directors, Chapter III "2. Communication with the Stakeholders"	Page 33																																					
	102-41 Collective bargaining agreements.	See Management Report of the Board of Directors, Chapter III "6.1. Human Resources in 2021", "Compliance with International Labour Organisation (ILO) Conventions"	Page 40	810																																				
<p>Percentage of unionised employees by activity sector, as at 31 December 2021</p> <table><thead><tr><th>Sector</th><th>Homens (%)</th><th>Mulheres (%)</th></tr></thead><tbody><tr><td>Área Corporativa</td><td>5%</td><td>8%</td></tr><tr><td>Construção</td><td>19%</td><td>21%</td></tr><tr><td>Concessões e Serviços</td><td>7%</td><td>3%</td></tr><tr><td>Imobiliária</td><td>0%</td><td>0%</td></tr><tr><td>Hotelaria</td><td>40%</td><td>40%</td></tr><tr><td>Distribuição</td><td>11%</td><td>5%</td></tr><tr><td>Automóvel</td><td>26%</td><td>13%</td></tr></tbody></table>					Sector	Homens (%)	Mulheres (%)	Área Corporativa	5%	8%	Construção	19%	21%	Concessões e Serviços	7%	3%	Imobiliária	0%	0%	Hotelaria	40%	40%	Distribuição	11%	5%	Automóvel	26%	13%												
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<p>Annual evolution of unionised employees by market (%):</p> <table><thead><tr><th>Market</th><th>2019 (%)</th><th>2020 (%)</th><th>2021 (%)</th></tr></thead><tbody><tr><td>Portugal</td><td>1%</td><td>1%</td><td>1%</td></tr><tr><td>Angola</td><td>16%</td><td>19%</td><td>16%</td></tr><tr><td>Argélia</td><td>0%</td><td>0%</td><td>0%</td></tr><tr><td>Brasil</td><td>36%</td><td>33%</td><td>27%</td></tr><tr><td>Espanha</td><td>0%</td><td>0%</td><td>0%</td></tr><tr><td>Moçambique</td><td>43%</td><td>62%</td><td>48%</td></tr><tr><td>Outros Mercados</td><td>19%</td><td>19%</td><td>17%</td></tr><tr><td>Global</td><td>19%</td><td>19%</td><td>17%</td></tr></tbody></table>					Market	2019 (%)	2020 (%)	2021 (%)	Portugal	1%	1%	1%	Angola	16%	19%	16%	Argélia	0%	0%	0%	Brasil	36%	33%	27%	Espanha	0%	0%	0%	Moçambique	43%	62%	48%	Outros Mercados	19%	19%	17%	Global	19%	19%	17%
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	102-42 Identifying and selecting stakeholders.	See Management Report of the Board of Directors, Chapter III "2. Communication with the Stakeholders"	Page 2																																					
	102-43 Approach to stakeholder engagement.	See Management Report of the Board of Directors, Chapter III "2. Communication with the Stakeholders"	Page 2																																					
	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 Management Report of the Board of Directors. Chapter IV. "Activity by Sectors in 2021"	Page 92																																					

## Management Report of the Board of Directors 2021

Standard	Indicator	Response	Location	SDGs
<b>REPORTING PRACTICE</b>				
	102-45 Entities included in the consolidated financial statements.	See Notes Attached to the Consolidated Financial Statements as at 31 December 2021, 4 – “Companies Included in the Consolidation Perimeter”	Page 247	
	102-46 Defining report content and topic boundaries.	See “Introduction”, Management Report of the Board of Directors. Chapter I.1 “Profile” and Chapter III “3. Alignment with Sustainable Development Goals”	Pages 12 and 33	
	102-47 List of material topics.	See Management Report of the Board of Directors, Chapter III “3. Alignment with Sustainable Development Goals”	Page 33	
	102-48 Restatements of information.	See “Introduction”	Page 9	
	102-49 Changes in reporting.	See “Introduction”	Page 9	
	102-50 Reporting period.	From 1 January 2021 to 31 December 2021		
	102-51 Date of most recent report.	April 2021		
	102-52 Reporting cycle.	Annual		
	102-53 Contact point for questions regarding the report.	representantemercado@teixeiraduarte.com		
	102-54 Claims of reporting in accordance with the GRI Standards.	See Management Report of the Board of Directors, Chapter III “Introduction”	Page 32	
	102-55 GRI content index.	This table		
	102-56 External assurance.	“See Introduction” and Reports, Opinions and Certifications of the Supervisory Bodies 2021	Pages 9 and 296	
<b>GRI 200 – ECONOMIC DISCLOSURES</b>				
<b>SOCIO-ECONOMIC PERFORMANCE</b>				
	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, D. “Remunerations”	Page 170	



## 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 "6.4. Qualification for the Expression of Talent: Development and Training" and "7.2. Relations with people and organisations affected by the activities of Group companies"	Pages 44 and 51	1	3
			4	8
				10

## ANTI-CORRUPTION

103-1 Explanation of the material topic and its boundary.	The Teixeira Duarte Group considers the prevention and fight against corruption to be a material topic, having control mechanisms and procedures that emanate from its Code of Ethics and Conduct, the application of which is mandatory for all administrators, workers 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 Chapter I.1 "Mission and Values" and "Code of Ethics and Conduct". Chapter III. "5. Ethics and Conduct" and "7.1. Fighting Corruption and Bribery, Money Laundering and Terrorist Financing"	Page 18 Pages 36 and 50		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	Page 63		
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 minimise 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 Facilities Management (Concessions and Services sector) had, in 2021, environmental management systems certified according to the ISO 14001 standard, in Portugal, Angola and Brazil	Page 64		
301-1 Materials used by weight or volume.	See Management Report of the Board of Directors. Chapter III. "8.5. Consumption of Materials"	Page 66	8	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	Page 63		
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302-4 Reduction of energy consumption.

See Management Report of the Board of Directors. Chapter III. "8.3. Energy"

Page 65

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

Page 63

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 minimise 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 Facilities Management (Concessions and Services sector) had, in 2021, environmental management systems certified according to the ISO 14001 standard, in Portugal, Angola and Brazil

Page 64

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 infrastructures 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

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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 minimise 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 Facilities Management (Concessions and Services sector) had, in 2021, environmental management systems certified according to the ISO 14001 standard, in Portugal, Angola and Brazil

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305-3 Other indirect (Scope 3) GHG emissions.

See Management Report of the Board of Directors. Chapter III. "8.7. Emissions"

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## 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

Page 63

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 minimise the environmental impacts resulting from the activities of the different business areas, to ensure that the Company's activities can be

Page 64

developed in a sustainable manner. The main companies in the Construction and Facilities Management (Concessions and Services sector) had, in 2021, environmental management systems certified according to the ISO 14001 standard, in Portugal, Angola and Brazil

306-3 Significant spills.

In 2021, there were no records of spills with significant environmental impacts

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12	14
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#### 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

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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 2004/35/EC, amended by Directive 2006/21/EC, the Teixeira Duarte Group companies in Portugal covered by this legislation opted to constitute financial guarantees amounting to the total value of 98,812.00 euros as at 31 December 2021

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307-1 Non-compliance with environmental laws and regulations.

According to the information available as at 31 December 2021, an environmental fine was registered.

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#### GRI 308 - SUPPLIER ENVIRONMENTAL ASSESSMENT

##### SUPPLIER ENVIRONMENTAL ASSESSMENT

103-1 Explanation of the material topic and its boundary.

See Management Report of the Board of Directors. Chapter III. "7.2. Relations with people and organisations affected by the activities of Group companies", b) Partners, suppliers and subcontractors" and "8.1 Environmental Management Systems"

Pages 51 and 64

103-2 The management approach and its components.

See Management Report of the Board of Directors. Chapter III. "7.2. Relations with people and organisations affected by the activities of Group companies", b) Partners, suppliers and subcontractors" and "8.1 Environmental Management Systems"

Pages 51 and 64

308-1 New suppliers that were screened using environmental criteria.

See Management Report of the Board of Directors. Chapter III. "7.2. Relations with people and organisations affected by the activities of Group companies", b) Partners, suppliers and subcontractors" and "8.1 Environmental Management Systems"

Pages 51 and 64

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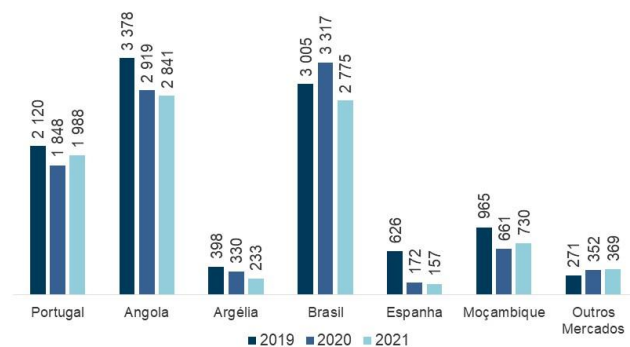
#### GRI 400 - SOCIAL DISCLOSURES

##### EMPLOYMENT

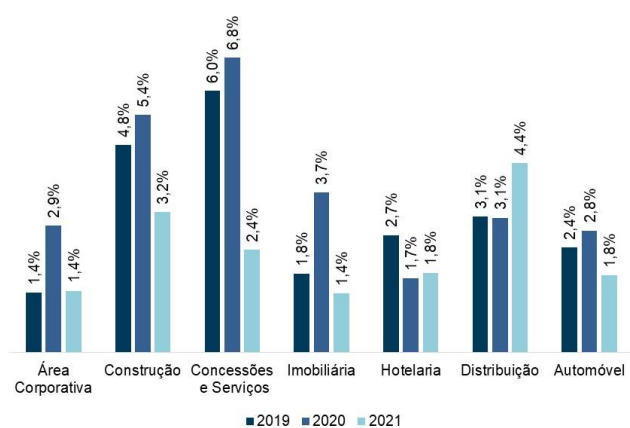
103-1 Explanation of the material topic and its boundary.

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 labour rights.

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



Annual evolution of the absenteeism rate as at 31 December by area of activity:



103-2 The management approach and its components.

See Management Report of the Board of Directors. Chapter III. "6.1. Human Resources in 2021"

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401-3 Parental Leave.

See Management Report of the Board of Directors. Chapter III. "6.1. Human Resources in 2021"

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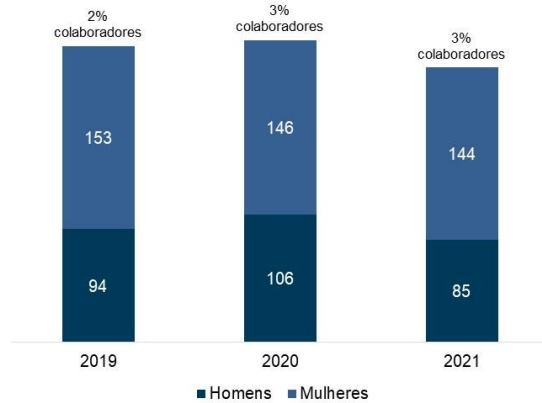
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Number of employees who took parental leave (2021 coverage = 96%)

	Área Corporativa	Construção	Concessões e Serviços	Imobiliária	Hotelaria	Distribuição	Automóvel	Total 2021	Total 2020	Total 2019
<b>Portugal</b>	7	30	25	6	5	2		75	88	57
Homens	5	29	21	4	3	1		63	75	48
Mulheres	2	1	4	2	2	1		12	13	9
<b>Angola</b>	5	2	10	1	23	54	5	100	109	130
Homens	1	1						2	9	4
Mulheres	4	1	10	1	23	54	5	98	100	126
<b>Argélia</b>	5	9						14	10	28
Homens	2							2	0	26
Mulheres	3	9						12	10	2
<b>Brasil</b>	1	18	2	2				23	15	11
Homens		6		1				7	8	4
Mulheres	1	12	2	1				16	7	7
<b>Espanha</b>		7	4					11	8	7
Homens		6	3					9	5	7
Mulheres		1	1					2	3	
<b>Moçambique</b>		3	1		2			6	10	7
Homens		2						2	3	1
Mulheres		1	1		2			4	7	6
<b>Outros Mercados</b>		0	0	0	0	0	0	n/d	12	7
Homens								n/d	6	4
Mulheres								n/d	6	3
<b>Total</b>	18	69	42	9	30	56	5	229	252	247
Homens	8	44	24	5	3	1	0	85	106	94
Mulheres	10	25	18	4	27	55	5	144	146	153



Evolution of the number of employees taking parental leave in the Group's companies as a whole:



## 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 labour rights

403-1 Occupational health and safety management system

The main subsidiary companies, particularly those operating in the areas of Construction and Facilities Management, have occupational health and safety management systems in place under the ISO 45001 and OHSAS 18001 standards

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3 8

403-3 Occupational health services

See Management Report of the Board of Directors. Chapter III. "6.3. Health and safety protection and promotion"

Page 40

3 8

Main activities of the Occupational Health Services of the Group companies as at 31 December 2021 (Coverage = 96%):

	Consultas médicas Medicina do Trabalho	Consultas Enfermagem do Trabalho	Consultas Medicina Curativa	Exames com- plementares de diagnóstico
Portugal	1 310	1 774	277	7 495
Angola	1 626	1 424	904	1 626
Argélia	101	0	0	0
Brasil	5 106			20 500
Espanha	87			
Moçambique	633	423	210	2 211
<b>Total 2021</b>	<b>8 863</b>	<b>3 621</b>	<b>1 391</b>	<b>31 832</b>
Total 2020	7 247	2 852	1 237	25 496

Coverage rate of medical examinations performed on Group company employees (Coverage= 96%)

	Área Corporativa	Construção	Concessões e Serviços	Imobiliária	Hoteleira	Distribuição	Automóvel	Total 2021	Total 2020	Total 2019
Portugal	90%	94%	91%	90%	97%	93%	63%	93%	95%	100%
Angola	88%	79%	74%	75%	88%	79%	91%	82%	90%	96%
Argélia	59%	46%						57%	61%	70%
Brasil	100%	98%	87%	100%				97%	86%	97%
Espanha		96%	24%					57%	44%	32%
Moçambique	81%	65%	34%	0%	100%			67%	67%	100%

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

3 8

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403-5 Worker training on occupational health and safety	See Management Report of the Board of Directors. Chapter III. "6.3. Health and safety protection and promotion"	Page 40	3	8
403-6 Employee health promotion	See Management Report of the Board of Directors. Chapter III. "6.3. Health and safety protection and promotion"	Page 40	3	8
403-8 Workers covered by an occupational health and safety management system	<p>Employees covered by occupational health and safety management systems (ISO 45001 and OHSAS 18001 standards) at 31 December 2021 represented 38% of the total number of employees of the Group's subsidiaries:</p> <ul style="list-style-type: none"> <li>Portugal: 1,895 employees</li> <li>Brazil: 1,248 employees</li> <li>Mozambique: 319 employees</li> </ul>		3	8

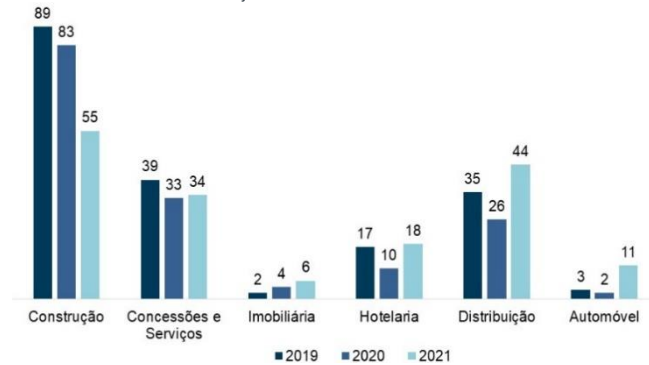
#### 403-9 Work-related injuries

See Management Report of the Board of Directors, Chapter III "6.3. Health and Safety Protection and Promotion"

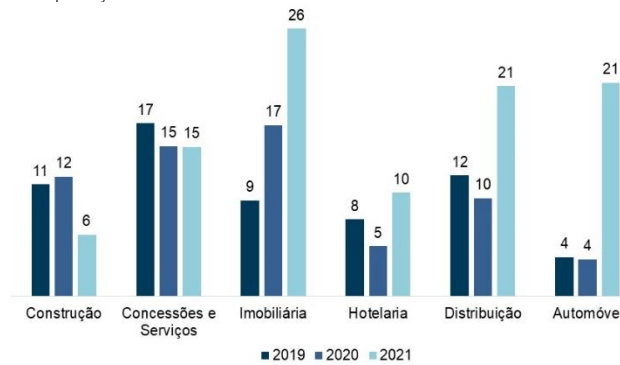
Page 40

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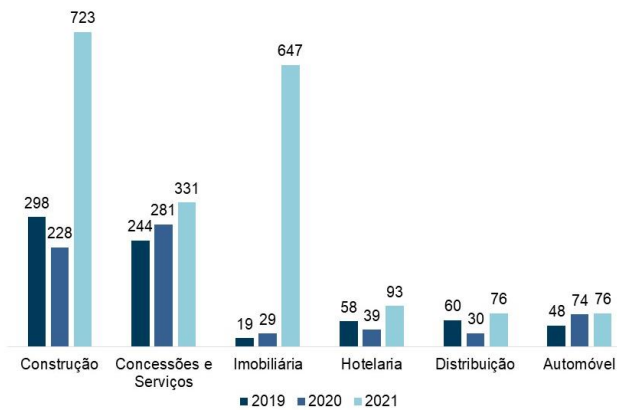
Evolution of Work-related injuries as at 31 December by activity sector – number of work-related injuries:



Evolution of Work-related injuries as at 31 December by activity sector – frequency index:



Evolution of Work-related injuries at 31 December by activity sector – severity index:



Classification of Work-related injuries indexes according to the World Health Organisation:

Classificação	Índice de Frequência	Índice de Frequência
Muito bom	<20	<500
Bom	20 a 40	500 a 1 000
Médio	40 a 60	1 000 a 2 000
Mau	60 a 100	>2 000

Fonte: OMS, referido em DSHS 2012

#### TRAINING AND EDUCATION

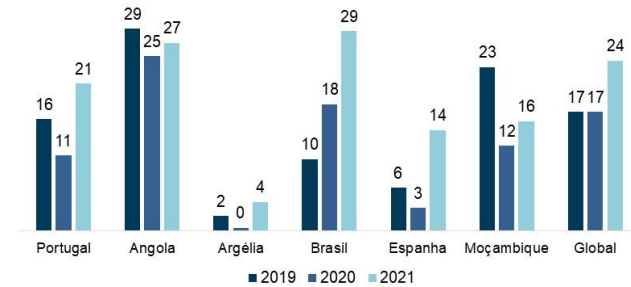
103-1 Explanation of the material topic and its boundary.

See Management Report of the Board of Directors. Chapter III. "6.4. Qualification for the Expression of Talent: Development and Training"

Page 44

404-1 Average hours of training per year per employee.

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



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Number of trainees covered by qualification activities by market and by area of expertise (Coverage = 96%):

Mercados	Área Corporativa	Construção	Concessões e Serviços	Imobiliária	Hoteleira	Distribuição	Automóvel	Total 2021	Total 2020	Total 2019
<b>Portugal</b>	<b>799</b>	<b>8198</b>	<b>731</b>	<b>28</b>	<b>200</b>	<b>35</b>	<b>6</b>	<b>9 997</b>	<b>4 822</b>	<b>8 985</b>
Homens	397	7 883	549	23	55	22	6	8 935	4 132	8 146
Mulheres	402	315	182	5	145	13		1 062	690	839
<b>Angola</b>	<b>592</b>	<b>3597</b>	<b>3215</b>	<b>75</b>	<b>6667</b>	<b>6293</b>	<b>853</b>	<b>21 292</b>	<b>17 481</b>	<b>30 006</b>
Homens	440	3 404	2 820	35	4 409	3 745	671	15 524	12 142	21 721
Mulheres	152	193	395	40	2 258	2 548	182	5 768	5 339	8 285
<b>Argélia</b>		<b>822</b>						<b>822</b>	<b>131</b>	<b>2 062</b>
Homens		822						822	128	2 020
Mulheres								0	3	42
<b>Brasil</b>	<b>680</b>	<b>19740</b>	<b>1971</b>	<b>502</b>				<b>22 893</b>	<b>14 615</b>	<b>11 351</b>
Homens	237	17 836	1 550	248				19 871	12 363	9 804
Mulheres	443	1 904	421	254				3 022	2 252	1 547
<b>Espanha</b>		<b>1228</b>						<b>1 228</b>	<b>407</b>	<b>789</b>
Homens		1 222						1 222	407	669
Mulheres		6						6	0	120
<b>Moçambique</b>	<b>24</b>	<b>225</b>			<b>2510</b>			<b>2 759</b>	<b>1 841</b>	<b>2 140</b>
Homens	8	165			1 548			1 721	1 322	1 581
Mulheres	16	60			962			1 038	519	559
<b>Total</b>	<b>2 095</b>	<b>33 810</b>	<b>5 917</b>	<b>605</b>	<b>9 377</b>	<b>6 328</b>	<b>859</b>	<b>58 991</b>	<b>39 297</b>	<b>55 333</b>
Homens	1 062	31 332	4 919	306	6 012	3 767	677	48 095	30 494	43 941
Mulheres	1 013	2 478	998	299	3 365	2 561	182	10 896	8 803	11 392

Number of hours of training volume by market and by area of activity (Coverage = 96%):

Mercados	Área Corporativa	Construção	Concessões e Serviços	Imobiliária	Hoteleira	Distribuição	Automóvel	Total 2021	Total 2020	Total 2019
<b>Portugal</b>								<b>40 672</b>	<b>21 414</b>	<b>31 853</b>
Homens	1 073	32 695	1 629	277	121	88	13	35 896	18 898	27 672
Mulheres	1 232	1 726	392	34	1 003	289		4 676	2 516	4 181
<b>Angola</b>								<b>76 376</b>	<b>73 216</b>	<b>106 360</b>
Homens	1 037	4 992	2 632	65	9 710	27 366	6 693	52 495	47 230	70 342
Mulheres	176	334	861	81	4 890	15 203	2 336	23 881	25 986	36 018
<b>Argélia</b>								<b>1 300</b>	<b>113</b>	<b>1 887</b>
Homens		1 300						1 300	110	1 815
Mulheres								0	3	72
<b>Brasil</b>								<b>90 367</b>	<b>45 930</b>	<b>33 786</b>
Homens	683	77 515	5 734	315				84 247	41 512	31 054
Mulheres	1 859	2 837	1 109	315				6 120	4 418	2 732
<b>Espanha</b>								<b>2 387</b>	<b>1 090</b>	<b>3 936</b>
Homens		2 360						2 360	1 090	2 962
Mulheres		27						27	0	974
<b>Moçambique</b>								<b>11 204</b>	<b>8 903</b>	<b>17 781</b>
Homens	75	943			6 149			7 167	6 629	13 448
Mulheres	51	515			3 471			4 037	2 274	4 333
<b>Total</b>	<b>6 185</b>	<b>125 244</b>	<b>12 357</b>	<b>1 087</b>	<b>25 344</b>	<b>42 946</b>	<b>9 042</b>	<b>222 205</b>	<b>150 665</b>	<b>195 603</b>
Homens	2 868	119 805	9 995	657	15 980	27 454	6 706	183 464	115 469	147 293
Mulheres	3 318	5 439	2 362	430	9 364	15 492	2 336	38 741	35 196	48 310

404-2 Programmes for upgrading employee skills and transition assistance programmes.

See Management Report of the Board of Directors. Chapter III. "6.4. Qualification for the Expression of Talent: Development and Training"

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## DIVERSITY AND EQUAL OPPORTUNITIES

103-1 Explanation of the material topic and its boundary.

See Management Report of the Board of Directors. Chapter III. "6.1. Human Resources in 2021"

Page 37

405-1 Diversity of governance bodies and employees.

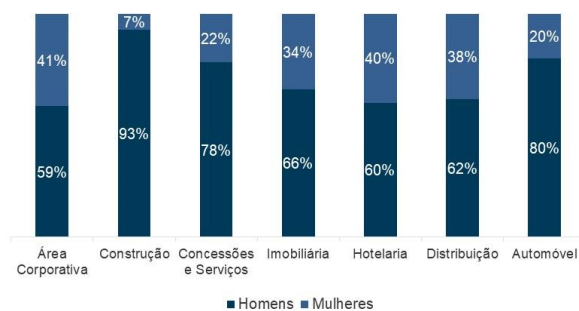
See Management Report of the Board of Directors. Chapter III. "6.1. Human Resources in 2021" and Corporate Governance Report, B. Governing Bodies and Commissions"

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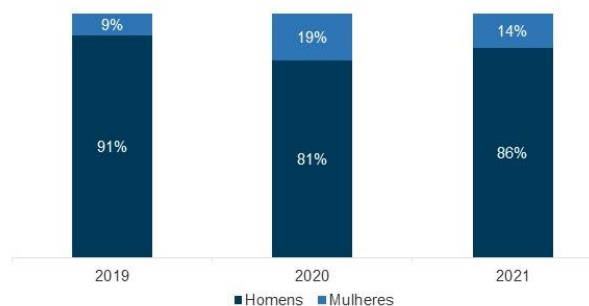
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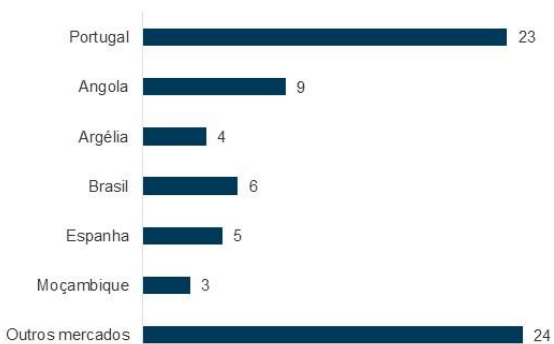
Employees by gender, by area of activity at 31 December 2021:



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



Number of nationalities of the employees by market as at 31 December 2021:

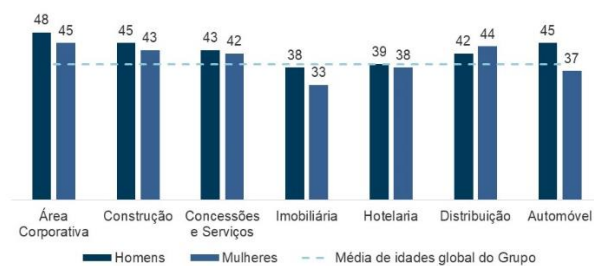


Annual evolution of the percentage of employees by age group by area of activity:

	Área Corporativa	Construção	Concessões e Serviços	Imobiliária	Hotelaria	Distribuição	Automóvel	Total 2021	Total 2020	Total 2019
Até 30 anos	15%	17%	18%	25%	18%	35%	22%	20%	20%	22%
30 a 50 anos	64%	63%	65%	65%	69%	60%	68%	64%	65%	63%
Mais de 50 Anos	21%	20%	17%	10%	13%	5%	10%	16%	15%	15%

Average age of employees by area of activity as at 31 December 2021:

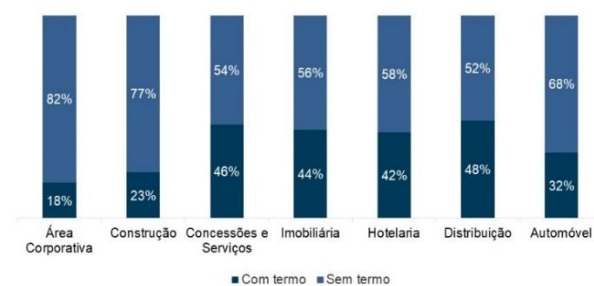




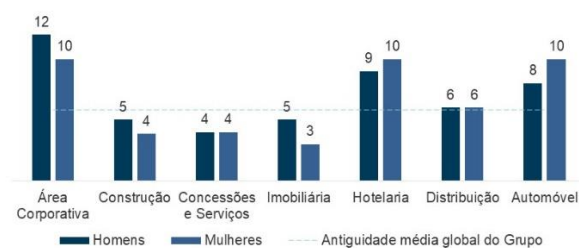
Percentage of employees by contract type and gender:

	Total 2021	Total 2020	Total 2019
<b>Sem termo</b>	<b>68%</b>	<b>62%</b>	<b>56%</b>
Homens	69%	62%	56%
Mulheres	62%	60%	52%
<b>Com termo</b>	<b>32%</b>	<b>38%</b>	<b>44%</b>
Homens	31%	38%	44%
Mulheres	38%	40%	48%
<b>Total</b>	<b>9 093</b>	<b>9 599</b>	<b>10 763</b>

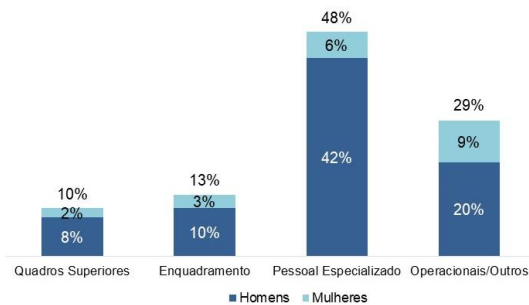
Percentage of employees by contractual status and area of activity as at 31 December 2021:



Average seniority of employees by area of activity as at 31 December 2021:



Employees per professional group in the Group as at 31 December 2021:



Number of disabled employees by area of activity as at 31 December 2021:



## NON-DISCRIMINATION

103-1 Explanation of the material topic and its boundary.

See Code of Ethics and Conduct at [www.teixeiraduarte.com](http://www.teixeiraduarte.com).

See the Equality Plan at [www.teixeiraduarte.com](http://www.teixeiraduarte.com)

406-1 Incidents of discrimination and corrective actions taken.

There were no cases of discrimination to report

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## 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 Labour Organisation (ILO) and 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 LABOUR

103-1 Explanation of the material topic and its boundary.

See Code of Ethics and Conduct at [www.teixeiraduarte.com](http://www.teixeiraduarte.com)

408-1 Operations and suppliers at significant risk for incidents of child labour.

No operations and suppliers were identified in this situation

8 16

#### FORCED OR SLAVE-LIKE LABOUR

103-1 Explanation of the material topic and its boundary. See Code of Ethics and Conduct at [www.teixeiraduarte.com](http://www.teixeiraduarte.com)

409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour. 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](http://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 labour 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](http://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

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#### ASSESSMENT OF HUMAN RIGHTS

103-1 Explanation of the material topic and its boundary. See Code of Ethics and Conduct at [www.teixeiraduarte.com](http://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 labour legislation

10 16

#### 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 programmes. All operations have implemented and maintain one or more local community engagement programmes. Impacts described in the presentation of each programme. See Management Report of the Board of Directors, Chapter III.: "Todos Damos" Programme, "Fazer Pescar" Programme, "Fazenda Maxi" Programme, "MaxiSaúde" Programme, "Raízes" Programme, "Dar Vida" Programme and at [www.teixeiraduarte.com](http://www.teixeiraduarte.com)

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#### SOCIAL ASSESSMENT OF SUPPLIERS

103-1 Explanation of the material topic and its boundary.	Teixeira Duarte 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 Standard SA 8000, promotes respect for labour rights and safe and healthy working environments for all workers, and among suppliers and contractors, by demanding compliance with social responsibility requirements
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414-2 Actual and potential significant negative social impacts on labour practices in the supply chain and measures taken.	Based on the geographic 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 2021, Teixeira Duarte - Engenharia e Construções carried out 10 supplier monitoring actions in Portugal
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5	8
	16

#### 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
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418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data.	No complaints were registered
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#### 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 Organisation for Economic Cooperation and Development (OECD), the International Labour Organisation (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
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419-1 Non-compliance with laws and regulations in the social and economic area.	No non-compliances were recorded
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# TABLE OF CORRESPONDENCE WITH THE NON-FINANCIAL INFORMATION REPORTING TEMPLATE ISSUED BY THE PORTUGUESE SECURITIES MARKET COMMISSION

Theme	Information to be provided	Response	Location
<b>PART I - INFORMATION ON ADOPTED POLICIES</b>			
<b>A. Introduction</b>	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 II "1. Sustainability in the Teixeira Duarte Group"	Page 32
	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" and "3. Alignment with Sustainable Development Goals"	Pages 32 and 33
<b>B. Business Model</b>	General description of the Company's/Group's business model and form of organisation, indicating the main business areas and markets in which it operates (if possible using organisational charts, graphs or functional tables).	See Management Report of the Board of Directors, Chapter I.1 "Profile"	Page 12
<b>C. Main Risk Factors</b>	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 Management Report of the Board of Directors. Chapter I.4 "Risk Management".	Page 22
	2. Indication of how these risks are identified and managed by the Company.	See Corporate Governance Report, C. "Internal Organisation", III. "Internal Control and Risk Management", No. 54 "Description of the process for identifying, assessing, monitoring, controlling, and managing risks."	Page 167
	3. Explanation of the internal functional division of competencies, including governing bodies, commissions, committees or departments responsible for risk identification and management/monitoring.	See Corporate Governance Report, C. "Internal Organisation", III. "Internal Control and Risk Management", No. 51 "Explanation, including the use of an organisational chart, of the hierarchical and/or functional dependency relations with other company bodies or committees."	Page 163
	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 I.4 "Risk Management".	Page 22
	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 IV. "Activity by Sectors in 2021".	Page 92
<b>D. Implemented Policies</b>	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 attempted bribery, including due diligence policies, as well as the results of their implementation, including related non-financial key performance indicators, and their comparison with the previous year.		
<b>Environmental Policies</b>	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 "8. Environmental Management"	Page 63
	2. Description of the main defined performance indicators.	See Management Report of the Board of Directors, Chapter III "8. Environmental Management"	Page 63



Theme	Information to be provided	Response	Location
	3. Indication, in relation to the previous year, of the extent to which these objectives are achieved, at least by reference to:		
	i. Sustainable use of resources: consumption of water, other raw materials and energy; indication of measures taken to improve the efficiency of the use of these resources; indication of measures taken to promote energy efficiency and the use of renewable energy.	Partially answered in the Management Report of the Board of Directors, Chapter III "8. Environmental Management", "8.3. Energy"/"8.4. Water Resources" /"8.5. Consumption of Materials".	Page 63
	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.	See Management Report of the Board of Directors, Chapter III "8.7. Emissions".	Page 63
	iii. Circular economy and waste management: prevention, recycling and reuse measures and other means of waste recovery and disposal.	See Management Report of the Board of Directors, Chapter III "8.8. Waste".	Page 67
	iv. Protection of biodiversity: impacts caused by activities or operations in protected areas and measures taken to preserve or restore biodiversity.	See Management Report of the Board of Directors, Chapter III "8.2. Provisions and financial guarantees for environmental risks".	Page 65
Social 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 "7. Socio-Economic Performance	Page 50
	2. Description of the main defined performance indicators.	See Management Report of the Board of Directors, Chapter III "7.2. Relations with people and organisations affected by the activities of Group companies", "a) Clients, "b) Partners, suppliers and c) Community Support".	Page 51
	3. Indication, in relation to the previous year, of the extent to which these objectives are achieved, at least by reference to:		
	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 dialogue; partnership or sponsorship activities.	See Management Report of the Board of Directors, Chapter III "6.2. Recruitment, Selection and Retention of People with Potential Talent", "6.4. Qualification for the Expression of Talent", "7.2. Relations with people and organisations affected by the activities of Group companies", b) Partners, suppliers and c) Community Support"	Pages 39, 44, 51 and 54
	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.	See Management Report of the Board of Directors, Chapter III "7.2. Relations with people and organisations affected by the activities of Group companies", b) Partners, suppliers"	Page 51
	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.	Partially answered in the Management Report of the Board of Directors, Chapter III "7.2. Relations with people and organisations affected by the activities of Group companies", "a) Clients"	Page 51

## Management Report of the Board of Directors 2021

Theme	Information to be provided		Response	Location
	iv.	Responsible investment: if applicable, information on the responsible investment the Company has aimed to attract, including the issuance/acquisition of green bonds or SDG-linked bonds.	Not applicable	
	v.	Stakeholders: information regarding possible ways of listening to stakeholders.	See Management Report of the Board of Directors, Chapter III "2. Communication with the Stakeholders"	Page 33
	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.	Under the "We All Give" Programme, Teixeira Duarte Group companies provide an annual amount to increase any donations that their employees wish to make to social solidarity projects. Double the amount donated by employees is donated to the institutions chosen by them. Considering that this is a programme based on the spirit of liberality and that there are no pecuniary or commercial counterparts, the donations made under the "We All Give" Programme, in Portugal, are covered by the tax regime applicable to patronage.	Page 55
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, Chapter III "6. Management and Development of Human Resources"	Page 36
	2.	Description of the main defined performance indicators.	See Management Report of the Board of Directors, Chapter III "6. Management and Development of Human Resources"	Page 36
	3.	Indication, in relation to the previous year, of the extent to which these objectives are achieved, at least by reference to:		
	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 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 "6.1. Human Resources in 2021", Report of the Government of the Society, "D. Remuneration" and Correspondence Table with GRI Standards.	Page 37 and 170 GRI Table 400 GRI Table 405-1
	ii.	Organisation of work: organisation of working time, including measures to facilitate time off work and family life.	See the Equality Plan at <a href="http://www.teixeiraduarte.com">www.teixeiraduarte.com</a> .	
	iii.	Health and safety: workplace health and safety conditions and number of occupational accidents.	See Management Report of the Board of Directors, Chapter III "6.3. Protection and Promotion of Health and Safety" and Correspondence Table with GRI Standards.	Page 40 GRI Table 403-9

## Management Report of the Board of Directors 2021

Theme	Information to be provided	Response	Location
	iv. Social relations: organisation of social dialogue, 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.	See Management Report of the Board of Directors, Chapter III "6.1. Human Resources in 2021", "Compliance with International Labour Organisation (ILO) Conventions" and Table of Correspondences with GRI Standards.	Page 40 GRI Table 102-41
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 "7. Socio-Economic Performance"	Page 50
	2. Description of the main defined performance indicators.	See Management Report of the Board of Directors, Chapter III "7.2. Relations with people and organisations affected by the activities of Group companies", b) Partners, suppliers"	Page 51
	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 "7.2. Relations with people and organisations affected by the activities of Group companies", b) Partners, suppliers"	Page 51
	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 labour; effective abolition of child labour.	The Code of Ethics and Conduct is mandatory for all employees, and failure to apply it may result in disciplinary procedures and sanctions.	Page 36
	iii. Legal proceedings for human rights violations.	There were no records of 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 "7.1. Fighting Corruption and Bribery, Money Laundering and Terrorist Financing".	Page 50
	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 "7.1. Fighting Corruption and Bribery, Money Laundering and Terrorist Financing".	Page 50
	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 Management Report of the Board of Directors, Chapter III "5. Ethics and Conduct" and "7.1. Fighting Corruption and Bribery, Money Laundering and Terrorist Financing".	Pages 36 and 50
	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 "5. Ethics and Conduct" and "7.1. Combating Corruption and Bribery, Money Laundering and Terrorist Financing"	Pages 36, 50 and 180

Theme	Information to be provided	Response	Location
		and Report on Corporate Governance, E. "Related Party Transactions".	
<b>PART II - INFORMATION ABOUT THE STANDARDS / GUIDELINES THAT ARE FOLLOWED</b>			
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" and "Alignment with Sustainable Development Goals".	Pages 32 and 33
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".	Page 32
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 organisations 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 "7.3. Research, Development and Innovation (IDI)", "c) Partnerships with Entities of the Scientific and Technological System of the Construction Sector" and "8. Environmental Management", "8.9. Environmental research partnerships".	Pages 61 and 68



## IV. ACTIVITY BY SECTORS

Next, the activity carried out by the Teixeira Duarte Group companies in the various sectors will be reported, followed, for all of them, by a similar structure, that is, starting by contextualising the respective sector within the Teixeira Duarte Group, then presenting the Sales and Services Rendered, the Consolidated EBITDA and Operating Results (EBIT), the contribution of this business area to the Group and concluding with a statement on the performance during 2021, accompanied by unconsolidated indicators that allow an analysis and perspective on the total activity and not only its final contribution to the consolidated figures.



Cuiabá Mine - Brazil



## IV.1 Construction

Construction is the reference activity and genesis of the Teixeira Duarte Group companies that, in this sector, operate in the areas of Geotechnics and Foundations, Buildings (including a Concrete Production Centre), Infrastructure (including Maritime Works), Metalworking, Underground Works and Works Railways.

It should be noted that an internal reorganisation took place during 2021, with a view to optimising the provision of teams from the different areas, with maritime works becoming integrated in the area of Infrastructure, Rehabilitation being a transversal action to all areas and allowing teams that operate in the areas of Geotechnics and Foundations a greater operational focus in their scope of activity.

All of these operational areas divide production and commercial skills into structures that are essential in the training of management staff and in the monitoring of their career in the Operation Centres and Departments. These operational areas also have a set of specific Support Structures for this Construction sector, in particular in the areas of Formwork and Prestressing (including a Reinforcement Production Centre), Projects, Equipment Management and Logistics of Proposals, and a Materials Laboratory.

In this Sector, the Group also has an important Project Department, through which Engineering Studies and Technical Projects are developed and executed, for the entire Teixeira Duarte Group, which have proved to be of great importance in the technically based presentation of proposals and projects. This Department is also responsible for coordinating and implementing BIM (Building Information Modelling) throughout the entire Teixeira Duarte Group, by consolidating internal and external training, developing projects with this methodology and creation of internal procedures.

Also integrated into the Construction structures, there are other Structures that, although more focused on this activity, also support other sectors of the Group in terms of Management Systems and Procurement, and also has an Operational Centre installed in Montijo, in an area of more than 100,000 m<sup>2</sup> and which is an enormous additional value for the Group and for the services provided to its clients.

In addition to all those structures more directly linked to the operational area, there is a set of Central Structures and Services with special transversal support responsibilities, which constitute the so-called Corporate Area.

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 Engineering Establishment. From large infrastructures like bridges, dams, highways and other public works, as well as hospitals and large buildings considered historic landmarks, Teixeira Duarte is recognised 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 Complementary Groups of Companies (ACE) and other similar structures related to specific projects.

In 2021, 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 clients, suppliers and partners.

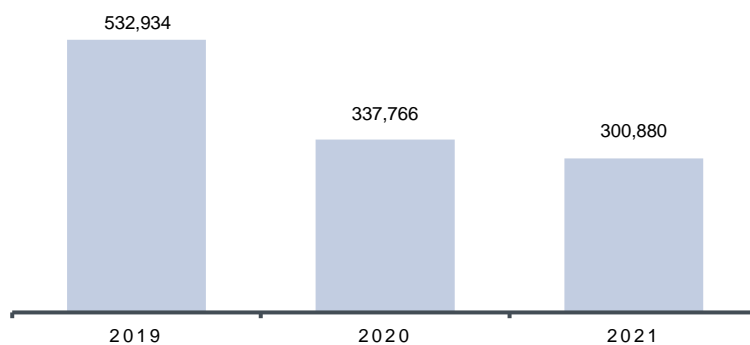
Since the beginning of this situation, in all projects that were able to proceed, Teixeira Duarte implemented a wide range of measures that varied according to the markets and clients, such as providing more bathrooms and canteens, taking temperature measurements, protective equipment, logistics to avoid contact with potentially contaminated areas, regular procedures for sanitising 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*.

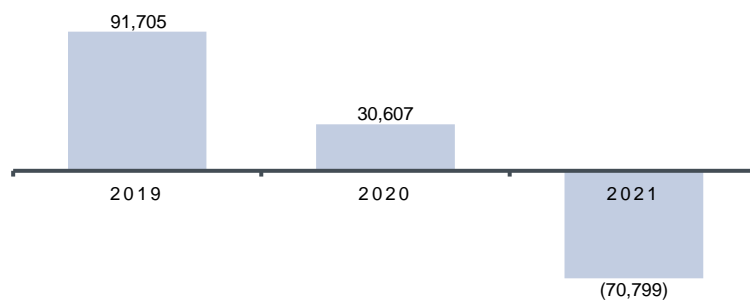


Joao Pessoa President Castro Pinto International Airport - Brazil

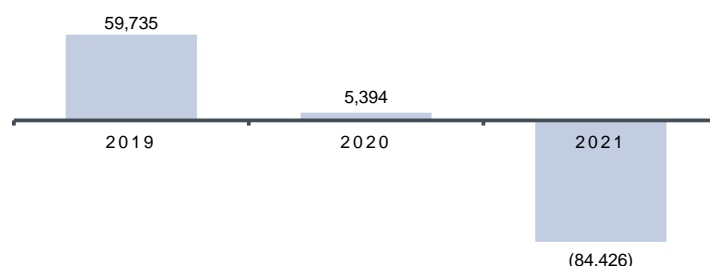
#### CONTRIBUTION OF THIS SECTOR TO THE GROUP



Evolution of Sales and Construction Services Rendered  
(Values in thousand euros)



Evolution of Construction Turnover  
(Values in thousand euros)



Evolution of Construction Operating Results (EBIT)  
(Values in thousand euros)

Sales and Provision of Construction Services overall decreased by 10.9% year-on-year.

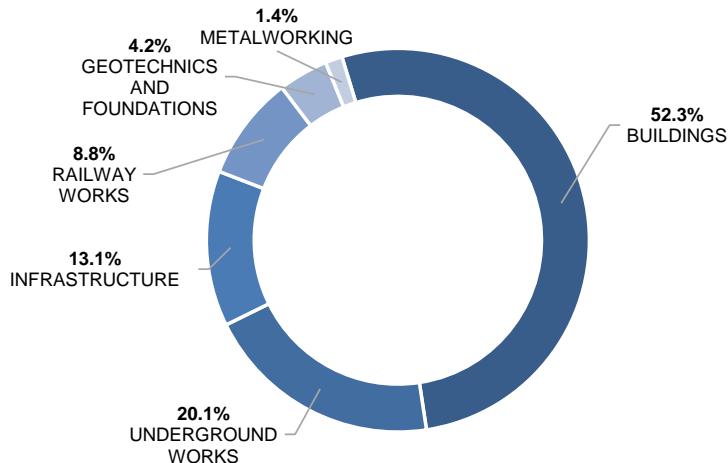
Portugal registered an increase of 16.9% compared to 2020, mainly due to the good performance of the private sector.

Foreign markets decreased by 28.2% year-on-year, which corresponds to a reduction of 58,698 thousand euros, influenced by the suspension of six works in Algeria and the recognition of losses from increases in income of 73,123 thousand euros.

In addition to the reduction in Algeria referred to above, Angola presented a decrease of 16.8% from the previous year, while the Brazilian and Mozambican markets showed increases of 28.6% and 89.3%, respectively.

Foreign markets now represent 49.7% of Construction Services Sales and Services, instead of the 61.7% it represented in 2020.

In terms of the different business areas in which Teixeira Duarte Group companies operated in 2021, it should be noted that the contributions, in consolidated terms, of each company were as follows:



Weight of the Areas of Action in Construction Sales and Services Rendered

EBITDA in Construction fell by 101,406 thousand euros compared to last year, reaching a negative EBITDA of 70,799 thousand euros in 2021.

The reduction in EBITDA was strongly influenced by the suspension of the six contracts in Algeria with an impact of 88,569 thousand euros and the negative variation of 6,040 thousand euros in operating exchange differences, as well as by the reduction in activity in Angola and Algeria, partly affected by the Covid-19 pandemic.

Operating Result reached a negative amount of 84,426 thousand at the end of 2021, a reduction of 89,820 thousand euros compared to the same period, to which the aforementioned Algerian impact of 76,455 thousand euros and the negative variation of 6,040 thousand euros in exchange rate differences contributed operational.

## ACTIVITY IN 2021

In non-consolidated terms and in order to gain a perspective on total activity in 2021, it is hereby reported that the operating revenues achieved by Group companies in the Construction sector reached an overall value of 388,277 thousand euros, a decrease of 14% compared to 2020.

## GEOTECHNICS AND FOUNDATIONS

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.

Overall, the activity developed in this area of Geotechnics and Foundations decreased compared to 2020, with Portugal continuing to be the main market, representing around 40% of the total, with the remainder of the activity distributed by the ongoing contracts Angola, Algeria, Brazil, Colombia and Mozambique.

In **Portugal**, the following works stand out:

- General excavation of soil and rock, anchored “Berlin” type peripheral containments and works with shotcrete and anchorages, as part of the construction of the “GRAND BAY RESIDENCES” project, in Cascais;
- For the client “BIG CITY”, a circular peripheral containment with a pile curtain and shotcrete was carried out in Porto;
- As part of the expansion of the “TRYBA/CAIXIAVE” facilities, an indirect foundation solution with micropiles was designed and built for the new industrial buildings for the expansion of the existing plant;
- As part of the contract for “SLOPE STABILISATION AT IP3 (KM48+650 and 55+600)”, earthmoving works, micropile curtains, reinforced concrete structures, drains and replacement of the pavement were carried out;
- Work was carried out for the containment of the Jamor River embankment, in Queluz de Baixo, for the Oeiras City Council. The solution included the reprofiling of the slope, installation of restraint nets nailed using mountaineering works, ending with the replacement of the crown of the street adjacent to the slope, restoring the necessary traffic safety conditions;
- Execution of a moulded peripheral containment wall for excavation with provisional anchorages and subsequent execution of foundation piles of the “PRESTIGO BUILDING”, in Porto;
- Peripheral containment through a moulded wall with several levels of provisional anchorages, installation of the entire monitoring system and subsequent general excavation of lot 33 of the Teixeira Duarte Group real estate development “FÁBRICA 1921”;
- Construction of the peripheral containments and indirect foundations of two residential developments, in Alta de Lisboa, having executed the respective moulded walls, provisional anchorages, monitoring system, foundation piles and general excavation;
- Several geological and geotechnical exploration and reconnaissance works were also carried out throughout the exercise, including rotation surveys with continuous sample collection and subsequent laboratory tests.

In **Angola**, the conclusion of the contract “Foundations and Reinforced Concrete of Silos and Grinding Factory”, carried out for “HIGITEC”, as well as the realisation of the indirect foundations and bottom slab of the “MFINDA Building” and also the execution of indirect foundations and reinforced concrete works in the factory for the “INDUVE – Indústrias Alimentares, S.A.”





Cacuo General Hospital, Luanda - Angola

In **Algeria**, due to the conclusion of the ongoing contracts in this area, the demobilisation of the equipment of this speciality that the Group had allocated for these works took place in 2021.

**Brazil** became the second most significant market in this area of activity, with around 20% of the total, with the following in particular:

- The completion of the works within the scope of road contracts “BR373 and BR376, in Ponta Grossa, Paraná state, contemplating the services of foundations on moulded piles using polymers and root piles, in addition to containment of slopes with definitive anchorages, nailing, lining mesh for slopes and application of shotcrete;
- Execution, for “BAMIN”, of the “Foundations of the road bridge over the Almada River”, in the city of Ilhéus in the state of Bahia, contemplating the setting of tubular metal piles, with a diameter of 800 mm, installed with a vibrator and impact hammer, with the aid of a provisional constructive platform of the “Cantitravel” type, which was specially designed and developed for this purpose, allowing successive advances in 26-meter spans;
- Execution, for the “VALE”, of the deep foundations, by the monitored continuous auger solution, for the “Brumadinho Memorial Installation” in the state of Minas Gerais, with diameters ranging from 500 mm to 800 mm, for a total of 10,361 meters;
- For “Camargo Corrêa Infra”, the foundation of the project for “Implementation of Section III of Line 1 of the Salvador Subway System” was concluded, in the state of Bahia, contemplating the execution of large diameter piles (1800mm), with embedding in a rock matrix;
- For “Engetec”, the execution of deep foundation piles of large diameters (1600mm and 1200mm) began, with a total of 809 meters, with recessed in rock matrix, for the OAE-402 Special Artwork, integrated in the “Construction and implementation of the São Sebastião Contour”, located on the north coast of the state of São Sebastião Sao Paulo;
- Also highlight in the building works segment the “Reserva Alta Vista” project, located in the city of Jundiaí, state of São Paulo, contemplating the execution of the foundations of two residential towers on moulded piles, with diameters ranging from 800 mm to 1600 mm, for a total of 3,866 meters.

In **Colombia**, the Group participated in some of the most important public contracts with indirect foundation work for piles and slope containment with shotcrete, Californian drains, nailing and definitive anchorages, among which “CONCESSION FERROCOL — UNIT FUNCTIONAL 7 Y 8” for the FERROVIAL/COLPATRIA consortium and “PROYECTO MAR 2” for CHEC.

In **Mozambique**, the “Construction of Port Facilities for Nacala Port Development Project Phase I & II” work was completed in Nacala, carried out under the subcontract for the Japanese consortium “Penta Ocean/Toa”, Construction of the Port of Nacala, Phases I and II, for the Ministry of Transport and Communications in Mozambique and given the economic contraction that the country is experiencing, only a few geotechnical prospecting works were carried out.



## 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 2021, the Group operated in this area in Portugal, Angola, Algeria, Brazil, Mozambique and Kuwait.

Overall, in 2021 we saw a 36% growth in activity compared to that recorded in 2020, and the same was true for the main economic indicators.

This growth in turnover was supported by the markets of Portugal, Kuwait, Brazil and Mozambique, which recorded significant increases in activity compared to 2020.

In Angola, the trend towards a reduction in the volume of work, which has been accentuating since 2018, has continued.

Portugal continued to assume itself as the main market in the area of Buildings with a contribution of around 60% of the total operations in this area.

In **Portugal**, activity grew by 25% in 2021 compared to 2020, thus resuming the growth cycle started in 2017.

Despite this situation, in 2021 and similar to what was observed in the previous year, the activity continued to suffer severe constraints resulting from the Covid-19 pandemic and also from the lack of labour that occurs in the construction sector in Portugal, situations that prevented an increase even more expressive workload in 2021.

The year was also marked by the anomalous rise in the prices of raw materials and in particular of construction materials, as a consequence of disruptions in the global logistics and production chains caused by the Covid-19 pandemic, as well as by the significant increase in the cost of labour, situations that impacted direct form in the contracts in progress in 2021.

Throughout 2021, there continued to be a strong dynamic in the private real estate market, with a special focus on new housing construction and construction of offices, which constitute the vast majority of our current portfolio, from which a new growth in activity is expected for 2022.

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.

In this market, in 2021, the housing and commercial development “One Living” - Lot 2, in Cascais, as well as the Amoreiras Garden development, for EMGI, for 11.4 million euros and the Valrio I development, in Lisbon, for ENIGMACROPOLE for 15.2 million euros, was concluded for the real estate company of the Teixeira Duarte Group million euros.

Still in 2021 and also for the real estate company of the Teixeira Duarte Group, the housing and commercial developments “One Living” - Lot 1, in Cascais and the 1st phase of the “1921 Factory”, in Benfica, continued. The River Plaza project, in Vila Nova de Gaia, was also started.

During 2021, following the contracts signed in 2019 and 2020 for the Development at the Entrada Nascente de Cascais for GRAND BAY RESIDENCES - SICAFI, S.A. and AUCHAN RETAIL PORTUGAL, S.A., two further amendments to the contract were signed in June and December, of the value of 17.5 million euros, corresponding to the finishes and special installations of Lots 2 and 3 of the Residential Project.

For OCM Capital Partners, the contract for the “Villa Unika” project, in Cascais, worth 14 million euros, also of a residential nature, with 16 apartments, was continued and, for the same client, the Lot 14.3 and 14.5 contracts started in Alta de Lisboa.

Also associated with the “Valrio” project, ENIGMA COLOSSAL continued the contract for the “Valrio II” building in Lisbon, with a total of 55 apartments and an award value of 8.9 million euros.

For Reformosa, the construction of the “High Lapa” and “Legacy” housing projects in Cascais continued.

For EMGI, a contract was initiated for the rehabilitation of a residential building on Avenida da República 55, in Lisbon, and for the Sete Colinas Closed Real Estate Investment Fund, the “Dom Luís Boavista” building, which will give rise to a hotel.

In different areas of activity, the projects of the “Henrique Mendonça Palace”, in Lisbon, for ISMACO and Beneficência Familiar in Porto continued in 2021, and the works of the “Hoso Tower” in Porto for the Rational Cipher, of the “MUDE - Design and Fashion Museum”, in Lisbon, for the Society of Urban Rehabilitation, from “iBET - Biofarma”, in Oeiras, to iBET - Institute of Experimental Biology and Technology and the Senior University in Seixal for Uniseixal,

In **Brazil**, in 2021, there was, as expected, an increase in activity of approximately 40% compared to 2020, resulting from the completion of the contract for the “Feira da Madrugada” and the contract for the construction of Phase 2 of the “Brasília Cathedral”. Despite the constraints imposed by the Covid-19 pandemic throughout the year, the economic situation in Brazil improved due to the continuity of aid in 2021, implemented by the Federal Government in 2020, to the States and Municipalities, companies and the most disadvantaged population, which promoted the increase in the consumption of services and consequently industrial production.

In the course of 2021, in addition to the outstanding works related to the “Feira da Madrugada” for the São Paulo Shopping Circuit SPE S.A. and the “Cathedral of Brasília” for the Universal Church of the Kingdom of God, four new contracts are also being registered: the construction of a Temple for the Mormons, in the city of Salvador, in the State of Bahia, of a value of approximately 253 million reais; the shopping centre renovation works in the city of Franca, in the interior of the State of São Paulo, for Aliansce Sonae, of a value of 17 million reais; the works of the Regional Hospital of Ourilandia do Norte, in the State of Pará, for Vale, of a total value of 101.85 million reais; and the renovation and expansion works of Joao Pessoa President Castro Pinto International Airport and Campina Grande President João Suassuna Airport, both in the State of Paraíba, for AENA Brazil, in a consortium with leadership of Teixeira Duarte and corresponding value of 145.5 million reais.

For 2022, a new growth in activity resulting from the works in the portfolio is expected and also from the expected increase in private investment motivated by the stimulus to the economy promoted by the Central Government in the area of concessions.

In **Angola**, the weak performance of the economy during 2021 by the vaccination process against Covid-19, strongly conditioned the construction environment, delaying the start of new projects, both public and private, whose investments remained at historically low levels.

On the other hand, the increase in inflation had a very significant impact on the construction industry, reaching exceptionally low levels of activity.

However, the significant increase in cement and clinker imports, which occurred during the last quarter of the year, is a positive sign that allows us to foresee a moderate growth in activity for 2022.

In this context, the contract for the construction of the General Hospital of Cacuaco for Alkra Technologies FZ-LLC, which took place in the last quarter of 2021, in the last quarter of 2021, is part of a structured financing by VAMED Engineering Deutschland GmbH, with a value of 9.5 million of euros, whose main works focus on the execution of indirect foundations and reinforced concrete structure. The contract, carried out in consortium with Alves Ribeiro, is scheduled for completion in September 2022.

With a gross construction area of 28,000 m<sup>2</sup>, spread over 6 3-storey buildings, the hospital will have a total of 302 beds, of which 272 are in hospitalisations and 30 in intensive care, 4 operating theatres, 4 delivery rooms and an oncology unit.

Thus, and taking into account the portfolio of works, namely in the hospital area, a moderate increase in the turnover of the Buildings area is expected for 2022.

In **Mozambique**, activity remained at low levels, as a result of the difficult economic and financial situation that the country is experiencing in recent years, aggravated by the impact of the 2nd year of the Covid-19 pandemic.

In this context, in addition to the effects of climate disasters and the instability caused by the armed conflict that has plagued the north of the country, a significant change in the low levels of activity for the construction area is not expected in 2022.

During 2021, under the contract for the Construction of the Port of Nacala, Phases I and II, for the Japanese consortium “Penta Ocean/Toa”, the construction of support buildings continued.

In the second semester, the contract for the design/construction of an Administrative Building in Porto Maputo is registered for DP World, for an amount of approximately 3.5 million euros.

In **Kuwait**, Teixeira Duarte continued the contract for the construction of the Umm Al Hayman Wastewater Treatment Plant for WTE Wassertechnik GmbH — Kuwait Branch, of a value corresponding to around 166 million euros. As occurred in 2020, construction activity continued to be strongly conditioned by the effects of the Covid-19 pandemic in 2021.

The measures enacted by the local authorities limited, for much of the year, the entry and movement of people, goods and services in the state of Kuwait, which severely affected the adequate mobilisation of human resources, equipment and materials for this project, which led to a progression of the work much lower than expected and, consequently, caused the contract deadline to be extended to December 2023.

In the last quarter of 2021, with the easing of the restrictions related to the Covid-19 pandemic, it was possible to meet the necessary conditions for the normal development of the work plan for the contract.

Thus, for 2022, while maintaining current conditions, we will see a significant increase in production levels in this contract and consequent billing, compared to what occurred in 2021.



Barra do Cuieté Bridge, Minas Gerais - Brazil



“One Living” Venture, Cascais - Portugal





UMM Al Hayman Wastewater Treatment Station - Kuwait

## INFRASTRUCTURE

In the area of Infrastructure, the Teixeira Duarte Group companies bring together a wide and diverse set of works carried out, namely roads and highways, bridges and viaducts, dams, tunnels, railways, railroads and interfaces, maritime, river and port works and works, environmental construction and also water and natural gas infrastructures.

In 2021, the Group had contracts in Portugal, Algeria, Brazil, Colombia, Ecuador, Mozambique and Venezuela, and also continued technical and commercial activity in some countries in Latin America, Africa and Europe, which allows to foresee, in the short or medium term, the award of some contracts in these geographies.

In **Portugal**, the activity grew, with the following contracts standing out:

- Continuation of the work for the real estate company of the Group, of the infrastructures of the urbanisation of the “Vila Rio” development, in Póvoa Santa Iria;
- Start of work for REN - National Electric Network for Slope Rehabilitation and Reinforcement of the Carvoeira Substation, in Torres Vedras, which consists of the complete excavation of existing landfills with about 66,000 m<sup>3</sup>, execution of draining ditches, execution of new landfills in rockfill and replacement of the access;
- Within the scope of the Complementary Group of Companies called ACE Viadutos do Campo Grande, constituted by Teixeira Duarte - Engenharia e Construções, S.A. and its subsidiary SOMAFEL - Engenharia e Obras Ferroviárias, S.A., the development phase of the implementation project of the Contract Design and Construction of the rough, finishes and systems within the scope of the Lisbon Metropolitan Expansion Plan – Extension of the Yellow and Green Lines – CAMPO GRANDE VIADUCTS – LOT 3. It should be noted that the execution project was developed using the BIM methodology, constituting a challenge in the scope of innovation and technological development of the Company;
- For IP, Infraestrutura de Portugal, S.A., the Modernisation Contract for the Beira da Alta Line, Celorico da Beira – Guarda section, has begun, which is carried out in a consortium in which the company of the Group “SOMAFE – Engenharia e Obras Ferroviárias, S.A.” is also included. The intervention includes the Celorico da Beira, Vila Franca das Naves, Pinhel and Guarda stations, as well as five stops: Baraçal, Maçal do Chão, Cerejo, Trajinha and Sobral;
- For IP, Infraestrutura de Portugal, S.A., the contract for Via and Catenary between Évora and Elvas/Fronteira and civil construction of the sub-section Évora – Évora Norte was started, which is carried out in a consortium in which the company of the SOMAFEL Group - Engenharia e Obras Ferroviárias, S.A. is also integrated. The project is part of the so-called International South Corridor (CIS) and aims to connect the Southern Ports (Sines, Setúbal and Lisbon) and the Spanish border (Caia/Badajoz).

Also in Portugal, the following contracts carried out in the area of Rehabilitation are highlighted:

- For the University of Coimbra, the “Contract for the execution of the rehabilitation of the roofs and facades of the São Pedro College of the University of Coimbra”. The intervention building, named St. Peter's College, is integrated into the Paço das Escolas, classified as a National Monument, and is part of the University of Coimbra area, also classified as a World Heritage Site by UNESCO. The planned works include the rehabilitation of the roof of the building, including chimney, the restoration of the facades, the repair or replacement of existing wooden frames, the conservation and restoration of stonework, as well as ordinary maintenance actions;
- Also for the University of Coimbra, and in the same patrimonial framework as the previous work, the “Contract for the execution of the rehabilitation of the roofs and facades of the Sala dos Capelos and Royal Palace of the University of Coimbra”;
- For “CLT - Companhia Logística de Terminais Marítimos, S.A.”, the contract for the rehabilitation and reinforcement of structures at the Sines liquid bulk terminal (TGLS) began. This relevant intervention at the Terminal includes the rehabilitation and reinforcement of various structures, and will be subject to the availability of the TLGS stations where the contract takes place, and GALP intends to maintain the operation without constraints.

In the area of maritime infrastructure, two works stand out in Portugal:

- The consortium led by Teixeira Duarte continued to execute the contract for reprofiling the -10m (ZH) pier, repaving the Port embankment and improvement of the technical networks integrated therein and dredging of the port basin of Ponta Delgada port, on the island of São Miguel, for Portos dos Açores;
- The contract for the extension of the outer breakwater and the maritime accessibility of the Port of Leixões began in 2021 for APDL - ADMINISTRATION OF THE PORTS OF DOURO, LEIXÕES AND VIANA DO CASTELO, S.A., which integrates the works to extend the outer breakwater to a length of 300 m, as well as the Maritime accessibility, contemplating the deepening of the access channel and the rotation basin, by dredging incoherent and rocky material, in addition to the partial demolition of the North Jetty, in an extension of 80 m, and reconditioning of its forehead in a rearmost position. This contract was awarded for the value of 130.3 million euros to the consortium led by Teixeira Duarte — Engenharia e Construções, S.A., and has an execution period of 900 days.

In **Algeria**, after the impact of the pandemic that caused the suspension of all works for a long period of time after the closure of the Algerian Borders, decreed on 19 March 2020, the political and economic situation continued to condition the development of the activity, with the greater part suspended works, with the exception of maritime works “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 the E.C.R.N. “L'établissement de Construction et de Réparation Navales” (part of the Algerian Ministry of National Defence), based at the Mers-el-Kebir Naval Base, which continued to develop as normal as possible and is expected to be completed in the first half of 2022.

In **Mozambique**, the consortium led by Teixeira Duarte — Engenharia e Construções, S.A., continued to carry out the work for the “Construction of Port Facilities for Nacala Port Development Project Phase I & II” in Nacala, carried out under the subcontract for the Japanese consortium “Penta Ocean/Toa”. The work includes the reconstruction of a 400-meter-long pier and the construction of container parks, railways, buildings and multiple infrastructures.

In **Cape Verde**, the Covid-19 pandemic continued to have an impact on the expansion and requalification of the English Port in Ilha do Maio, although less significant than last year, which allowed the turnover to have grown considerably in that country.

In **Brazil**, despite the negative effects felt by the Covid-19 pandemic, the Group registered an increase in its activity in this area of Construction in the order of 60% compared to the previous year, which became the market with the highest volume of activity in the area of infrastructure, with around 40% of the total.

This growth contributed, on the one hand, to a significant increase in activity and also the fact that, for the first time, rehabilitation activity was integrated within the infrastructure area.

In terms of the activity carried out during the period under review, we highlight the following contracts:

- For the DNIT - National Department of Transport Infrastructure, the elaboration of projects and execution of duplication works on the BR-116/BA Highway - Lots 06, with a length of 40 km, continued at a pace conditioned by the availability of the public budget, in the State of Bahia. It is a project of duplication of one of the most important highways in Brazil, in a state very lacking in infrastructure and where the economy has grown at a faster pace than the infrastructure available for its development. This project made moderate progress in 2021, having, despite all the constraints and with a lot of effort on the



part of the construction consortium, allowed the opening to traffic of another 18 km of duplicate road, with a very positive impact for the region;

- For VALE do Rio Doce, S.A., the execution of civil works to increase the Itabiruçu dam massif to an elevation of 850m was continued in the municipality of Itabira, Minas Gerais State, and it is expected that during 2022 this work will be practically completed;
- Also for the same client, in June 2021, the total contract for the execution of civil works for the reinforcement of the Santana Dam, in the municipality of Itabira, State of Minas Gerais, was contracted, in the case of another contract of reinforcement by downstream of the dam body, increasing its safety coefficient by compliance with the new regulations in force. In parallel, the other organs of the dam will be adapted and maintained, namely the flood unloader and drainage systems;
- The services of drilling and blasting in rock with explosives, excavation, loading, transportation, discharge of ore and sterile materials, preservation of equipment circulation paths, spreading and deposition of the transported material were continued for Atlantic Nickel, S.A., next to the city of Ipiáú, in the municipality of Itagibá, in the State of Bahia. It is a pure open-pit mining operation contract, executed in a consortium with four other companies, and is expected to be concluded in June 2022;
- Also for Atlantic Nickel Mineracao, Ltda. the execution of the Santa Rita Dam enhancement services was successfully completed in May 2021;
- For “BAMIN - Bahia Mineração, S.A.” (BAMIN), the contract for the Provision of Engineering and Civil Construction Services under Full Contract Regime was continued, for the “Initial Works Necessary for the Future Implementation of the South Port”, which consist of the construction of the intersection and the industrial access road to the future South Port, next to the city of Ilhéus, in the State of Bahia, including the Almada River Bridge, the BA-648 Viaduct and the execution of a 12km long access road;
- For RODONORTE - Concessionária de Vias Integradas, S.A. - CCR Group, concluded the Contract for the Implementation of the Intersections of Priorities 05A and 05B Located at BR-373, Km173 and Km180 on Avenida Souza Naves and I60 located at BR-376, km 499, in the Region of the City of Ponta Grossa, State of Paraná, under the concession of the aforementioned RODONORTE. This work consisted of the construction of three road intersections on the BR-373 and BR-376 highways, covering works of a multidisciplinary nature, highlighting the activities of earthworks, paving, special works of art, retaining walls, slope stabilisation works, special foundations and diversion of interferences of a various nature;
- On 26 November 2021, the contract for the Santa Teresinha Road Complex and Structural Reinforcement of the Castelo Branco Viaduct was signed with the Municipality of Santo André. It is a work to be carried out in a consortium, whose project consists of the construction of a road complex materialised by a network of viaducts in a strongly urbanised point, with a view to improving the flow of traffic in an area of heavy congestion. Also part of the contract purpose is the structural recovery of a viaduct in service that shows increasing signs of deterioration, requiring immediate intervention;
- For DNOCS - National Department of Works Against Droughts, the Execution Contract for the Remaining Works for the Construction of the Fronteiras Dam was also signed in December 2021, in the Municipality of Crateús, in the State of Ceará. The project consists of the execution of the remaining works of a dam and its complementary bodies and accesses.

In the area of rehabilitation, the following contracts executed for VALE stand out in 2021:

- Multi-year maintenance contracts were continued at Estrada de Ferro Vitória — Minas Gerais;
- Contract for the replacement of the Cuieté Bridge, a work with a strong engineering component, on the Vitória - Minas Railroad, which ended in November 2021;
- In the region of Mangaratiba, in the State of Rio de Janeiro, the Structural Recovery contract for the Quay of the Guaíba Island Terminal (TIG) stands out;
- Hiring another contract for the structural recovery of Pier-2 in Porto do Tubarão, State of Espírito Santo, whose work consists of the rehabilitation and structural reinforcement of a reinforced concrete pier.

For 2022 there are encouraging signs of recovery in the construction sector in Brazil, focusing on the area of infrastructure, allowing us to look at the coming years with some optimism.

In **Ecuador**, the crisis caused by the Covid-19 pandemic has further aggravated the chronic problems facing this country, a situation that has led to strong containment in terms of investment in infrastructure. Nevertheless, the monitoring of this market was maintained, where a project of relevant dimension (Daule-Guayaquil Bridge, over the Daule River) was concluded in 2020, with success recognised by all.

In **Venezuela**, the current works contracts were suspended, with no glimpse of their resumption in the near future. The Group's activity in Venezuela remained limited to the operation of Puerto de La Guaira — the developments of which are described below in this report within the scope of the activities of the subsidiaries operating in the area of Concessions and Services.

In **Colombia**, the first infrastructure contract in this country was signed, which corresponds to the first work to be carried out under the mega project of the first metro line in Bogotá, with an extension of 18 km, for the concession company of Line 1 of the Bogotá Metro, and the work consists of the construction of a lower passage to Avenida Caracas, with phased containment in moulded wall, respective excavations and shoring, in conjunction with the necessary traffic diversions, and execution of definitive reinforced concrete structures.

The year of 2022 will be decisive for the assessment of this market and of the Group's future position in relation to it.



Évora and Elvas Line/Évora/Évora North border and subsection – Portugal



Port of Ponta Delgada, Azores - Portugal





Bridge over the Almada River, Ilhéus – Brazil

## METALWORKING

The Metalworking area has a strong vocation for metal construction, showing particular expertise in its manufacturing and assembly aspects, combined with a specialisation in technologies in the field of mechanics and oil-hydraulics. This valence enables the Group to study, develop and implement technical solutions of high complexity and precision, including the movement and assembly of large structures.

These activities, developed directly for external clients, or in an integrated manner with other areas of the Group, include projects for the rehabilitation and construction of metallic or mixed bridges and viaducts, buildings, industrial constructions and hydromechanical equipment.

In 2021, the Metalworking activity developed with an important contribution to several projects in Portugal, Algeria and Brazil.

Overall, there was a decrease in the volume of activity compared to the previous year.

In **Portugal**, a market in which there was some stagnation and postponement of decision-making on contracts in this area of construction, the activity remained without growth.

At the manufacturing facilities at the Teixeira Duarte Operational Centre, in Montijo, where the production of metallic structures takes place, the production for works of the Group continued, in projects such as “MUDE - Museum of Design and Fashion” and SIDUL Açucares, or for supply to external clients such as the BRISA and EDP Groups.

In the area of Mechanics, dedicated to the repair and maintenance of equipment, the collaboration was maintained with the Equipment Management and also with other companies of the Group such as EPOS, S.A. and external clients such as “SOMINCOR - Sociedade Mineira de Neves Corvo, S.A.”.

In the area of research and development, collaboration was continued with the project to develop an anti-seismic shelter “SHELTER”, within the scope of the Portugal 2020 Programme.

In 2021, for the manufacture of metal structures at the Teixeira Duarte Operational Centre, in Montijo, the EXC4 Execution Class Certification was obtained according to the standard “EN 1090-1:2009 +A 1:2011”. This is the highest level of Factory Production Control Certification under that standard.

In **Algeria**, the activity was maintained in collaboration with other areas of activity, especially the participation in the contract “Structures Génie Civil et Maritime or Installation d'un Complexe élévateur a Bateaux”, following the contract established with “L'Etablisseed de Construction et de Réparation Navales (E.C.R.N.)”. In this large and technical complexity enterprise, the Metalworking's participation was

highly important, namely in the installation of various technical equipment and installations, as well as in the entire process of training and knowledge transfer to the owner.

In **Brazil**, the activity was maintained at a significant level, having participated in projects in partnership with the other areas.

The Metalworking area participated in the construction of the Brasília Cathedral, for the UCKG, in the supply and assembly of metallic structures, some of which were of great complexity, especially the assembly of the roof with a procedure using a high-precision oil-hydraulic system.

The construction of the bridge over the Almada River, a work with a very significant metallic component, in Ilhéus, Bahia, was completed with the Brazilian law firm, in Ilhéus, Bahia, for “BAMIN - Bahia Mineração, S.A.”.

For VALE, the contract called “Replacement of the Cuieté Bridge” was carried out in Conselheiro Pena (Minas Gerais), consisting of the work on replacing the railway bridge with a new bridge, with the use and adaptation of the existing bridge for road traffic. To this end, a complex engineering solution was developed and implemented for the replacement of the bridge, and the work was carried out with total success and customer satisfaction, similar to other projects previously executed.

For the 2022, despite the well-known global contingencies, namely with the increasing evolution of prices and scarcity of raw materials, and the consequent high degree of uncertainty, intense and attentive commercial action has been maintained, with the exploration of business opportunities and the presentation of various proposals, both in the markets where there has been activity, or in other markets, namely in Europe.



Mers El Kebir Boat Lift — Algeria

## UNDERGROUND WORKS

For Underground Works, the Teixeira Duarte Group holds 100% of the capital in specialised company, "E.P.O.S. - Empresa Portuguesa de Obras Subterrâneas, S.A." (EPOS, S.A.), which, since 1986, has been active in the area of civil engineering and in the mining area, with branches operating in Brazil, Colombia, Spain and Peru.

The year of 2021 was characterised by the continuity of the pandemic state and the inevitable impact on the normal development of the activity. However, its effects on the dynamics of the company's activity were not as severe as last year.

In this context, the volume of activity in this business area was approximately 23% higher.

It was in **Portugal** where the growth in activity was most significant, with an increase of more than 50% when compared to 2020. The Portuguese market thus reinforces its leadership position with 49% of the total activity, mainly due to the result of the activity at the Neves Corvo Mine in the execution of the contract for the development of mining infrastructure, drilling, loading, sustaining and removing ore, transportation and application of shotcrete for the client SOMINCOR - Sociedade Mineira de Neves Corvo, SA., and this contract is in the process of being concluded, so a possible new 3-year contract is being negotiated with the client.



**Brazil** remains the most important foreign market in this business area, representing around 30% of the total, with the Cuiabá Mine contract for client Anglo Gold Ashanti, Córrego do Sítio — Mineração, S/A, which runs until 2024. EPOS is commercially involved in large mining projects, committed to a strategy of growth and diversification of customers in order to minimise risk exposure.

The operation in **Spain** registered an increase of around 8% in turnover this year, maintaining the activity exclusively for the client “MATSA – Mina de Aguas Teñidas S.A.U”, with the main contract ending in 2025, with 20% of the works being executed so far.

In **Colombia**, the only contract in execution corresponding to the subcontract of the La Paz Tunnel for the FERROCOL consortium was concluded, and during 2021 important commercial proposals for the future maintenance of the activity in that country were studied, with the respective return on that investment.

In **Peru**, the Lima metro contract for the “Consorcio Constructor M2 Lima” for “Excavación, Revestimiento Primario Y Revestimiento Secundario de Los Túneles Ramales Natim, of Acesso Al Patio Taller Santa Anita” is nearing completion, with profits doubling for the year previous.

In terms of budgeted proposal volume, the market contributing most in 2021 was Brazil with 39%, followed by Peru with 26%, Spain with 23%, Colombia with 8%, and finally Portugal representing only 5%.

In a significant part of this volume of proposals submitted in 2021, the process was not completed by the respective contracting entities, which postponed the decision making, and there is a good prospect that the year of 2022 will bring the corresponding return in terms of awards and respective contribution to the increase in the success of the company.

It is also expected that the start of the Recovery and Resilience Plan, as well as the continued implementation of Portugal 2020, will boost the country's growth, through the reinforcement of public investment in construction and public works, with an increase in labour shortages, and the extension of the deadlines for delivery of services, equipment parts and new equipment.



La Paz Tunnel — Colombia



## 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" – all hereafter referred to as SOMAFEL.

In this area, SOMAFEL has consolidated its operational operations in the railway area, which currently enshrines Portugal (50% of the total) and Brazil (30% of the total) as its two main markets, also maintaining productive activity in Algeria, Mozambique and Gabon, these three markets together represent the remaining 20% of the activity of this subsidiary.

In Portugal, its activity focused practically only on the maintenance contract for Lot 1 and 2 of the National Railway Network, while in Brazil work was carried out indirectly linked to the railway and in Gabon the provision of heavy mechanical attack services. In Algeria, work was completed on the rolling path of the military base in Oran and in Mozambique the road work started at the Port of Nacala.

It should be noted that in Portugal, the important works raised in 2020 suffered delays in their administrative processes in the contracting phase and delays in obtaining environmental IP licenses by Infrastructures of Portugal, with particular emphasis on two works on the Beira Alta Line and the rail link between Évora and Elvas, recognised as the largest new railroad construction project of the last 100 years in Portugal. This set of events culminated with the slippage at the start of work for 2022, hampering the Group's performance in this area in 2021.

Regarding commercial activity, studies and proposals were developed for the central and northern European markets and for countries in Latin America and Africa.

The year of 2021 is marked by the investment in a new heavy mechanical attack group, consisting of a MATISA B66U-C Lacing and a MATISA R21 Ballast Adjuster. This is a major increase in SOMAFEL's production capacity and an important technological advance in its capacity, since these devices are equipped with the most sophisticated systems on the market.

The prospects for the coming years in this area of activity remain promising both due to the portfolio of works already collected, in particular, in the domestic market, and in the global perspectives of strong investment in the railway.

It should be noted in this regard that the objectives outlined by the Paris Agreement and the targets for 50% reduction of CO2 emissions by 2030 and emission neutrality by 2050, will only be possible to achieve with a strong investment in the railway module. In this sense, the European Commission plans to double existing high-speed lines by 2030 and increase freight transport by 50%.

Also in Africa and Latin America, the strong demographic pressure on large cities will boost the construction of rail means of transporting passengers and goods.



Rail loading/unloading operation – Portugal



Carajás Railroad - Brazil

## IV.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 and Facilities Services, the Environment, educational activities in Angola, small hydroelectric power stations in Brazil, and the operation and management of a port in Venezuela.

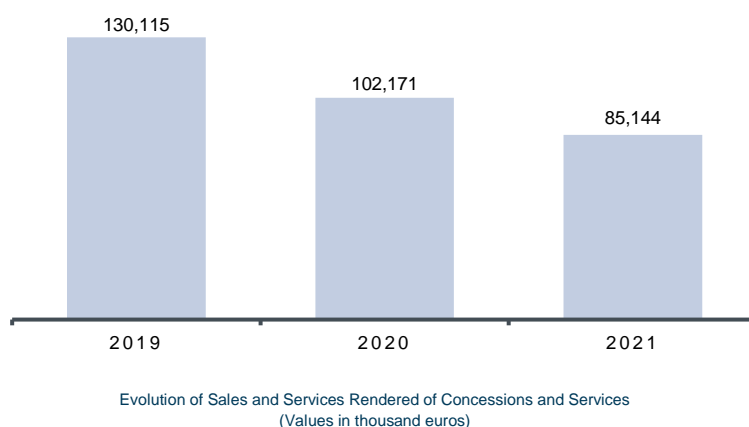
In this sector, Teixeira Duarte also holds several non-controlling interests in other companies whose management is not conducted by the Group's structures and which, in almost all cases, are not included in its consolidation perimeter. Various notes are also presented at the end of this chapter on the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

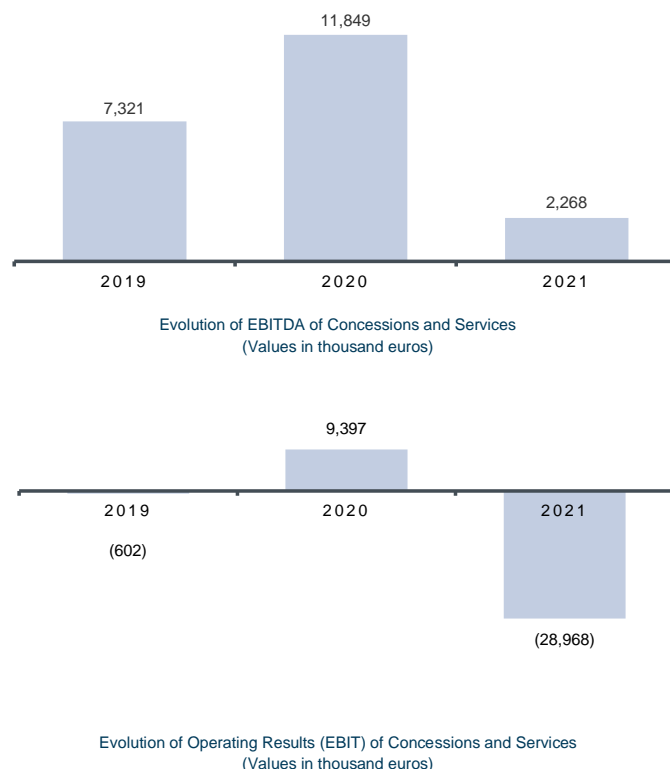
Teixeira Duarte's activities in all of these markets were affected by the Covid-19 pandemic situation, albeit in different circumstances and with different scopes depending on the areas of activity, the percentage of capital held by these entities, the countries, the official measures implemented there and measures put in place by other stakeholders, specifically clients, 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 sanitise 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*.

### CONTRIBUTION OF THIS SECTOR TO THE GROUP





Sales and Services Rendered of Concessions and Services decreased 16.7% year-on-year.

In **Portugal**, values were similar to the previous year, still impacted by the Covid-19 pandemic situation.

It should be noted that in **Angola** where the Group decreased by 1.6% compared to 2020, disregarding the devaluation of the Angolan Kwanza, the Group would have registered an increase of 10.9% in Angola.

In **Brazil**, the Group registered an increase of 18% compared to the same period last year, impacted by the devaluation of the Brazilian Real, so that without the devaluation effect, the increase would be 27.9% compared to 2020.

In **Mozambique**, the Group registered a 36.8% increase in Sales and Services Rendered. In Venezuela, the operation of Puerto de La Guaira registered a 29% drop in Sales and Services, reaching 9,280 thousand euros, corresponding to a decrease of 3,795 thousand euros, as a result of BOLIPUERTOS' occupation of the facilities assigned to Puerto La Guaira.

EBITDA in Concessions and Services stood at 2,268 thousand euros, corresponding to a decrease of 80.9% compared to the previous year, penalised by the operation of Puerto La Guaira as well as by the situation derived from the Covid-19 pandemic.

The Operating Result on Concessions and Services reached a negative amount of 28,968 thousand euros, which translates into a loss of 38,365 thousand euros compared to last year, penalised by the operation of Puerto La Guaira, with the recognition of losses of 33,431 thousand euros related to the Concession and also by negative variation in operating exchange differences of 6,018 thousand euros compared to 2020.

## ACTIVITY IN 2021

In non-consolidated terms and in order to provide a perspective on total activity in 2021, we report that the Group's operating revenue in the Concessions and Services sector reached a total value of 88,736 thousand euros, 55% of which came from overseas activities. Overall, these values reflect a year-on-year decrease of 15% when compared to 2020. 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, 77% comes from the Facilities Management area and 6% from the Environment area.



## FACILITIES MANAGEMENT / FACILITIES SERVICES

The Teixeira Duarte Group has been performing Facilities Management / Facilities Services activities since 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 optimisation. In this regard, emphasis is placed on the partnership project for the development of the Glose EAM.

Given the economic situation in **Portugal**, 2021 was a year of stabilisation 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, the renewal of some contracts such as LUSÍADAS SAÚDE stands out. It should also be noted the start of new contracts with clients such as UPFIELD, MINICLIP and HOTEL RITZ. Thus, in a difficult year, TDGI was an important partner for its customers, actively contributing to the rationalisation and efficiency of the management of their facilities.

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 specialised technical work that TDGI has been carrying out for both existing and future customers, as a result of the increased technical specialisation that it has been developing.

The “Space and Project Management” area continued to perform significant interior space remodelling processes, both in the buildings area, as was the case of the European University, and BBVA, and in industry, at 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 strong focus in recent years, with the strengthening of the contractual relationship with OZ ENERGIA through the start of the operation in the Port of Aveiro. Also in this area, the Project Management of the expansion works of the various facilities of this client should be highlighted. It should also be noted the work to develop a new sugar supply solution for the main production line of the SIDUL Açucares factory, in Santa Iria, with a view to the future expansion and modernisation of this line, which culminated in the award to TDGI of SIDUL's own Industrial Works Project.

In **Angola**, which continues to be one of the largest TDGI markets globally, the year of 2021 stood out for the maintenance of the main contracts, with reference clients in the area of banking and Oil & Gas. 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. Of note are the maintenance work carried out for TOTAL offshore on its Dalia and Girassol platforms. Similarly, there was continued commitment to training of teams and several technical training sessions were held for employee qualification purposes.

The activity of TDGI in **Algeria** during 2021 was essentially to monitor the end of the execution of the work of the new headquarters building of Bank AGB, in Algiers and the start of the maintenance contract, which will be the responsibility of TDGI for a period of two years after the completion of the work, i.e., until 2023.

In **Belgium**, TDGI strengthened its ongoing operations at H&M stores, while also initiating a maintenance contract with Apple. This new contract reflects the TDGI'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 with very low occupancy throughout the year.

In **Brazil**, despite the negative impact of the Covid-19 pandemic situation, it was possible to increase the turnover of previous years as a result, essentially, of the increase in work with existing clients and also due to new contracts and interior remodelling works.

In **Spain**, the year of 2021 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 TDGI's activity. Even so, it was possible to conclude new contracts, as a result of the commercial work that has been carried out, such as the provision of services to Dräger, and the beginning of relations with Percassi, which allowed the conclusion of a contract for the maintenance of four stores of brands globally recognised as Lego, Victoria Secret, and Nike.

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, which has been a strong focus point of TDGI, it was possible to maintain contracts with several entities, such as BAKER HUGHES, SCHLUMBERGER and also to strengthen the contract with ENI. In the Industrial sector, emphasis should be placed on the ongoing maintenance contract for the CERVEJAS DE MOÇAMBIQUE factory. In the area of banking, mention should be made of the new Facilities Management contract with Banco ABSA and also the increase in contractual scope with Banco BCI. 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 2021 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 five years, for its facilities - the largest hospital in the Middle East: the Sidra Medical & Research Centre. In 2021, TDGISERV also won three contracts with Hamad Medical Centre, in the area of Health. These new contracts reflect the commitment that TDGI continues to make in Health in the various markets in which it operates and how the market recognises TDGI as an important player in this technical and specialised area.



Sidra Medical & Research Centre, Doha - Qatar

## ENVIRONMENT

"RECOLTE - Servicios y Medioambiente, S.A.U" (RECOLTE), wholly owned by the Teixeira Duarte Group, dedicated itself for several years to the provision of various services related to the environment in Spain, and in September 2019 an agreement was signed between RECOLTE and URBASER S.A.U. assignment of RECOLTE's contractual position in all Administrative and Private Contracts in the Area of the Environment, in Spain, which took place throughout 2020 and 2021, as the necessary requirements for each of these assignments were verified, with the purpose of confirming the withdrawal of Teixeira Duarte of this business area.

By the end of the period and after several meetings and proceedings with URBASER and the municipal entities, 17 of the 20 contracts had been transferred and 3 out of the 9 existing temporary corporate syndicates (UTES) 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 2022 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.

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

In this year and in this sector that, in another year, was heavily penalised by the Covid-19 pandemic situation and the containment measures implemented, EDUCARE maintained its operations in accordance with the recommendations that were being issued by the World Health Organisation, by the public entities responsible for health area where the company operates and, also due to its tutelage, balancing this design with the necessary steps to safeguard the continuity of the activity (guaranteed the availability of digital equipment and the training of teachers in skills that would enable their appropriate use of the emerging teaching models).

In order to have an idea of the factors that, as a result of the health crisis experienced, most directly impacted the development of the activity of the "Colégio S. Francisco de Assis Luanda Sul", the time of suspension of face-to-face teaching activities in preschool education, the effective reduction of students/classroom capacity (due to the obligation to establish social distance) with subsequent increase in the number of classrooms and teachers as a response strategy to the registered demand and, also, the maintenance of fixed charges for structures that no longer produce revenues (due to restrictions on schedules and use of spaces).

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 History A (the average was only 6 percentage points lower).

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

In September 2021, the school year started with a re-enrolment rate of around 83%.

Secondary education continued to provide Science and Technology (CT), Languages and Humanities (LH) and Socioeconomic Sciences (SC) courses.

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 the year of 2022, emphasis will be placed on renewal of the Technological Plan and the development of new ICT skills by teachers in order to enhance innovative teaching and assessment practices in digital learning environments, as well as the careful management of the various areas and resources of the "Colégio S. Francisco de Assis Luanda Sul" continuing the solid work that makes this College an educational reference at national and international level.





São Francisco de Assis College Luanda Sul - Angola

### SMALL HYDROELECTRIC PLANTS

“PAREDÃO DE MINAS ENERGIA, S.A.”, “GONGOJI MONTANTE ENERGIA, S.A.” are two companies governed by Brazilian law directly owned by Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. that own projects for the construction of Small Hydroelectric Plants (SHPs), being corresponds to an area of activity understood by the Group as non-strategic. In 2021, the sale of the company “TABOQUINHA ENERGIA, S.A.”, also the holder of a project in the same branch, was completed and the steps continued to be taken with a view to the sale of the projects or the extinction of the companies “PAREDÃO DE MINAS ENERGIA, S.A.”, “GONGOJI MONTANTE ENERGIA, S.A.”. Here, the retail energy prices and the pandemic situation constitute an adverse situation for the sale of these projects.

### PORT OPERATIONS IN VENEZUELA

Based on the license granted to Teixeira Duarte - Engenharia e Construções, the Group has pursued the marketing, maintenance, operation, administration, construction and use the “specialised 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 authorisation 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 optimise 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 commercialisation, maintenance, operation, administration, construction and use of the aforementioned La Guaira Port specialised container terminal, which has sufficient yard space to move 1,200,000 tonnes/year and a surface area of 17 ha; it has 693 m of docking berths and bottoms at 15.2 m. 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 5 ha of administrative and technical facilities and equipment maintenance and repair spaces.

This investment, in 2021, presented a performance in line with those of previous periods, keeping the port operational 24 hours a day, 7 days a week, which, considering the socioeconomic and political circumstances of this country, aggravated by the pandemic situation caused by Covid-19, reflects the effort and commitment of Teixeira Duarte in this operation.

Nevertheless, contrary to all expectations and at a time when working tables had been established with BolipuertOS and managing to overcome a number of issues that were dragging on and impacting the performance of the Alliance, we were surprised, on 15 October 2021, with the formal notification of BolipuertOS to unilaterally terminate the Alliance contract.

Unaware to this day of the reasons that motivated this unilateral and extemporaneous decision by BolipuertOS, in clear violation of the existing bilateral agreements and of the rights and expectations of Teixeira Duarte as an investor company in Venezuela for more than 40 years, Teixeira Duarte promoted the due diligence necessary to claim your rights, which is currently under negotiation.



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 - Engenharia e Construções, S.A. 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 Cascais Hospital building was completed in February 2010, TDHOSP's activity has 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 twelfth 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 2021. However, this expectation will only become effective at the end of April 2022, 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.

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. AEBT completed construction activities for its sections in November 2012, with a length of 25.6 km and has since then been operating a 60.2 km network. As at 31 December 2021, the Subconcession's purpose is:

- (i) Construction, operation, operation and maintenance of two sections of motorway, A33/IC32 - Palhais/Coima and A33/IC32 - Casas Velhas/Palhais (which includes the Trafaria Link and the Funchalinho Link), with toll collection for users, except for local traffic, with regard to the last section of the A33. The length of these roads amounts to about 25.6 km;
- (ii) Exploration, operation and maintenance of the sections at the time in service, IC32 - Coima/Montijo (IP1), IC3 - Montijo (IP1) /Alcochete, IC20 - Via Rápida da Caparica and IC21 - Via Rápida do Barreiro, making this network about 34.6 km.

In addition to the normal operating activities of the sub-concession network, AEBT's activity in 2022 will be focused on investment activity, especially in the projects to increase the number of A33 and IC20 tracks, and infrastructure maintenance, due to its nature and relevance.

It is a participation already classified as Asset for Sale, in relation to which several steps have been taken with a view to its sale.

**"CPM - COMPANHIA DE PARQUES DE MACAU, S.A."** is an entity in which Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. has an indirect stake of 15% of the share capital since its foundation in the mid-80s, after an international public tender, was a pioneer and continues as a reference company in the construction and operation of car parks and related activities in the Macao Special Administrative Region.

In 2021, the management and operation of the 19 public car parks of which this subsidiary is a concessionaire continued in Macau, with total revenue corresponding to around 16.3 million euros, reflecting an increase of around 1.4 million euros compared to 2020.

This subsidiary regularly distributes dividends and leads a solid project that follows the evolution that the government and new technologies are bringing to this business in that region, namely in relation to the rehabilitation works of eight car parks – which are expected to be almost completed in end of 2022 – and the plan for the installation of electric vehicle charging equipment in public parking lots in Macau.

## IV.3 Real Estate

The activities of the 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, in 2021.

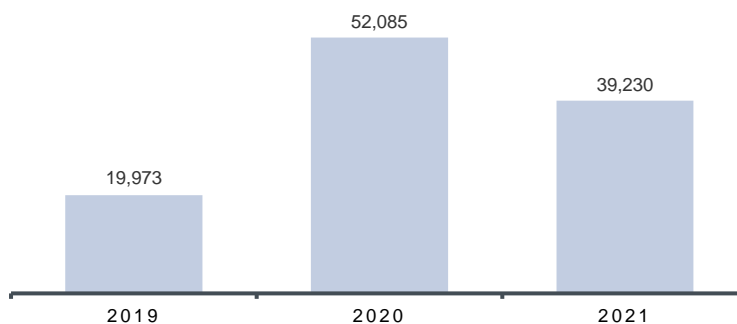
Teixeira Duarte's activities on all of these markets were affected by the situation of the Covid-19 pandemic, although with different circumstances and scope according to the country, the official measures implemented in different countries and the measures taken by other stakeholders, specifically municipal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

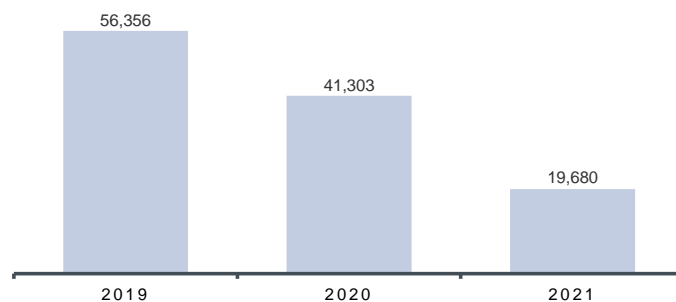


Factory Development 1921, Lisbon - Portugal

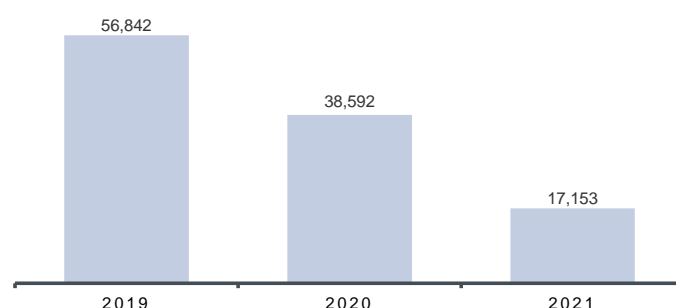
### CONTRIBUTION OF THIS SECTOR TO THE GROUP



Evolution of Real Estate Sales and Services Rendered  
(Values in thousand euros)



Evolution of Real Estate EBITDA  
(Values in thousand euros)



Evolution of Real Estate Operating Results (EBIT)  
(Values in thousand euros)

The Group decreased Sales and Services in the Real Estate sector by 24.7% when compared to the same period last year.

In Portugal, the Group reached 2.817 thousand euros, reflecting a decrease of 13,046 thousand euros compared to 2020.

The Group is developing, in Portugal, the first and second phases of the “Fábrica 1921” project and in conclusion the “One Living” project, with 31% of purchase and sale deeds already completed. As at 31 December 2021, purchase and sale contracts for a total amount of 261,711 thousand euros had been concluded and signs and deeds of 131,936 thousand euros had been received.

In Brazil, the Group reached 30,743 thousand euros, registering an increase of 3,221 thousand euros compared to the same period last year, which results from the progress of the projects located in São Paulo.

EBITDA from real estate declined by 21,623 thousand euros, corresponding to a 52.4% reduction compared to the previous year.

The Real Estate Operating Result reached 17.153 thousand euros in 2021, which corresponds to a decrease of 21.439 thousand euros compared to the period of 2020.

## ACTIVITY IN 2021

In non-consolidated terms and in order to gain a perspective on the total activity in 2021, we report that the Group’s operating revenue in the Real Estate sector reached a total of 125,856 thousand euros, corresponding to an increase of 3% compared to 2020. Overseas markets now account for 35% of activity and Portugal 65%, compared to 38% and 62% in 2020, respectively.

In this sector, in 2021, the Group successfully continued to promote, develop and sell ventures in its two main markets – Portugal and Brazil – while in Angola it focused on the management of the assets held there and Mozambique had a more residual performance, following the global collapse of the economy in that country. In the United States, in 2021, the Group exited this market with the sale of the last asset it held there.

In **Portugal**, the year of 2021 was once again marked by a good performance of the real estate market in practically all of its segments, with a special focus on residential, where the pace of sales has been maintained at the levels of previous years.

During the period under review, we highlight the continued development and start of deliveries of the residential matrix “ONE Living”, located in Cascais, intended for the upper segment of the residential market, which is fully commercialised and with 40% of the public deeds of purchase and sale carried out.

In the city of Lisbon, we highlight the continuation of the first phase and the start of the second phase of the residential development “Fábrica 1921”, a highly visible project that will contribute in a very positive way to the regeneration of a block in the parish of Benfica and to the renovation of the respective neighbourhood. The first phase, which includes 162 residential units, is fully sold. The second phase, with 82 units, also has a fast pace of sales, with 90% of the units sold.

Also in the city of Lisbon, the approval of the subdivision and the completion of the acquisition process of “Quinta das Garridas” stands out, where the construction of a mainly residential development with around 33,000 m<sup>2</sup> of construction area is planned.

Still in the metropolitan area of Lisbon, the infrastructure works of the “Vila Rio” project, located in Póvoa de Santa Iria, Vila Franca de Xira municipality, were continued. 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 30,000m<sup>2</sup> of areas intended for commerce and services.

In the retail segment, the year was marked by the approval of the “Figueira Parque” Retail architecture project, the commercial actions aimed at the installation of a large food retail area in the Lezíria Park development and the maintenance of good performance levels at Shopping Cidade do Porto. Despite the strong negative impact caused by the pandemic on this type of trade in the past two years, it was possible to maintain good occupancy rates with positive commercial dynamics, which culminated in the opening of a Decathlon store in October 2021.

In Oeiras, the consultants' support was continued in the development of technical elements for the North of Caxias Detail Plan, many of them supporting the holding of conciliation meetings by the Municipality of Oeiras, with a view to its approval. This project includes a project consisting of several office, housing and commercial buildings, integrated in a large green park, in a model that is intended to be an international reference for innovation and sustainability, in partnership with the company “CSCEC - China Construction Portugal, S.A.”.

In the city of Vila Nova de Gaia, the construction of the multi-family building “River Plaza” continued, as well as the marketing of the 39 fractions that compose it, and 36 promissory purchase and sale contracts were concluded by the end of the period.

Also in Vila Nova de Gaia, the construction of the Q19 multifamily housing building began, which has 50 residential fractions, and 26 fractions were sold in the period.

Also in this city, the development of two residential-matrix projects in the “Santa Marinha Design District” development and the sale of two lots in the “Quinta de Cravel” should be highlighted.

In **Angola**, despite the difficult macroeconomic situation, with the consequent impact also on the real estate market - which even resulted in the significant devaluation of Group investment properties -, it was possible during the period to maintain good occupancy levels in the properties in operation, especially in the residential and retail segments, in a context of strict control of operating costs.

In **Brazil**, in 2021, the scenario was one of GDP recovery, accompanied by the increase in construction costs and the increase in interest rates in the final stretch of the year. On the other hand, record levels of launches and sales of new properties in the real estate market of the city of São Paulo were reached.

In this context, it should be noted:

- The delivery of the “Quartier Brooklin” project and the continuation of the construction of the “Loomi Klabin” and “Loomi Paulista” projects, with a total construction area of more than 62,000 m<sup>2</sup>, all in prime neighbourhoods of the city of São Paulo, with a commercialisation level of 97%;
- The beginning of the construction of the fourth and last residential development of the Alta Vista condominium, the “Reserva Alta Vista”, located in the best neighbourhood of the city of Jundiaí, with approximately 58,000 m<sup>2</sup> of construction area;
- The start, in August 2021, of the sales of the units of the “Insignia” development - located in the neighbourhood of Campo Belo, a project with about 20,000 m<sup>2</sup> of construction area, consisting of 96 high-end apartments, located in one of the best neighbourhoods in the city - and which by December 2021 had already reached 50% of total units of this project.



In the **United States of America**, in the city of Dallas, Texas, the sale of the “Lee Park” project in Turtle Creek should be highlighted, consummating the exit of the real estate market from this market.

In **Mozambique**, the year started off with some cheer but was, from an early age, negatively marked by the cessation of the activity of one of the main Oil & Gas players, following the crisis in Cabo Delgado. The instability in neighbouring South Africa has also generated a climate of greater prudence and consequent retraction on the part of investors. Thus, the difficult macroeconomic situation in the country remained, aggravated by the restrictions associated with the global pandemic crisis, resulting in a reduction in the activity of the real estate market. Despite the unfavourable context, the sale of four separate residential units and the hiring of new tenants at Polana Shopping stands out, with the consequent increase in the occupancy rate.

In 2022 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.

In **Portugal** and in the Lisbon Metropolitan Area, the completion of the delivery of the “One Living” project in Cascais is expected, the completion of the construction of the first phase and the continuation of the construction of the second phase of the “Fábrica 1921” project.

In parallel, there are plans 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 68 units.

Support for the development of the Northern Caxias Detail Plan will also continue, with the expectation of its approval and publication during 2022.

In the Porto Metropolitan Area, in the city of Vila Nova de Gaia, the completion of the construction of the “River Plaza” in the Santa Marinha Design District is expected and, still in this project, the commercial launch of another residential lot.

Still in the same city, in the “Quinta de Cravel” development, the construction of the multi-family housing building “Q19” will continue.

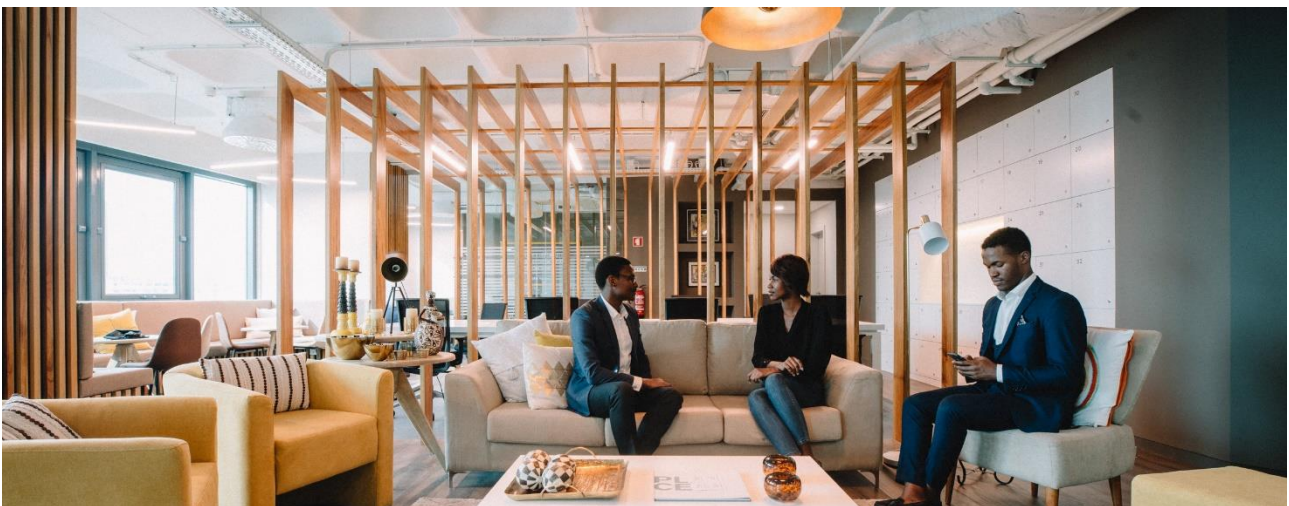
In **Angola**, the operation of income-generating properties and support for the management of Group assets in other sectors will be continued.

In **Brazil**, in the city of São Paulo, it is planned to deliver the “Loomi Paulista” in the first semester and the “Loomi Klabin” in the second half, both of which are already almost completely sold, with a total of 147 apartments and, also, the continuation of the construction of the “Reserva Alta Vista” as well as the beginning of construction of the project “Insignia Campo Belo”. At the same time, the commercial launch of a new project, the “Infinity”, in Brooklyn, is expected to be commercially launched, with a total of 268 units.

In **Mozambique**, action will be pursued focused on the sale of separate assets and the optimisation of the performance of its income properties, as well as on the support of the wealth management of other sectors of the Group.



Development Quinta de Cravel, Q19, Vila Nova de Gaia - Portugal



Focus Workplace Solutions, Luanda - Angola



Quartier Brooklyn Development, São Paulo - Brazil

## IV.4 Hospitality

The Teixeira Duarte Group operates in this sector through eight hotels, two in Portugal, three in Angola and three in Mozambique, amounting to a total 2,452 beds and 1,228 rooms, all operating under the brand TD Hotels.

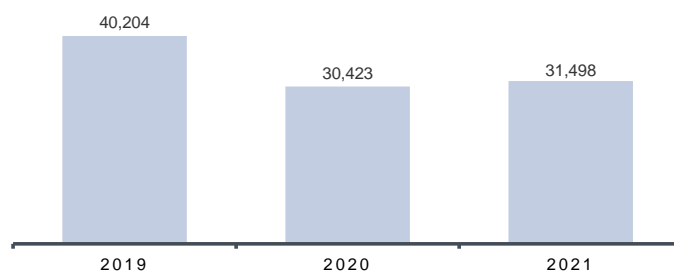
Teixeira Duarte also develops business in the restaurant area in Angola.

Teixeira Duarte's activities in all of these markets continued to be 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, clients, suppliers and partners.

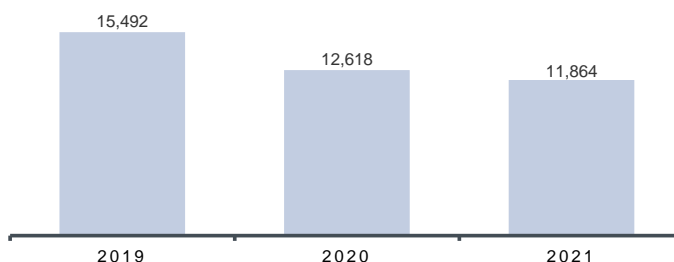
In view of the nature of the activity, contingency and prevention measures to mitigate and contain public health risk were maintained in all markets where the Group operates, namely the application of the contingency plan and the respective manual of procedures adopted by TD Hotels in all its units and that it revealed not only very efficient in terms of the primary public health objectives, but also the recognition by customers of their trust and the possibility of safe use of the units in the periods and conditions allowed 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



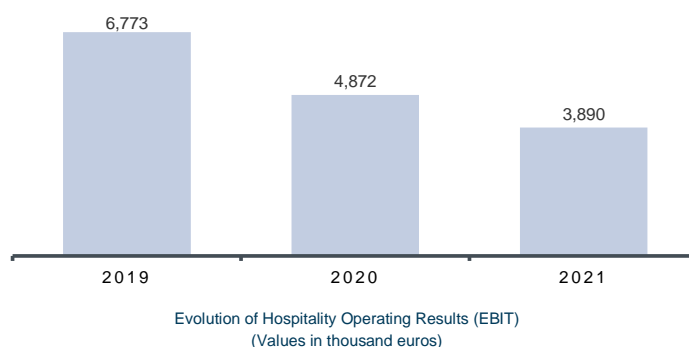
Evolution of Hospitality Sales and Services Rendered  
(Values in thousand euros)



Evolution of Hospitality EBITDA  
(Values in thousand euros)



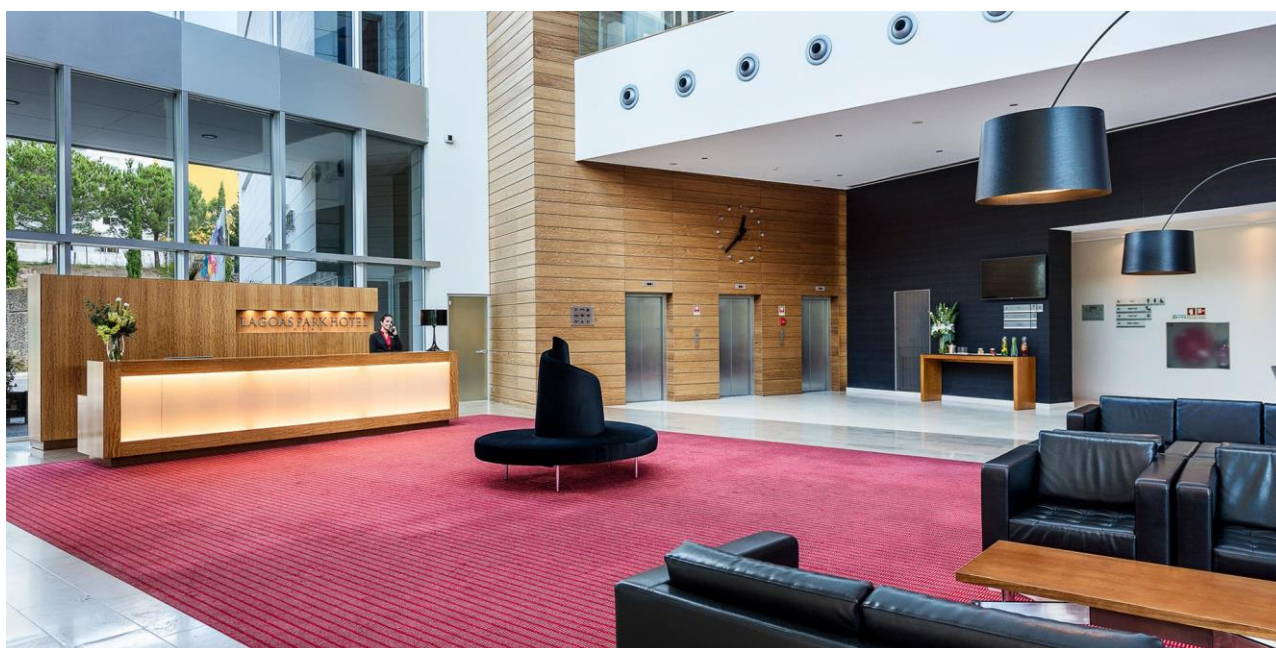
## Management Report of the Board of Directors 2021



Hotel Services Sales and Services increased by 3.5% when compared to the same period in 2020, with growth in all the markets in which the Group operates, Portugal of 9.3%, Angola of 2.3% and in Mozambique of 6.6%, despite the strong devaluation of the Kwanza. 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.

Hospitality EBITDA decreased by 6% compared to last year, penalised by the devaluation of the Kwanza.

The Hospitality Operating Result stood at 3.890 thousand euros in 2021, registering a reduction of 982 thousand euros compared to the period of 2020.



Lagoas Park Hotel, Oeiras - Portugal

### ACTIVITY IN 2021

In non-consolidated terms, and in order to gain a perspective on total activity in 2021, it is reported that the Group's operational revenue in the Hospitality sector reached an overall value of 37,936 thousand euros. In this business area, overseas markets accounted for 84% of activity and Portugal 16%.

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

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





## Management Report of the Board of Directors 2021

The year of 2021 was marked by the Covid-19 pandemic scenario, and tourism was one of the most affected sectors.

Overall, there was an increase of 13.9 p.p. in the occupancy rate in these two units, with a decrease of around 8% in the average price, resulting from the adaptation of the price to the existing demand, coinciding with the successive states of emergency declared and the consequent temporary closure of the hotels.

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 hotel	Luanda	280 rooms
HOTEL ALVALADE	Four-star hotel	Luanda	202 rooms
HOTEL BAÍA	Four-star hotel	Luanda	138 rooms

In 2021, 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.

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 hotels 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 2020, with an increase in occupancy rate of 5.6 p.p. with operating income above the previous year.

It should also be noted that a commercial strategy developed throughout the previous period, which led to the hiring of large corporate clients, namely in the oil and commercial aviation sector, also contributed to this performance.

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

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 hotel	Maputo	159 rooms
HOTEL TIVOLI MAPUTO	Three-star hotel	Maputo	88 rooms
HOTEL TIVOLI BEIRA	Three-star hotel	Beira	74 rooms

Economic activity in Mozambique continued to decelerate in 2021, which, combined with the global pandemic crisis, definitely affected the performance of the hotels in this market. There were successive declared states of emergency, followed by states of calamity, as well as the temporary limitation of airspace and land borders.

Despite this context, the occupancy rate of units was maintained compared to the same period last year, with a significant increase in operating income, as a consequence of the resumption of corporate events, resulting from the modest evolution of the restrictive measures imposed by the entities officers.

For 2022, a progressive resumption of activity is expected in Portugal, starting in the second quarter, due to the positive evolution of the pandemic, with a considerable increase in demand associated with business and leisure travel, as well as in the congress and event market.

In Angola, it is expected, at the current juncture, a decrease in the demand of some corporate clients, namely in the Oil & Gas areas, as a result of the end of the mandatory institutional quarantines in hotels decreed by the competent authorities, however, with the expectation of an increased demand from airlines with the expected resumption of flights, as well as the gradual resumption of the flow of business tourism.

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, should contribute to considerably better performance in 2022.



Hotel Sinerama, Sines - Portugal



Lagoas Park Hotel, Oeiras - Portugal

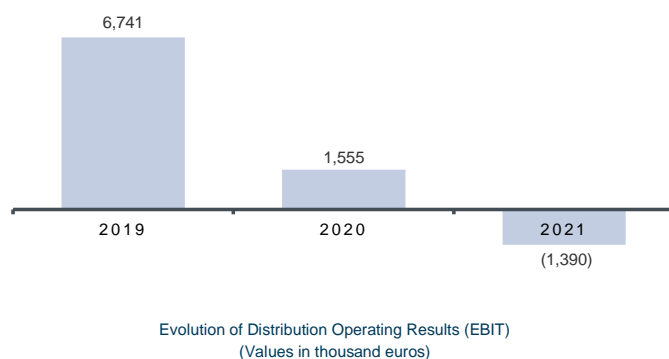
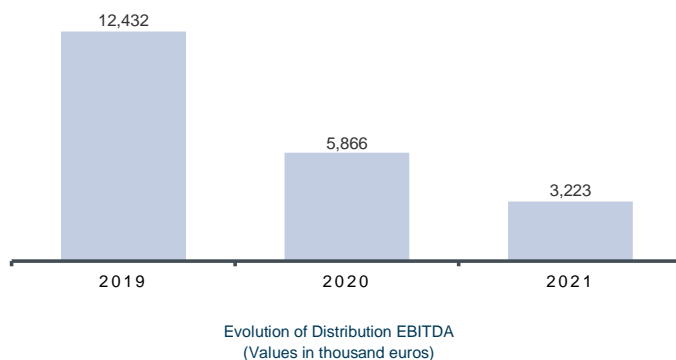
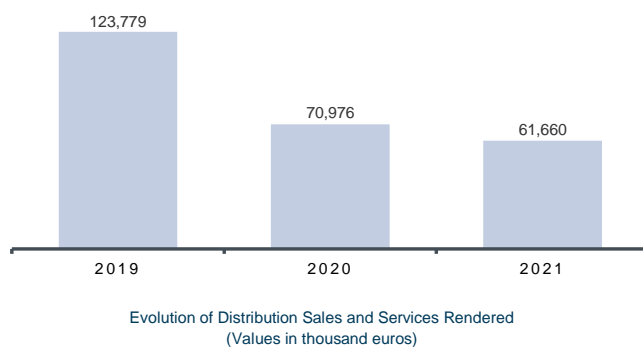
## IV.5 Distribution

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 (SU), Lda.", "DCG - Distribuição e Comércio Geral (SU), Lda.", "OCC - Operador Central de Comércio, Lda." and "COM 1 - Comércio e Distribuição (SU), Lda."

Throughout 2021, the Group has always monitored the development of the Covid-19 pandemic situation and acted in accordance with the recommendations that were issued by the World Health Organisation and the public entities responsible for the health area where the 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, 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.

### CONTRIBUTION OF THIS SECTOR TO THE GROUP





Group companies operating in the Distribution sector had a 13.1% decrease in Sales and Services Rendered compared to the same period of the previous year.

Distribution EBITDA decreased 45.1% year-on-year and Distribution Operating Result decreased by 2,945 thousand euros compared to last year, reaching a negative Operating Result of 1,390 thousand euros.

## ACTIVITY IN 2021

In non-consolidated terms and in order to gain a perspective on the total activity in 2021, we disclose that the Group's operating income in the Distribution sector reached a total of 88,656 thousand euros, corresponding to a decrease of 11% compared to 2020.

The year of 2021 was marked by a relative stabilisation of the sector's activity, including some improvement in the second half.

Some restrictions were maintained due to the Covid-19 pandemic, namely at the supply chain level, affecting the availability of supply and the deadlines and costs of transportation. The resumption of air cargo availability stands out, albeit with very high prices, in the order of double the values normally charged before the pandemic.

In **Portugal**, the subsidiary "Teixeira Duarte Distribuição, S.A.", whose main market is Angolan, marked a year with income similar to 2020. As an exporter of products to this market, it is worth noting the regularisation of the availability of foreign exchange by the BNA, while maintaining some legal and contextual restrictions on the licensing of imports by the Angolan authorities.

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

In the scope of information technologies, emphasis is placed on the introduction of new technological solutions and processes that allowed to improve communication within the structure and the management of tasks and reports in some operational areas, namely with the use of Bitrix24 and Power BI tools.

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

Through "CND- Nacional de Distribuição (SU), Lda.:

- Food Retail, through the Maxi insignia;
- Specialised Retail, in the area of Furniture and Decoration, through the Dakaza brand;
- Specialised Retail, in the area of Health and Wellbeing, through the Popular Pharmacy insignia.

Through "DCG - Distribuição e Comércio Geral, Lda (SU) ", in the Representation and Distribution of Trademarks.

For Maxi, 2021 was a year of focus on the programme for the evolution of stores towards a more qualitative concept, with emphasis on the diversification of the "cardex", through an exhaustive "procurement" of new product ranges and the continuation of the deepening of the quality of the services of fresh products in the store, with emphasis is placed on the bakery, butcher, fishmonger and delicatessen, as well as operation simplification and the optimisation of processes. Special mention should be made of the interventions carried out in the stores of Morro Bento, Maianga and Zango, whose remodelling was well accepted by customers, which resulted in a consistent increase in sales.

Three sales units were closed during the current year (Maxi Ginga Shopping, Maxi Congolenses and Maxi Golfe), due to the inadequacy of these locations for the new intended store format.

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.

Alongside store operations, strong focus was given to Business-to-Business (B2B) sales, which maintained their good performance, with special emphasis on attracting new customers.

Earnings at Maxi grew 20.4% "like-for-like" in Kwanzas, although customer traffic also decreased by around 5% "like for like", showing an increase in the average earnings.

In the Furniture and Decoration area, Dakaza achieved good performance levels, largely due to the good receptivity to the new products presented, in line with the transformation plan of this brand. In December, the fifth Dakaza store was inaugurated in the Xyami Kilamba Shopping Centre, located in the largest centrality of the Luanda metropolitan area.

Earnings in this brand grew by 4.2% in Kwanzas, despite customer traffic having decreased by around 20%.

In specialised retail, in the area of Health and Wellbeing, Farmácia Popular maintained its focus on excellence in service and in the quality of pharmaceutical products. Strict control of losses was maintained in 2021, as in previous years.

In Farmácia Popular, revenues grew 13% “like-for-like” in Kwanzas, despite the fact that customer traffic only grew by around 6%.

At DCG, and especially in the Beverage Unit, there was a decrease in earnings of around 21%, maintaining this trend already recorded in the previous year. The imposed customs duties, combined with the reduction of the purchasing power of the population and the containment measures against the Covid-19 pandemic, namely the prohibition of gatherings and reduction of working hours in the restaurant, resulted in a very penalising scenario for the marketing of these products.

The DCG Food Unit grew by about 10% “like for like”, largely due to the regularity in imports of Matutano products, which had the factories closed for a few months in 2020.

Despite the challenges of the year of 2021, the commitment to the training of the various employees in the sector was not waived, with emphasis on another course for Store Directors and a course for Intermediate Managers, confirming “Maxi” as a great “school” for building good retail staff in Angola.

For 2022, 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, which have been identified as priority areas for the country's development.

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 optimisation 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 programmes, as well as new editions of programmes run by the Maxi Academy aimed at promoting the professional development and know-how of all employees.



Dakaza stores, Luanda - Angola



Farmácia Popular, Luanda - Angola

## IV.6 Automotive

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

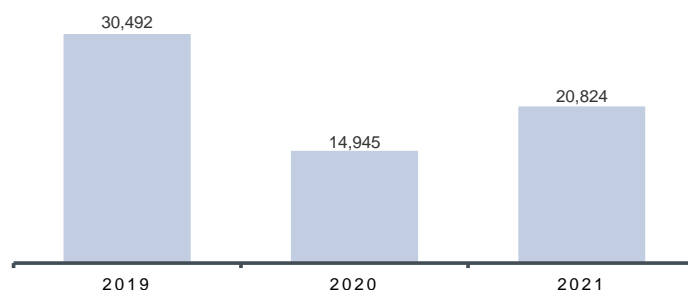
- Light: Nissan, Renault, Chevrolet, Mahindra, JMC, Ssangyong, Suzuki;
- Heavy: Renault Trucks and Randon;
- Motorcycles: Honda;
- Equipment: Denyo.

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 clients, suppliers and partners.

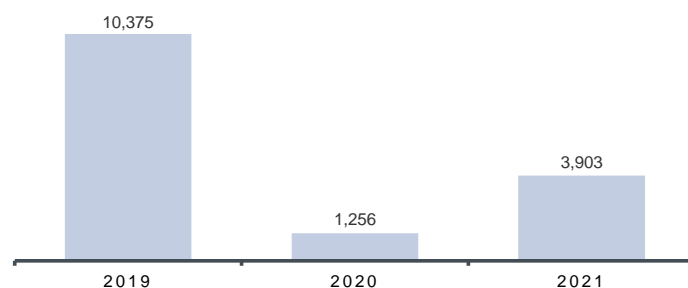
Given the nature of the activity, contingency and preventive measures were adopted to mitigate and contain the public health risk. These measures had the greatest scope in Angola, where Group companies have sales operations and stores open to customers, and emphasis should be placed on the effort and 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 have on its stakeholders.

Among other measures, after-sales service and parts sales facilities were adapted and processes were optimised, and some teams were reduced, including in central operations that supports operations in Angola, which proved essential to maintaining the business during the year. These changes, together with the expectation of the recovery of the Angolan economy and the resumption of purchasing power for the automotive sector, which was postponed last year, offer good prospects for its performance in 2022.

### CONTRIBUTION OF THIS SECTOR TO THE GROUP

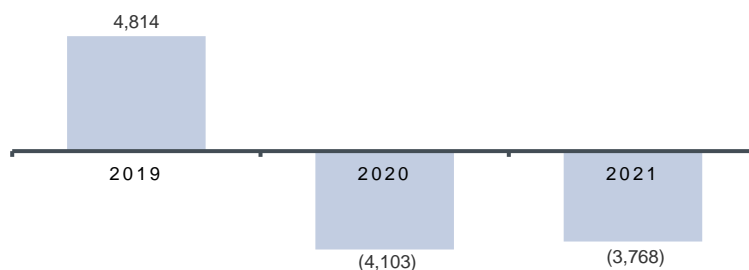


Evolution of Automotive Sales and Services Rendered  
(Values in thousand euros)



Evolution of Automotive EBITDA  
(Values in thousand euros)





Evolution Automotive Operating Results (EBIT)  
(Values in thousand euros)

The Automotive sector registered an increase in Sales and Services Rendered of 39.3% compared to 2020, although strongly impacted by the devaluation of the Kwanza.

In Portugal, a 25.3% 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 97.1% of total Sales and Services, there was an increase of 43% compared to the same period of the previous year. Disregarding the effect of the exchange rate devaluation of the Kwanza, this change would have been 61.3%.

EBITDA from real estate increased by 2,647 thousand euros in relation to the previous year, corresponding to a 210.7% increase year-on-year.

The Operating Result shows a slight improvement compared to 2020, although it still reached a negative figure of 3,768 thousand euros.



Nissan Stand at Polo TDA Talatona, Luanda - Angola

## ACTIVITY IN 2021

In non-consolidated terms and in order to gain a perspective on the total activity in 2021, we disclose that the Group's operating revenue in the Automotive sector reached a total of 37,573 thousand euros, corresponding to an increase of 77% compared to 2020.

In Portugal, SMOTORS, S.A. ended the Suzuki brand representation contract for the district of Lisbon on 14 November 2021, and until that date it maintained the activity of vehicle sales, after-sales technical assistance and sale of parts at the counter.

In Angola, the year was marked by an increase in the volume of vehicles sold, with an increase of around 62%, from 2,390 units sold in 2020 to 3,876 vehicles sold in 2021.

The activity was also strongly impacted in 2021 by the Covid-19 pandemic, both by the lower economic activity and by the continued constraints on circulation between provinces and between countries, and by the drastic interruption of logistics chains for the supply of vehicles and parts by international operators.

The Covid-19 pandemic situation implied limitations on the normal running of operations, with emphasis on the rules applied to the workshops' operating regime, namely the maximum permissible personnel load per establishment.

In this challenging context, the focus remained on the strict management of operating costs and the continuous optimisation of processes. Commercial activity with the corporate segment was intensified, consolidating partnership relations and strengthening customer loyalty through personalised service and Technical Assistance of recognised quality.

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 2022, resources will be optimised and organisational processes will be strengthened and digitalised 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 organisational 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.



Renault Stand at TDA Talatona Centre, Luanda - Angola

## V. FUTURE DEVELOPMENT PERSPECTIVES

### SUBSEQUENT EVENTS

The decision of the Board of Directors to recognise in the accounts for the financial year of 2021 the effects derived from the suspension of the activity of six public contracts in Algeria, taken following a court judgement of last resort handed down on 17 February 2022, by an Algerian court under a lawsuit concerning a partner of Teixeira Duarte - Engenharia e Construções, S.A., whose consequences and impacts were set out above in the Economic and Financial Assessment chapter.

The war situation in Ukraine, which has brought disruptive effects on the normal functioning of product supply chains, both in terms of availability and prices.

### 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 in which the Group operates decrease the relevance of the activity in euros, as well as the most recent war situation in Ukraine and the various consequences thereof, including those mentioned above.

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 1,024,297 thousand euros as at 31 December 2021.

Similarly, it should be reported in this regard that projects amounting to a total of 21,854 thousand euros were awarded/contracted after 31 December 2021, which is in addition to the order book ascertained as at 31 December 2021.

For 2022, Teixeira Duarte expects to achieve consolidated operating revenue of around 700 million euros.

## VI. 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 2021 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 €4,850,000.00 (four million eight hundred and fifty thousand euros) as an expense for the financial period.

### PROPOSED APPROPRIATION OF NET INCOME

The Board of Directors proposes that the net income of “TEIXEIRA DUARTE, S.A.” calculated for 2021, of the negative value of €125,858,431.74 (one hundred twenty-five million, eight hundred and fifty-eight thousand, four hundred thirty-one euros and seventy-four cents), be transferred to retained earnings.

Lagoas Park, 22 April 2022

The Board of Directors,

*Manuel Maria Calainho de Azevedo Teixeira Duarte*

*Carlos Gomes Baptista*

*Maria da Conceição Maia Teixeira Duarte*

*Diogo Bebiano Branco de Sá Viana Rebelo*

*Isabel Maria Nunes Correia Teixeira Duarte*

*Miguel Calainho de Azevedo Teixeira Duarte*



## VII. 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 transfers during 2021, specifying the amount, the date of the fact and the compensation paid or received:

#### I. Number of shares held by members of the governing bodies as at 31 December 2020:

Name	Company	Position	Number 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.	Vice-chair 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	10
Rui Pedro Ferreira de Almeida	Teixeira Duarte, S.A.	Alternate of the Supervisory Board	-
Moore Stephens & Associados, SROC, S.A.	Teixeira Duarte, S.A.	Statutory Auditor	-

#### II. Transactions with shares directly and indirectly held by members of the governing bodies during the period between 1 January and 31 December 2021:

There were no transactions with shares held directly or indirectly by the Members of the Governing Bodies during the period between 1 January and 31 December 2021.

#### III. Number of shares held by members of the governing bodies as at 31 December 2021:

Name	Company	Position	Number 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.	Vice-chair 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	-
Manuel Maria Calainho de Azevedo Teixeira Duarte	Teixeira Duarte, S.A.	Chairman 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
Isabel Maria Nunes Correia Teixeira Duarte	Teixeira Duarte, S.A.	Member of the Board of Directors	50,000
Miguel Calainho de Azevedo Teixeira Duarte (a)	Teixeira Duarte, S.A.	Member of the Board of Directors	49,673,026
Óscar Manuel Machado de Figueiredo	Teixeira Duarte, S.A.	Chairman of the Supervisory Board	-

## Management Report of the Board of Directors 2021

Name	Company	Position	Number of shares
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	10
Rui Pedro Ferreira de Almeida	Teixeira Duarte, S.A.	Alternate of the Supervisory Board	-
Moore Stephens & Associados, SROC, S.A.	Teixeira Duarte, S.A.	Statutory Auditor	-

(a) 1,408,416 shares held directly by the Administrator and 48,264,610 shares held by the directly controlled company "MIDINVEST - Gestão e Investimentos, Sociedade Unipessoal, Lda."

#### IV. Number of own shares, corresponding percentage share capital and percentage voting rights to which the own shares would correspond.

There are no own shares.

#### LIST OF HOLDERS OF QUALIFYING STAKES AS AT 31 DECEMBER 2021

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 qualifying stakes in its equity as at 31 December 2021, indicating the number of shares held with the corresponding voting right percentages, calculated under the terms of Article 20 of the Securities Market Code.

TEIXEIRA DUARTE 1886, S.A. (formerly named TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A.)	No. of shares as at 31.12.2021	Share capital with right to vote
Directly	168 550 000	40.13%
Through the members of the Board of Directors of "Teixeira Duarte 1886, S.A." (a)	53 248 164	12.68%
<b>TOTAL ATTRIBUTABLE</b>	<b>221 798 164</b>	<b>52.81%</b>

(a) 3,575,138 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 directly controlled company "MIDINVEST - Gestão e Investimentos, Sociedade Unipessoal, Lda."

Miguel Calainho de Azevedo Teixeira Duarte	No. of shares as at 31.12.2021	Share capital with right to vote
Directly	1 408 416	0.34%
Through the directly controlled company "MIDINVEST - Gestão e Investimentos, Sociedade Unipessoal, Lda."	48,264,610	11.49%
<b>TOTAL ATTRIBUTABLE</b>	<b>49,673,026</b>	<b>11.83%</b>

This operation was carried out by the controlled company PACIM - Gestão e Investimentos, Lda. (b) This transaction was carried out between the company "MIDINVEST - Gestão e Investimentos, Sociedade Unipessoal, Lda." and "Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A." (in which, at the time, Pedro Maria Calainho Teixeira Duarte and Manuel Maria Calainho de Azevedo Teixeira Duarte were Directors), who, for every 35 TEIXEIRA DUARTE, S.A. shares acquired, sold 1 share representing its own share capital. (c) This operation was carried out by the controlled company PACIM - Gestão e Investimentos, Lda., which, for every 35 shares of TEIXEIRA DUARTE, S.A. sold, received 1 share representing the share capital of TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A.





Quartier Brooklin Development, São Paulo - Brazil

# Corporate Governance Report 2021



## 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-A(1)(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 represented by 420,000,000 shares with the nominal value of €0.50 (fifty euro cents) each.

All the shares are 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 distributed among a total of 4,166 shareholders as follows at the end of 2021:

- Shareholders with up to 42,000 shares: 3,722
- Shareholders with 42,001 to 420,000 shares: 384
- Shareholders with 420,001 to 4,200,000 shares: 47
- Shareholders with 4,200,001 to 42,000,000 shares: 11
- 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-A(1)(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-A(1)(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(1)(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 Association 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(1)(g)).**

As far as the Company knows, as at 31 December 2021, there were 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(1)(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 2021, the owners of qualifying holdings, calculated in accordance with Article 20 of the Securities Market Code, in compliance with Article 8(1)(b) of CMVM Regulation 05/2008, were as follows:

TEIXEIRA DUARTE 1886, S.A. (formerly named TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A.)	No. of shares as at 31.12.2021	Share capital with right to vote
Directly	168 550 000	40.13%
Through the members of the Board of Directors of "Teixeira Duarte 1886, S.A." (a)	53 248 164	12.68%
<b>TOTAL ATTRIBUTABLE</b>	<b>221 798 164</b>	<b>52.81%</b>

(a) 3,575,138 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 directly controlled company "MIDINVEST - Gestão e Investimentos, Sociedade Unipessoal, Lda."

Miguel Calainho de Azevedo Teixeira Duarte	No. of shares on 31.12.2021	Share capital with right to vote
Directly	1 408 416	0.34%
Through the directly controlled company "MIDINVEST - Gestão e Investimentos, Sociedade Unipessoal, Lda."	48,264,610	11.49%
<b>TOTAL ATTRIBUTABLE</b>	<b>49,673,026</b>	<b>11.83%</b>

IDS Value, Lda.	No. of shares on 31.12.2021	Share capital with right to vote
Directly	10 999 820	2.62%
<b>TOTAL ATTRIBUTABLE</b>	<b>10 999 820</b>	<b>2.62%</b>

João Afonso Calainho de Azevedo Teixeira Duarte	No. of shares on 31.12.2021	Share capital with right to vote
Directly	10 266 363	2.44%
<b>TOTAL ATTRIBUTABLE</b>	<b>10 266 363</b>	<b>2.44%</b>

**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 Article 447(5) of the Commercial Companies Code]**

TD,SA presents below a list of securities issued by the Company and by companies with which it is in a controlling or group relationship, held by members of the governing bodies, as well as all acquisitions, encumbrances or transfers during the 2021 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 governing bodies as at 31 December 2020:**

Name	Company	Position	Number of shares
José Luciano Vaz Marcos	TD,SA	Chair of Board of the General Meeting	-
José Mário Ferreira de Almeida	TD,SA	Vice-chair of Board of the General Meeting	3,000
José Pedro Poiães Cobra Ferreira	TD,SA	Secretary of Board of General Meeting	-
Pedro Maria Calainho Teixeira Duarte	TD,SA	Chair of Board of Directors	42,000
Manuel Maria Calainho de Azevedo Teixeira Duarte	TD,SA	Member of Board of Directors	5,030,575
Carlos Gomes Baptista	TD,SA	Member of Board of Directors	62,671
Maria da Conceição Maia Teixeira Duarte	TD,SA	Member of Board of Directors	3,967,473
Diogo Bebianho Branco de Sá Viana Rebelo	TD,SA	Member of Board of Directors	31,160
Óscar Manuel Machado de Figueiredo	TD,SA	Chair of Supervisory Board	-
Ana Cristina Louro Ribeiro Doutor Simões	TD,SA	Member of Supervisory Board	-
João Salvador dos Santos Matias	TD,SA	Member of Supervisory Board	10
Rui Pedro Ferreira de Almeida	TD,SA	Alternate of Supervisory Board	-
Moore Stephens & Associados, SROC, SA	TD,SA	Statutory Auditor	-

**II. Transactions with shares directly and indirectly held by members of the governing bodies during the period between 1 January and 31 December 2021:**

There were no transactions with shares held directly or indirectly by the Members of the Governing Bodies during the period between 1 January and 31 December 2021.

**III. Number of shares held by members of the governing bodies as at 31 December 2021:**

Name	Company	Position	Number of shares
José Luciano Vaz Marcos	TD,SA	Chair of the Board of the General Meeting	-
José Mário Ferreira de Almeida	TD,SA	Vice-chair of Board of the General Meeting	3,000
José Pedro Poiães Cobra Ferreira	TD,SA	Secretary of Board of General Meeting	-
Manuel Maria Calainho de Azevedo Teixeira Duarte	TD,SA	Chair of Board of Directors	5,030,575
Carlos Gomes Baptista	TD,SA	Member of Board of Directors	62,671
Maria da Conceição Maia Teixeira Duarte	TD,SA	Member of Board of Directors	3,967,473
Diogo Bebianho Branco de Sá Viana Rebelo	TD,SA	Member of Board of Directors	31,160
Isabel Maria Nunes Correia Teixeira Duarte	TD,SA	Member of Board of Directors	50,000
Miguel Calainho de Azevedo Teixeira Duarte (a)	TD,SA	Member of Board of Directors	49,673,026
Óscar Manuel Machado de Figueiredo	TD,SA	Chair of Supervisory Board	-
Ana Cristina Louro Ribeiro Doutor Simões	TD,SA	Member of Supervisory Board	-
João Salvador dos Santos Matias	TD,SA	Member of Supervisory Board	10
Rui Pedro Ferreira de Almeida	TD,SA	Alternate of Supervisory Board	-
Moore Stephens & Associados, SROC, SA	TD,SA	Statutory Auditor	-

**9. Special powers of the management body, namely with respect to decisions to increase the share capital (Article 245-A(1)(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 TD,SA's Articles of Association, 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 Association 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 14 of TD,SA's Articles of Association, 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 Poiães 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) 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)(1)(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 therein.

Each share, under the conditions referred to above, corresponds to one vote. Although Article 7 of the Articles of Association 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.

### General Meetings

In 2021, TD,SA held two General Meetings: the Company's Annual General Meeting, on 24 May 2021, and an Extraordinary General Meeting, on 8 October 2021, to deliberate on the recomposition of the Board of Directors, including the appointment of the new Chairman of the Board of Directors, as well as to deliberate on the replacement of a member of the Remuneration Committee.

Both General Meetings were held in person and by telematic means. In effect, 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 at both General Meetings, no person requested the use of this medium, and all shareholders and their representatives chose 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 Article 20(1).**

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 Article 20(1) of the Securities Market Code.

#### **14. Identification of shareholder decisions that, by statutory imposition, 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 Association 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 expiry 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 Corporate Governance model known as the “strengthened Latin” model, with its governing bodies being the General Meeting and its respective board, two independent oversight bodies: the Supervisory Board and the Audit Firm.

It is important to note the existing 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 perceived by all as collective.

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 governing 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 governing bodies, specifically the members of 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(1)(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 re-elected 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 Association 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 established in the Law.

The Articles of Association do not provide for any alternate Director and do not establish any specific rule for the substitution of members of the Board of Directors. Therefore, the general regime established in the Commercial Companies Code on this matter is applicable. This means that the Board of Directors may substitute a Director who ceases to perform duties for any of the reasons stipulated in the law, namely due to resignation or accumulation of absences, and, if deemed necessary and under the applicable terms and conditions, the corresponding co-optation is carried out, which must be ratified at the next General Meeting.

The procedural and material requirements applicable to the appointment and replacement of members regarding the composition of the Board of Directors shall safeguard gender diversity, age diversity, diversity of qualifications and diversity of professional backgrounds, as provided for in Article 29-H(q) of the Securities Code, as amended by Law 99-A/2021 of January 31.

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 governing bodies (including the Board of Directors) and which is disclosed here, in accordance with the provisions of Article 29-H of the Securities Market Code, as worded by Decree-Law 99-A/2021 of 31 December:

## INTRODUCTION:

TEIXEIRA DUARTE, SA recognises 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, SA. through the valorisation 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, SA" 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 operates.

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, SA - has been to focus 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 focus 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, SA leads, and to the realities of the markets and sectors in which it operates.

It is in this context that Teixeira Duarte, SA 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, SA;
- Keep the focus on the "in-house people" as a privileged criterion, while valuing the combination of people with experience in different sectors, countries and corporate areas.

## **SUPERVISORY BODIES:**

*Pursuant to the corporate model in force at Teixeira Duarte, SA, the supervisory bodies are the Supervisory Board and the Audit Firm.*

*As the Audit Firm is not a collegiate body by nature, and therefore does not include a plurality of members, this body is excluded from this "Diversity Policy of the Management and Supervisory Bodies of "Teixeira Duarte, SA".*

*The Supervisory Board is currently composed of three permanent members and one alternate, undertaking the following commitments to promote the diversity of its 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, SA;*
- *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 Association, 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 Article 10(2) of the Articles of Association, the members of the governing bodies are elected for periods of four years, as noted above.

At the beginning of 2021, 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 Bebiano Branco de Sá Viana Rebelo



Following the letter of resignation presented by Pedro Maria Calainho Teixeira Duarte on 31 May 2021 and the Extraordinary General Meeting held on 8 October 2021, Isabel Maria Nunes Correia Teixeira Duarte and Miguel Calainho de Azevedo Teixeira Duarte were elected as Directors and appointed as Chairman of the Board of Directors of Manuel Maria Calainho de Azevedo Teixeira Duarte, to exercise these functions until the end of the current term (2019/2022).

The current Board of Directors is thus composed of 6 members, all permanent, with a Chairman and five members:

**Chairman:**

Manuel Maria Calainho de Azevedo Teixeira Duarte

**Directors:**

Carlos Gomes Baptista

Maria da Conceição Maia Teixeira Duarte

Diogo Bebiano Branco de Sá Viana Rebelo

Isabel Maria Nunes Correia Teixeira Duarte

Miguel Calainho de Azevedo Teixeira Duarte

The former Chairman of the Board of Directors, Pedro Maria Calainho Teixeira Duarte, was appointed for the first time when the Company was formed on 30 November 2009, to perform duties in the 2009/2010 term of office. He was then successively re-elected for the 2011/2014, 2015/2018 and 2019/2022 terms of office, and left office following his resignation on 30 June 2021.

The current Chairman of the Board of Directors Manuel Maria Calainho de Azevedo Teixeira Duarte and Director Carlos Gomes Baptista were appointed for the first time when the Company was formed, on 30 November 2009, to perform duties during the 2009/2010 term of office. They were then successively re-elected for the 2011/2014, 2015/2018 and 2019/2022 terms of office. On 8 October 2021, Manuel Maria Calainho de Azevedo Teixeira Duarte was appointed Chairman of the Board of Directors to perform duties until the end of the term of office in course.

The Director Maria da Conceição Maia Teixeira Duarte was elected for the first time at the General Meeting of 27 May 2019, to perform duties during the 2019/2022 term of office.

The Director Diogo Bebiano Branco de Sá Viana Rebelo was elected for the first time at the General Meeting held on 20 May 2011, to perform duties during the 2011/2014 term of office and was elected at the General Meeting of 26 June 2015 for the 2015/2018 term of office, having then been re-elected at the General Meeting of 27 May 2019, for the 2019/2022 term of office.

The Director Isabel Maria Nunes Correia Teixeira Duarte was elected for the first time at the General Meeting of 8 October 2021, to perform duties up to the end of the 2019/2022 term of office.

The Director Miguel Calainho de Azevedo Teixeira Duarte was elected for the first time at the General Meeting of 8 October 2021, to perform duties hold office up to the end of the 2019/2022 term of office.

The current Board of Directors of TD,SA, arising from the recomposition decided at the General Meeting held on 8 October 2021, includes two women, who represent 33.33 % of the members of the Board of Directors in office. Therefore, TD,SA meets the gender balance criteria and requirements for the members of the Board of Directors.

**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 interest group 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 TD,SA have executive 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.

Being top, it manages investments, coordinates and supervises other companies integrated with its Business Group, acting essentially in the fields of strategic and organisational planning.

It should be noted in this regard that some members of the Board of Directors have functions and positions in other entities of the Group, for which they exercise the direction and management powers with proximity and direct responsibility in their performance, which facilitates the Board of Directors of TD,SA have timely knowledge of the reality of the Economic Group, enabling this Council to intervene in support of the management of these subsidiaries, including the definition of transversal policies, namely in the financial field, which is achieved globally taking into account the complementary strengths of each of the members of this Council.

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 adequately carried out by the Supervisory Board, Remuneration Committee and General Meeting pursuant to the corporate purpose of TD,SA.

With regard to the independence of its members, even if under the law the Director Miguel Calainho de Azevedo Teixeira Duarte is not considered independent, the Board of Directors considers that none of its members is in circumstances likely to affect its exemption from analysis or from decision.

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 Audit Firm intervenes regularly - but also from a policy perspective, in this case with the limits and scope to safeguard essential 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 the governing bodies, not just between the Audit Firm and the Supervisory Board, that hold periodic meetings, but also between these bodies and the Board of Directors, as the Directors always provide the information requested by other members of governing 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 governing bodies, the Chairperson of the Supervisory Board and the Statutory Auditor's representative are invited to all periodic meetings and to approve the Board of Directors' financial statements, being sent copies of the call notices and minutes of all the meetings of that body.

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 governing bodies - specifically the executive nature of the Board of Directors under the aforementioned framework, and the independence of the Supervisory Board and the Audit Firm, without delegation of powers and duties between them or to other committees - TD,SA believes - in view of Recommendations III.2 and III.3 - that the appointment of 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 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 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: 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 duties 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, SA until 2010").

Lawyer/legal adviser with his own office from 1989 to 1996.

Director of "TDF - Sociedade Gestora de Investimentos Imobiliário, SA", from 30.06.1992 to 22.04.2005, with supervision and control over investment decisions, within the scope of competences assigned to Board of Directors members by the Commercial Companies Code and the Company's Articles of Association, as well as concerning relations with the Portuguese Securities Market 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 governing bodies of 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, SA" at the time, and currently TD,SA.

Since 6 May 2019, he has been Chairman of the Board of Directors of the two sub-holding companies of the Teixeira Duarte Group, Teixeira Duarte - Engenharia e Construções, SA and Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, SA. Since 8 October 2021, he was appointed to the position of Chairman of the Board of Directors of TD,SA.

On several occasions and since 1991, he served mandates as a member of the Board of Directors of the company currently called Teixeira Duarte 1886, SA - a company owned by members of the Teixeira Duarte family to which a 50% stake in the capital of TD,SA is attributed - and of which he was Director from 2011 to 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 duties 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, SA", a position to which he was again elected in 2018.

His career includes, in particular, employment at "M.S.F., SA", where he was Head of Services from 1975 to 1979, collaborating in various works, namely of hydraulic nature (pipeline and dam SA"

He entered into "Teixeira Duarte - Engenharia e Construções, SA" 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, SA", 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 he held the position of Member of the Board of Directors of the company currently called Teixeira Duarte 1886, SA, during various terms and until April 2020.

From May 2011 to May 2019, she was a Member of the Remuneration Committee of "Teixeira Duarte, SA" and "Teixeira Duarte - Engenharia e Construções, SA".

**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 duties for the 2019/2022 term.

He worked at "PROFABRIL, SA" as a Design Engineer in the Buildings Division, participating in reinforced concrete structure projects 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, SA" 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 SA"

From November 1999 to May 2011, he was a member 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, Hospitality, Distribution and the Automotive sector.

In 2010 he also started to coordinate the Group's action in the Distribution and Automotive sectors (the latter until July 2021), 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.

**Director: Isabel Maria Nunes Correia Teixeira Duarte**

Law Degree, Faculty of Law - School of Lisbon, Universidade Católica Portuguesa since 2010.

LL.M. Law in a European and Global Context, Faculty of Law, Universidade Católica Portuguesa, with exchange at Duke University School of Law, North Carolina, USA. (2011).



Master in Private Law, Faculty of Law – School of Lisbon, Universidade Católica Portuguesa (2015).

PhD student in Private Law, Faculty of Law – Escola de Lisboa, Universidade Católica Portuguesa (since 2017).

The fact that she practiced law at the law firm Cuatrecasas, Gonçalves Pereira & Associados between 2013 and 2016 stands out, as well as the fact that she has been a professor at the Faculty of Law – Escola de Lisboa, Universidade Católica Portuguesa since 2016, and member of the Coordination Council of the Catholic Research Centre for the Future of Law since 2018.

She is the author of several scientific articles published in speciality books and journals.

**Director: Miguel Calainho de Azevedo Teixeira Duarte**

Degree in Decisional Systems Engineering – Cocite – Cooperative of Higher Education of Advanced Management and Informatics Techniques C. R. L. in 1995, later called the Higher Institute of Informatics and Management.

Post-Graduation in Finance – Faculty of Economics, Universidade Nova de Lisboa in 2005.

Completion of the Graduate Programme in Accounting at ISCTE in 2006.

Business Management Programme (PDE) – AESE in June 2002.

In the Teixeira Duarte Group: from 1988 to 1992 he was responsible for computerisation in the real estate and hospitality sectors. Between January 1992 and March 2002, he was commercial director of the real estate sector.

In March 1998 and until March 2002, he was Director of “Gedois – Sociedade de Investimento Imobiliário SA.

Between January 2002 and June 2013, he was director of “Cimile – Sociedade Gestora de Participações Sociais SA” and in April 2014 he was elected director of “Verdadobjectiva SA”, a position he holds until the present date;

He is also the administrator of “Ramo Verde – Exploração Florestal, Ltda” from March 2018 to the present date.

He is the manager of the company “Midinvest, Gestão e Investimentos, Sociedade Unipessoal Lda.” from January 2009 to the present date, having been director of “Midinvest Brasil Ltda.” from September 2017 to November 2019.

He has been a member of the Board of Directors of Noronha Sanches – Investimentos Imobiliários SA since November 2020 to date.

In October 2021, he was elected Director of the top listed company of the Teixeira Duarte Group – “Teixeira Duarte, SA”, continuing to exercise these functions under the term ending in 2022.

In April 2019, he was elected Member of the Board of Directors of the company currently called “Teixeira Duarte 1886, SA” – a company owned by members of the Teixeira Duarte family to which a stake of more than 50% in the capital of TD,SA is charged – and continues to perform these duties under the term of office that ends in 2022.

**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 Manuel Maria Calainho de Azevedo Teixeira Duarte is the cousin of shareholder Miguel Calainho de Azevedo Teixeira Duarte and cousin of shareholder João Afonso Calainho de Azevedo Teixeira Duarte.

Director Maria da Conceição Maia Teixeira Duarte is the cousin of shareholder Miguel Calainho de Azevedo Teixeira Duarte and cousin of shareholder João Afonso Calainho de Azevedo Teixeira Duarte.

Director Isabel Maria Nunes Correia Teixeira Duarte is the niece of shareholder Miguel Calainho de Azevedo Teixeira Duarte and niece of shareholder João Afonso Calainho de Azevedo Teixeira Duarte.

The Director Miguel Calainho de Azevedo Teixeira Duarte holds 100% of the share capital of the shareholder “MIDINVEST – Gestão e Investimentos, Sociedade Unipessoal Lda.”, is a member of the Board of Directors of “Teixeira Duarte 1886, SA” and is the brother of shareholder João Afonso 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.

**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 Audit 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 ensure 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 organisational structures of the Group, identified in the following organisational chart, are integrated into the Group's main sub-holding companies: Teixeira Duarte - Engenharia e Construções, SA (TD-EC) and Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, SA (TDGPIL), whose respective Supervision will be the responsibility of the directors of these two sub-holdings, without prejudice to the direct articulation with the Board of Directors of Teixeira Duarte, SA regarding the relevant matters within the scope of the Corporate Area.

ÁREA CORPORATIVA	SETORES DE ATIVIDADE		
Auditoria Interna	Construção		Concessões e Serviços
Contabilidade			
Finanças	Geotecnia e Fundações	Cofragens e Pré-Esforço	Facilities Management
Inovação	Edificações	Projetos	Educação
Jurídicos	Infraestruturas	Aprovisionamentos	Imobiliária
Processos Partilhados	Metalomecânica	Gestão de Equipamento	
Recursos Humanos	Obras Subterrâneas	Sistemas de Gestão	Hotelaria
Societário e Corporativo	Obras Ferroviárias	Logística das Propostas	Distribuição
Sustentabilidade		Laboratório de Materiais	Automóvel
Tecnologias de Informação			

**b) Functioning**

**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 specialised 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 organisation of the Board of Directors that result from the Company's Articles of Association and applicable legislation.

The individual competence of each member is established by decision 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 governing bodies of TD,SA are always drawn up.

Although this is not established in the Articles of Association or in any other specific mechanism, it is guaranteed that, within the limits of the applicable legislation, the members of the management and supervisory bodies are permanently ensured access to all company information and employees for the assessment of the company's performance, situation and development prospects, specifically including minutes, the documentation supporting decision-making, the call notices and files of 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, TD,SA 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 governing bodies or other relevant bodies in this area: <https://www.teixeiraduarte.pt/codigo-de-etica/>

### **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.**

During 2021, the Board of Directors of TD,SA held 23 meetings.

For all due purposes, it is disclosed that the attendance of each member of this Board was as follows:

The former Chairman of the Board of Directors, Pedro Maria Calainho Teixeira Duarte, participated in all 12 meetings held until the date on which he submitted a letter of resignation from the position of Chairman of the Board of Directors.

The current Chairman of the Board of Directors Manuel Maria Calainho de Azevedo Teixeira Duarte participated in all 23 meetings of this body.

Director Carlos Gomes Baptista participated in all 23 meetings of this body.

Administrator Maria da Conceição Maia Teixeira Duarte participated in all 23 meetings of this body.

Director Diogo Bebiano Branco de Sá Viana Rebelo participated in 22 of the 23 meetings of this body and was represented by the Chairman of the Board of Directors at the only meeting in which he was not present.

Director Isabel Maria Nunes Correia Teixeira Duarte participated in all 9 meetings of the Board of Directors held after her election (at the General Meeting held on 8 October 2022).

Director Miguel Calainho de Azevedo Teixeira Duarte participated in all 9 meetings of the Board of Directors held after his election (at the General Meeting held on 8 October 2022).

### **24. Indication of the governing bodies which are competent to carry out the assessment of 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 Commercial 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 organisational and functional model established between the various corporate codes, it was 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 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 Governing 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 predefined 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.
- Director Miguel Calainho de Azevedo Teixeira Duarte holds social positions in other entities outside the Teixeira Duarte Group without receiving remuneration and Director Isabel Maria Nunes Correia Teixeira Duarte has a professional relationship with an entity outside the Group, without in both cases being subject to any situation that hinders your full availability for the performance of the position of member of the Board of Directors of TD,SA.

##### **Director: Manuel Maria Calainho de Azevedo Teixeira Duarte**

- Chairman of the Board of Directors of "Teixeira Duarte - Engenharia e Construções, SA";
- Chairman of the Board of Directors of "C+P.A. - Cimento e Produtos Associados, SA";
- Chairman of the Board of Directors of "IMOTD - Sociedade Gestora de Participações Sociais, SA";
- Chairman of the Board of Directors of "TD VIA - Sociedade Imobiliária, SA";
- Chairman of the Board of Directors of "TDE - Empreendimentos Imobiliários, SA"
- Chairman of the Board of Directors of "TDH - Sociedade Gestora de Participações, SA";
- Chairman of the Board of Directors of "TDO - Sociedade Gestora de Participações Sociais, SA";
- Chairman of the Board of Directors of "TEDAL - Sociedade Gestora de Participações Sociais, SA";
- Chairman of the Board of Directors of "Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, SA";
- Director of "CPM - Companhia de Parques de Macau, SA";
- Director of "Teixeira Duarte - Engenharia e Construções (Macau), Limitada";
- Director of Macau CPM Holdings

##### **Director: Maria da Conceição Maia Teixeira Duarte**

As at 31 December 2021 he held no positions in other companies.

##### **Director: Carlos Gomes Baptista**

As at 31 December 2021 he held no positions in other companies.

##### **Director: Diogo Bebiano Branco de Sá Viana Rebelo**



As at 31 December 2021, he held the following positions in other companies of the Teixeira Duarte Group:

- Member of the Board of Directors of "TDE - Empreendimentos Imobiliários, SA";
- Chairman of the Board of Directors of "TDO - Investimento e Gestão, SA";
- Chairman of the Board of Directors of "Teixeira Duarte - Distribuição, SA";
- Chairman of the Board of Directors of "Teixeira Duarte Real Estate, SA";
- Chairman of the Board of Directors of "TEDAL II - Distribuição e Investimentos, SA";
- Chairman of the Board of Directors of "TEDAL III - Automóveis e Investimentos, SA";
- Chairman of the Board of Directors of "TEDAL IV - Participações e Automóveis, SA";
- Chairman of the Board of Directors of "TEDAL - Participações e Distribuição, SA";
- Member of the Board of Directors of "IMOTD - Sociedade Gestora de Participações Sociais, SA";
- Member of the Board of Directors of "TD VIA - Sociedade Imobiliária, SA";
- Member of the Board of Directors of "Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, SA";
- Managing Director of "Malanga - Investimentos Imobiliários, Unipessoal Lda.";

**Director: Isabel Maria Nunes Correia Teixeira Duarte**

As at 31 December 2021, he held the following positions outside the Teixeira Duarte Group:

- Researcher at the Católica Research Centre for the Future of Law.
- Member of the Coordinating Council of the Católica Research Centre for the Future of Law.

**Director: Miguel Calainho de Azevedo Teixeira Duarte**

As at 31 December 2021, he held the following positions outside the Teixeira Duarte Group:

- Director of the company "Verdadobjectiva SA";
- Director of the company "Ramo Verde – Exploração Florestal, Ltda";
- Director of the company "Midinvest, Gestão e Investimentos, Sociedade Unipessoal Lda.";
- Member of the Board of Directors of the Company "Teixeira Duarte 1886, SA";
- Member of the Board of Directors of Noronha Sanches – Investimentos Imobiliários SA.

**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.**

Considering the number of members of the Board of Directors and the fact that there are no non-executive directors, since they all perform duties 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 Article 10(2) 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

##### **Members:**

Ana Cristina Louro Ribeiro Doutor Simões

João Salvador dos Santos Matias

##### **Alternate:**

Rui Pedro Ferreira de Almeida

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 Supervisory Board was elected by the Shareholders on 31 May 2014, as an Alternate of that body, having taken office, following the resignation presented by previous Chairman, as a permanent member on 7 November 2014, and been appointed Chairman of the Supervisory Board at its meeting of 5 December 2014. At the Annual General Meeting of 30 May 2015, he was elected Chairman of the Supervisory Board to serve during the 2015/2018 term, having been reappointed at the General Meeting of 27 May 2019, to serve during the current term, 2019/2022.

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 duties 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 33.33% of the permanent 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 governing bodies have been elected since then.

It should also be noted that TD,SA, 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, TD,SA approved its Diversity Policy, which is currently in force and sets out criteria for the selection and appointment of the Company's governing 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 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)

- 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.
- Member of the Board of Auditors of Banco de Portugal.
- Chairman of the Supervisory Board of Centro Hospitalar e Universitário do Algarve.
- Member and Vice-Chairman of the Governing Board of the Association of Statutory Auditors (2009-2020).
- Deputy Chairman of the Executive Committee of the Accounting Standardisation Committee of Portugal (2015-2017).
- Consultant in various projects in Angola and Mozambique on matters of accounting and audits, and trainer in these same areas in Portugal and in the Portuguese-Speaking African Countries (PALOP).
- 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 Organisation 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, working as freelance Chartered Accountant 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 Statutory Auditors.

**João Salvador dos Santos Matias** (Member of the Supervisory Board)

- Degree in Business Management and Organisation from Instituto Superior de Economia (1978)
- Currently, he is retired.

**Rui Pedro Ferreira de Almeida** (Alternate of the Supervisory Board)

- Management Degree from Instituto Superior de Economia e Gestão – Lisbon School of Economics and Management (Universidade de Lisboa) (1997);
- Executive Training in Business Management at the BPP University (Reading) (2001);
- Executive Training in Human Behaviour in Organisations (AESE) (2007);

- Post-graduate studies in Mergers and Acquisitions (EGP-UPBS) (2009);
- CEO and Member of the Board of Directors of MONERIS, SGPS, SA;
- Chairman of the British-Portuguese Chamber of Commerce;
- Member of the Supervisory Board of Associação Grace – Empresas Responsaveis;
- Member of the Supervisory Board of ITREN - Instituto para a Transição Energética;
- Alternate of the Supervisory Board of EDP Ventures - Sociedade de Capital de Risco, SA.
- Co-Chair of the EMEA M&A Special Interest Group at the international association MSI Global Alliance; and
- M member of the Advisory Board of Start-Up Portimão.

**b) Functioning**

**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 this 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 governing 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 2021, the Supervisory Board held 6 meetings, all of which were attended by all of its permanent 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, coordinated with the Audit Firm's action.

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)

Holding the following positions as at 31 December 2021:

- Chairman of the Supervisory Board of Centro Hospitalar e Universitário do Algarve;
- Member of the Board of Auditors of Banco de Portugal.

**Ana Cristina Louro Ribeiro Doutor Simões** (Member of the Supervisory Board)

Holding the following positions as at 31 December 2021:

- Chair of the Supervisory Board of Novartis Farma – Produtos Farmacêuticos, SA;
- Chair of the Supervisory Board of Glintt – Global Intelligent Technologies, SA.

**João Salvador dos Santos Matias** (Member of the Supervisory Board)

As at 31 December 2021, he did not perform duties in any other companies.

**Rui Pedro Ferreira de Almeida** (Alternate of the Supervisory Board)



Holding the following positions as at 31 December 2021:

- Chief Executive Officer and Member of the Board of Directors of MONERIS, SGPS, SA;
- Chairman of the British-Portuguese Chamber of Commerce;
- Alternate of the Supervisory Board of EDP Ventures - Sociedade de Capital de Risco, SA.
- Co-Chair of the EMEA M&A Special Interest Group at 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 statutory audit, 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. STATUTORY AUDITOR**

**39. Identification of the statutory auditor and statutory auditor partner representing the former.**

The position of statutory auditor is held by "Moore Stephens & Associados - SROC", represented by António Gonçalves Monteiro.

**40. Indication of the number of years during which the statutory auditor has performed duties consecutively at the company and/or group.**

The aforementioned 'Moore Stephens & Associados — SROC, SA', represented by António Gonçalves Monteiro, was elected for the first time to the position of Statutory Auditor of TD,SA at the General Meeting held on 30 May 2015, to perform the respective duties during the 2015/2018 quadrennium. At the General Meeting of 27 May 2019, this entity was again elected to hold the same position during the 2019/2022 quadrennium, now in progress, following the approval of a proposal submitted by the Supervisory Board.

**41. Description of other services provided by the audit firm to the company.**

The statutory auditor does not provide any services other than those related to the statutory audit of TD,SA.

**V. EXTERNAL AUDITOR**

**42. Identification of the external auditor appointed pursuant to Article 8 and statutory auditor 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 Market Code, is the audit firm "Moore Stephens & Associados - SROC", represented by António Gonçalves Monteiro and registered at the Association of Audit Firms (OROC) under number 173 and at the CMVM under number 20161476.

**43. Indication of the number of years during which the external auditor and respective statutory auditor 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 statutory auditor partner 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 seven years.

**44. Policy and frequency of rotation of the external auditor and respective statutory auditor partner who represents it in compliance with these duties.**

There is no defined policy on the rotation of the external auditor and respective statutory auditor partner who represents it in compliance with these duties.

However, TD,SA follows the rotation rules provided for in Article 17 of Regulation (EU) 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 Statutory Auditors, approved by Law 140/2015 of 7 September, which provides that the maximum term 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 Article 54(4), and the audit firm may, under the terms of Article 54(3), be appointed as Statutory Auditor and External Auditor for the maximum performance of two terms of office of four years each.

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, for a second time, 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 governing bodies of TD,SA on an annual basis without any circumstances ever having occurred that could justify its dismissal or termination of the service provision contract with just cause.

The Board of Directors of TD,SA and the services under this board have assumed the commitment to ensure the existence of appropriate conditions for the provision of services by the external auditor within the Company, since the Board of Directors and its services are placed directly within the operating structure of TD,SA and ensure that they have the necessary physical means, information and documentation in order to provide the external auditor with the appropriate conditions for the performance of 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 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 the statutory audit services	61,000.00	100.00%
Value of reliability assurance services	-	-
Value of tax advisory services	-	-
Non-statutory audit services	-	-

**By entities included in the Group\***

Value of review of legal accounts services	315,135.00	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(1)(h)).

There are no specific rules for any amendments of the Articles of Association, with the general rules established in the Commercial Companies Code being applicable, in particular the provisions in Articles 85, 383(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, the Employees – and the Indirect Recipients, under the terms and scopes set out above – are responsible for ensuring compliance with this Code of Ethics and Conduct. This is done by publicising it, quoting it in their defence, applying it and enforcing its application in the line management, including their own, 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, SA" 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](mailto: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.

In addition, the General Procedure for Preventing and Combating Harassment at Work is in force, which establishes the principles of action and procedures that are considered appropriate to prevent and combat harassment in the workplace within the Teixeira Duarte Group, to be observed by all people that are part of it, making the Procedure a self-regulatory instrument and the expression of an active policy aimed at avoiding, identifying, eliminating and/or punishing situations that may substantiate the practice of harassment in the workplace. The General Procedure for Preventing and Combating Harassment at Work is complementary to the Teixeira Duarte Group Code of Ethics and Conduct.

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 Board of Directors is the body responsible for the determination and assessment of the most relevant risks to which the Company is subject, as well as for the promotion of the necessary initiatives for their prevention. It is responsible for designing and designing the internal control and risk management systems that are prove necessary and appropriate for the various situations identified, as well as monitor their implementation and monitor and evaluate their operation, duly supported by the other corporate control areas that provide support to the Company.

The Internal Audit Services of the Teixeira Duarte Group have progressively played a fundamental role regarding the implementation of internal control systems.

As at 31 December 2021, these services had five employees from Group companies and were hierarchically and functionally dependent on the Chairman of the Board of Directors Manuel Maria Calainho de Azevedo Teixeira Duarte. This work was also coordinated at meetings attended by the other members of the Board of Directors and of the Supervisory Bodies.

Also noteworthy in the Compliance System implemented by the Teixeira Duarte Group, is the appointment, in 2021, of a Chief Compliance Officer whose mission is to develop a Compliance Programme to promote, within the Teixeira Duarte Group (i), the compliance with legal, regulatory and internal regulations, (ii) the correct identification and assessment of the respective risks inherent to the activities carried out by the Group companies and (iii) the development of efficient measures to comply with the aforementioned regulations and to mitigate the respective risks, establishing guidelines for the analysis of reality, processing and reporting of information, defining areas of action and respective means and subsequent monitoring of the results and promoting the necessary reviews of such measures.

In addition, the Management Systems Department also contributes to internal control, which includes in its functions to ensure that the Group Policies are complied with, implementing, in this context, also supervision criteria, carrying out the corresponding training, respective internal audit and presenting improvement proposals.

**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.**

*Internal Audit*

Since its creation and until 2019, 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.

However, in 2021, the Internal Audit Officer started to report functionally and administratively to its Chairman of the Board of Directors, ensuring the independence of the Internal Audit department of TD,SA.

The Supervisory Board monitors the work carried out by the Audit Services, holding the meetings it deems necessary for this purpose and analysing the work carried out or in progress with the depth and as deemed appropriate in the circumstances. As a result, it deliberates the issuance of formal recommendations whenever it considers that there is a matter for this purpose.

In line with the mentioned change regarding the reporting to the Board of Directors, the communication system with the Supervisory Board was also revised, which now has access to a direct internal platform of the Internal Audit Service where all reports are made available on a monthly basis issued by the department, so that the Supervisory Board can ensure the follow-up of the work, as a result of Recommendations VI.4 and VI.5.

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, it should be stressed, has ensured that none of their impartiality has ever been placed in question.

*Chief Compliance Officer*

In 2021, the Board of Directors of TD,SA decided on the appointment of a Chief Compliance Officer, who functionally responds to the Board of Directors and whose mission is to develop a Compliance Programme to promote, within the Teixeira Duarte Group (i) compliance with legal regulations, regulatory and internal, (ii) the correct identification and assessment of the respective risks inherent to the activities carried out by the companies of the Group and (iii) the development of efficient measures to comply with the aforementioned regulations and to mitigate the respective risks, establishing guidelines for the analysis of reality, treatment and reporting of information, defining areas of action and respective means and subsequent monitoring of results and promoting the necessary reviews of such measures.



## 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, loan spreads and exchange rates, as well as cash balances 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 interest rates and availability of financing.

Hospitality in Portugal has suffered 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 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 (344,447 thousand euros in 2021). 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 foreign exchange risks arising from possible 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 and retain 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 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 the Chairman of the Board of Directors 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, SA and Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, SA – and monitoring by the supervisory bodies. The Accounting Departments particularly oversees the Teixeira Duarte Group's liquidity.

TD,SA manages the Group's liquidity risk 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 automotive 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 motor vehicles, spare parts and equipment for the different local subsidiaries in the automotive 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;
- 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 held.

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 continue 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 Organisation 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.

Likewise, the development of the geopolitical situation in Europe and its impacts on the economies with which the Group operates directly and indirectly is continued, with particular focus on obtaining services, commodities and raw materials.

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.**

The risk identification, monitoring, control and management process of TD,SA includes various risk assessments at different levels and complexity, taking into account the matters to be dealt with and after identification of the types of risk underlying the Group's different areas of action. 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.

The Board of Directors is the body responsible for the determination and assessment of the most relevant risks to which the Company is subject, as well as for the promotion of the necessary initiatives for their prevention. It is responsible for designing and designing the internal control and risk management systems that are prove necessary and appropriate for the various situations identified, as well as monitor their implementation and monitor and evaluate their operation, duly supported by the other corporate control areas that provide support to society, namely:

- The Internal Audit Department, whose main functions are the evaluation and improvement of the effectiveness of risk management processes and internal control systems, as well as the conduct of an examination of the activities carried out by the Group;
- The Chief Compliance Officer, whose mission is to develop a Compliance Programme to promote, within the Teixeira Duarte Group (i) compliance with legal, regulatory and internal regulations, (ii) the correct identification and assessment of the respective risks inherent to activities developed by the Group companies and (iii) the development of efficient measures to comply with the aforementioned regulations and to mitigate the respective risks, establishing guidelines for the analysis of reality, treatment and reporting of information, defining areas of action and respective means and subsequent monitoring of the results and promoting the necessary reviews of such measures.



- The Management Systems Department, which includes in its functions to ensure that the Group Policies are complied with, also implementing supervisory criteria, carrying out the corresponding training, respective internal audit and presenting proposals for improvement.

Responsibility for assessing the operation of these systems and submitting proposals for adjusting to TD,SA's needs lies with the Board of Directors – and not with the Supervisory Bodies as shown in Recommendation VI.2. – as this is a matter which, due to its nature and the specific aspects described above, falls within the framework of the scope of activities 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.

On the other hand, there are no control commissions within the Teixeira Duarte Group, since the assessment of the company, the way it is managed, the composition of the management and managers of the companies that make up the Teixeira Duarte Group and the fundamental principles that are applied, it is concluded that the efficiency and control costs of setting up control commissions would be far greater than the benefits that could result from control carried out through such commissions.

Despite the fact that the internal control and risk management system implemented in society does not fully comply with all the requirements listed in Recommendation VI.6, – as it has not defined a written Policy, but nonetheless has established a risk management system – with the implementation of a Compliance Programme – TD,SA maintains its confidence in the option for 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(1)(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 Portuguese Securities Market 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 Accounting Department and those in the Company and Corporate team who participate in drawing up and disclosing the final document, are included in the list established in Article 248-A(7) of the Securities Market Code, and Article 18 of Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014. In other words, they are employees with access to privileged information. All of them are notified, under the legally defined terms, of their inclusion in the aforementioned list and the legal consequences arising from the disclosure or misuse of privileged information.

Through meetings scheduled with the external auditor and statutory 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, judgements, 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 the Chairman of the Board of Directors Manuel Maria Calainho de Azevedo Teixeira Duarte, coordinated by José Pedro Poiães Cobra Ferreira, who is the market relations representative duly registered with the Portuguese Securities Market 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.com](mailto:representantemercado@teixeiraduarte.com)

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 point 56 above, the position of Market Relations Representative is held by José Pedro Poiares 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 2021 was 4 days.

**V. INTERNET WEBSITE**

**59. Address(es).**

The internet website of TD,SA has the following address: [www.teixeiraduarte.pt](http://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 can be consulted at: [www.teixeiraduarte.pt/investidores/identificacao-da-sociedade](http://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](http://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 identity of the members of the governing bodies may be consulted at: [www.teixeiraduarte.pt/investidores/orgaos-sociais](http://www.teixeiraduarte.pt/investidores/orgaos-sociais).

The information on the representative for market relations and the Investor Support Office may be consulted at: [www.teixeiraduarte.pt/investidores/gabinete-apoio-investidor](http://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 since the incorporation of the company in 2009 can be found at: [www.teixeiraduarte.pt/investors/financial-information](http://www.teixeiraduarte.pt/investors/financial-information).

The six-monthly calendar of corporate events may be consulted at: [www.teixeiraduarte.pt/calendario-do-investidor](http://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](http://www.teixeiraduarte.pt/assembleias-gerais).

**65. Location providing the historical record with the decisions 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](http://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) 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:

- Miguel Calainho de Azevedo Teixeira Duarte
- António Carlos Calainho de Azevedo Teixeira Duarte
- Manuel Ferreira

António Carlos Calainho de Azevedo Teixeira Duarte and Manuel Ferreira were elected at the General Meeting of 27 May 2019, to serve on that body for the 2019/2022 four-year period. Miguel Calainho de Azevedo Teixeira Duarte was elected at the Extraordinary General Meeting held on 8 October 2021.

The member of the Remuneration Committee Miguel Calainho de Azevedo Teixeira Duarte is not considered independent from the members of the Board of Directors, since he is also the Director of that management body.

As TD,SA is majority-owned by companies owned by members of the Teixeira Duarte family, and 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 Market Commission (CMVM) at any given time on remuneration for members of the Body of Directors, with no reasons being envisaged to change this.

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.

For the purposes of Recommendation V.2.4, it is stated that the members of the Remuneration Committee tend to always be present at the Company's Annual General Meetings.

#### 68. Knowledge and experience of the members of the remuneration committee on matters of remuneration policy.

The members of the Remuneration Committee Miguel Calainho de Azevedo Teixeira Duarte and António Carlos Calainho de Azevedo Teixeira Duarte have knowledge and experience in matters of remuneration policy, bearing in mind that they 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 28/2009 of 19 June.**

The Remuneration Committee of TD,SA issued the respective remuneration policy statement relative to the members of the Management and Supervisory Bodies, which was approved unanimously at the General Meeting of this company, held on 24 May 2021, where the contents of this statement are reproduced below:

**REMUNERATION POLICY FOR MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES OF “TEIXEIRA DUARTE, SA”**

**I. REGULATORY FRAMEWORK**

Under Article 399 of the Commercial Companies Code and Article 11 of the Company’s Articles of Association, it is up to this Committee to submit for approval by the General Meeting a proposal for the remuneration policy of the members of the management and supervisory bodies of this Company, which is drawn up in accordance with and for the purposes set out in Articles 26-A to 26-F of the Securities Code.

**II. SCOPE OF THE POLICY:**

Depending on the corporate model adopted by “Teixeira Duarte, SA”, this Policy covers all members of the Board of Directors, of the Supervisory Board and the Audit Firm.

**III. INTRODUCTION:**

This “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.

Whenever reference is made in this text to the history and the labour and contractual reality with the Teixeira Duarte Group, it is understood that this refers to Teixeira Duarte, SA, Teixeira Duarte - Engenharia e Construções, SA and Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, SA, the main sub-companies holding companies of the Group.

In this context, it is determined that the Directors of “Teixeira Duarte, SA” may only receive remuneration, in whatever capacity, paid by one of the following entities: “Teixeira Duarte, SA”, “Teixeira Duarte – Engenharia e Construções, SA” or “Teixeira Duarte – Gestão de Participações e Investimentos Imobiliários, SA”.

**IV. BOARD OF DIRECTORS:**

**1. Contractual status**

There are no contracts or agreements with the members of the management bodies, and four of the members of the Board of Directors have an employment contract with the Teixeira Duarte Group, without prejudice to their suspension, under the terms of the Law, at the time of the elections for the positions held in the Group Teixeira and administrator Maria da Conceição Maia Teixeira Duarte also have no written management contract, resulting in their contractual status only from the term for which they were elected at the General Meeting.

There are therefore no specific contractual determinations for the applicable notice periods, nor any termination or payment clauses associated with the termination of them, and the terms provided by the Law that is in force apply.



## **2. Objectives of the Remuneration Policy for members of the Board of Directors**

*This remuneration policy for the members of the Board of Directors was developed with the objective that the determination of remuneration under the terms described herein contributes to the company's business strategy, to its long-term interests and to its sustainability.*

### **a. Fixed remuneration**

*The fixed remuneration must be determined taking into account the work carried out in the Teixeira Duarte Group, as well as the compatibility with the terms and conditions of employment and remuneration of the employees of the Teixeira Duarte Group, in order to promote a sense of ownership and interconnection between directors and employees and all with the global strategy of the Teixeira Duarte Group, and it should be noted in this regard that four of the members of the Board of Directors began their journey as employees of the Group more than twenty-five years ago.*

*The fixed amount must be assigned and paid in accordance with the conditions of employment and remuneration of the employees of Teixeira Duarte, SA and of the main sub-holding companies of the Group, Teixeira Duarte - Engenharia e Construções, SA and Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, SA, in the absence of any bonuses or benefits specifically attributed to the members of the Board of Directors, and the amounts and payments of insurance, allowances and expenses in service must be made under the same terms and conditions as those applied to employees of the said companies.*

### **b. Variable remuneration**

*This policy promotes a commitment of the members of the Board of Directors to the long-term business project, not only because the fixed remuneration values and other complementary conditions are integrated into a global framework of the remuneration of employees of the Teixeira Duarte Group, but also because there is a variable and deferred part of the remuneration, and its attribution and payments are subject to the verification of conditions that reflect the positive performance of the company itself, measured with concrete, determinable indicators and considered references for sustainability and long-term development of society, which are exposed below.*

*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.*

*No Director has any right to the variable component of his remuneration until there are specific assignments by this Remuneration Committee, the sums of which will be paid in instalments of quantities and deadlines to be defined also by decision of this Commission, and the respective payment of those parts. deferred depending on the continued exercise of functions by each of the members of the Board of Directors concerned within the company itself or on the provision of remunerated collaboration within the Group.*

*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 the following three financial years higher than the EBITDA recorded in the financial year in question;*
- *Average Consolidated Net Income in three consecutive years above the Consolidated net income for the year in question.*

*The possibility for the company to request the refund of variable remuneration already delivered is not foreseen.*

### **c. Other forms of compensation or benefits**

*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.*

*There should not be any other relevant non-cash benefits, apart from those established by this Committee.*

*No sums have been paid, and nor are there any foreseen sums payable, relative to the dismissal or termination of office of Directors.*

**d. Retirements and supplementary pension schemes**

*The Remuneration Committee is responsible for establishing all the amounts paid in this context to any retired former Directors, under all circumstances and to review annually the awarded amounts.*

*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, SA";*

*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, SA";*

*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 - By 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 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.*

*For all intents and purposes, 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 governing bodies, as this competence is expressly assigned to the Remuneration Committee, under the terms of the aforementioned provisions of the Articles of Association.*

**V. SUPERVISORY BOARD:**

*There are no contracts or agreements with the members of the Supervisory Board, resulting in their contractual status only from the term for which they were elected at the General Meeting.*

*There is also no supplementary pension or early retirement scheme for any of the members of the 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, SA" or other entity 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 bonuses or relevant non-cash benefits.*

**VI. STATUTORY AUDITOR:**

*The Company shall, following the election decision taken by the General Meeting for the election of the Audit Firm, conclude with such entity a contract for the provision of statutory audit services.*

*The remuneration of the Audit 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, SA", 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 Audit Firm might also provide 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.*

*Since the Supervisory Board has played an active role in monitoring the work of the Audit Firm, this board should be consulted in order to issue an opinion on the establishment of the remunerations of this firm.*

*There is no supplementary pension or early retirement scheme for the Statutory Auditor, nor for any of the representatives of the Audit Firm elected for this position.*

#### **VII. THE DECISION-MAKING PROCESS**

*The decision-making process followed for the determination, review and application of this policy consists of holding meetings of the Remuneration Committee to discuss the issue without the intervention of any other committee, entity or governing body, with the values and criteria determined in the terms described above and aligned with the remuneration strategy of the company's management and of its reference sub-holdings - Teixeira Duarte - Engenharia e Construções, SA and Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, SA - therefore, there are no conflicts of interest, as cross-cutting criteria are used for the fixed and variable remuneration values and contribute to the company's business strategy, to its long-term interests and to its sustainability.*

*Therefore, it shall be based on this remuneration policy 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 decision drawn up in minutes whose content is then communicated to the Board of Directors for implementation, under the strict terms defined therein.*

#### **VIII. PUBLICATION OF THE POLICY AND DISCLOSURE OF INFORMATION ON REMUNERATION**

*In compliance with Article 26e of the Securities Code, this Remuneration Policy is published on the company's website, containing reference to the results of the vote and the respective date of approval at the general meeting, and remains available to the public, free of charge, at least while in application.*

*The disclosure of information regarding the remuneration of the members of the management and supervisory bodies shall be made in accordance with the legislation in force.*

#### **IX. DURATION OF THE REMUNERATION POLICY**

*In order to comply with the current legislation in force, this Remuneration Policy must be revised at least four years from now.*

*Without prejudice to this, it was noted that many of the aspects set out above aim to comply with the applicable legal regulations, which may be susceptible to any changes that these rules may undergo."*

#### **70. Information on the way 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 the manner in which 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, SA".*

*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 "Remuneration Policy for Members of Management and Supervisory Bodies of Teixeira Duarte, SA", described in point 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 from 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 2021 to 2023, defined as the occurrence of at least one of the following facts:

- Increased equity;
- Average EBITDA for 2021 to 2023 above the EBITDA recorded for 2020;
- Average Consolidated Net Income for 2021 to 2023 above the Consolidated net income for 2020.

**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 "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, SA";*

*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, SA";*

*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 - By 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.

For all due purposes, 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 governing bodies, as this competence is expressly assigned to the Remuneration Committee, under the terms of the statutory provisions referred to above.

**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 2021, the remunerations, in a broad sense, received individually by the members of the Board of Directors, were as follows:

Board of Directors	Fixed Remuneration	Variable Remuneration			Sub-Total	Travel compensation	Total
		Assigned in 2013	Assigned in 2017	2021 Awards			
Manuel Maria Calainho de Azevedo Teixeira Duarte	182,220.95	1,500.00	30,000.00	75,000.00	288,720.95	4,379.05	293,100.00
Carlos Gomes Baptista	137,200.00	-	35,000.00	24,000.00	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	177,036.26	15,000.00	-	75,000.00	267,036.26	265.00	267,301.26
Isabel Maria Nunes Correia Teixeira Duarte (a)	7,971.28	-	-	-	7,971.28	-	7,971.28
Miguel Calainho de Azevedo Teixeira Duarte (a)	7,971.28	-	-	-	7,971.28	-	7,971.28
Pedro Maria Calainho Teixeira Duarte (b)	57,818.18	-	-	-	57,818.18	-	57,818.18
	605,217.95	16,500.00	65,000.00	180,000.00	866,717.95	4,644.05	871,362.00

(a) Members of the Board of Directors of Teixeira Duarte, S.A. since 8 October 2021;

(b) Chairman of the Board of Directors of Teixeira Duarte, S.A. up to 30 June 2021.

The amounts paid as "2021 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 TD,SA and in which they are also members of the respective Boards of Directors.

It should also be noted in this regard that the members of the Remuneration Commissions of Teixeira Duarte - Engenharia e Construções, SA and Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, SA are the same as those of the Remuneration Committee of TD,SA

In 2021, the total value of the variable remunerations paid by TD,SA represented 30% of the total value received.

In addition to the information indicated above on the amounts paid, it is reported that in 2021 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 2024, 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 TD,SA throughout that period, with this being defined as the occurrence of at least one of the following facts:

- Increased equity;
- Average EBITDA for 2021 to 2023 above the EBITDA recorded for 2020;
- Average Consolidated Net Income for 2021 to 2023 above the Consolidated net income for 2020.

The values assigned under the terms mentioned above were as follows:

	Variable remuneration paid in 2021		
	To 2021	To 2024	Total
Manuel Maria Calainho de Azevedo Teixeira Duarte	75,000.00	77,000.00	122,000.00
Carlos Gomes Baptista	24,000.00	26,000.00	50,000.00
Maria da Conceição Maia Teixeira Duarte	6,000.00	8,000.00	14,000.00
Diogo Bebiano Branco de Sá Viana Rebelo	75,000.00	77,000.00	122,000.00
Isabel Maria Nunes Correia Teixeira Duarte (a)	-	-	-
Miguel Calainho de Azevedo Teixeira Duarte (a)	-	-	-
Pedro Maria Calainho Teixeira Duarte (b)	-	-	-
	180,000.00	188,000.00	368,000.00

(b) Members of the Board of Directors of Teixeira Duarte, S.A. since 8 October 2021;

(b) Chairman of the Board of Directors of Teixeira Duarte, S.A. up to 30 June 2021.

The amounts indicated above, attributed as variable remuneration of the Directors Manuel Maria Calainho de Azevedo Teixeira Duarte and Diogo Bebianio 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 TD,SA and in which they are also members of the respective Boards of Directors.

**78. Amounts paid, for any reason, by other companies in a controlling or group relationship or which are subject to common control.**

Notwithstanding the above in point 77 of this Report on the “2021 Premiums” paid to directors Manuel Maria Calainho de Azevedo Teixeira Duarte and Diogo Bebianio Branco de Sá Viana Rebelo for the aforementioned Teixeira Duarte - Engenharia e Construções, S.A. and Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., none of the members of the Board of Directors received, in 2021, any remuneration, whatever it may be, paid by other companies that are in a controlling or group relationship with Teixeira Duarte, S.A.

**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 “Remunerations Policy for Administration and Company Supervisory Bodies”.

In 2021, 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 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, during 2021, the remunerations received by the members of the Supervisory Board of TD,SA were distributed as follows:

Supervisory Board	Fixed Remuneration	Variable Remuneration	Total Remuneration
Óscar Manuel Machado Figueiredo	30,000.00	-	30,000.00
João Salvador dos Santos Matias	18,000.00	-	18,000.00
Ana Cristina Louro Ribeiro Doutor Simões	18,000.00	-	18,000.00
	<b>66,000.00</b>	<b>-</b>	<b>66,000.00</b>

The total value of annual fees paid to the Audit Firm “MOORE STEPHENS & ASSOCIADOS, SROC, SA” and to other natural or legal persons belonging to the same network supported by the firm and/or by legal persons in a controlling or group relationship, for the services provided by it, i.e., Statutory Audit and Auditing services, was:

	Remuneration
Statutory audit services for the Group	376,135.00
Other reliability assurance services	-
Tax advisory services	-
Non-statutory audit services	-
	<b>376,135.00</b>

All the values listed above relative to the remuneration of the members of the Supervisory Board and Audit Firm were paid during 2021; therefore, there are no portions whose payment is deferred over time.

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 aforesaid Secretary of the Board of the General Meeting, all the other members of this body, under the current system established in the Commercial Companies Code, namely the provisions in 422-A, by virtue of Article 374-A(3), 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 2021 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 was 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 body.

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 Article 248-B(3) 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(1)(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(1)(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, on 2 December 2021, the Board of Directors of Teixeira Duarte S.A. approved, in compliance with the applicable regulations and with the prior binding opinion of the Supervisory Board, the Regulations on Transactions with Related Parties, which established rules and procedures that TD,SA must observe whenever Transactions occur between TD,SA or any entity of the Teixeira Duarte Group and the Related Parties, the text of which is transcribed here:

*REGULATION ON TRANSACTIONS WITH RELATED PARTIES*

*Article 1*

*(Purpose)*

1. *The present Regulation on Transactions with Related Parties (hereinafter "Regulation") aims to implement the provisions of Law 50/2020 of August 25, which transposed into the Portuguese legal system Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 (hereinafter the Directive on the Shareholders II) who, among several diplomas, amended the Securities Code (hereinafter "CVM"), through the establishment of rules and procedures that Teixeira Duarte SA (hereinafter "TD,SA") must observe whenever Transactions occur between TD,SA or any entity of the Teixeira Duarte Group and the Related Parties.*
2. *The Regulation is complementary to the internal codes and regulations that "TD,SA" has in place for the purpose of complying with the applicable legal regime in this matter and with the other legal and regulatory rules in force.*

*Article 2*

*(Relevant Definitions)*

*Teixeira Duarte Group: TD,SA and its subsidiaries.*

*Related Parties: A "Related Party" means a party related to TD,SA within the meaning of international accounting standards adopted pursuant to Regulation (EC)1606/2002 of the European Parliament and of the Council of 19 July, including International Accounting Standard (IAS) 24.*

*Transactions with Related Parties: Related Party Transactions, for the purposes of this Regulation, are those that are so qualified by the international accounting standards adopted pursuant to Regulation (EC) 1606/2002 of the European Parliament and of the Council of 19 July, namely by the International Accounting Standard (IAS) 24 (hereinafter "Transactions").*

*Article 3*

*(Procedure)*

1. *Transactions between "TD,SA" or an entity of the Teixeira Duarte Group and any Related Party must be carried out within the scope of the day-to-day business of each of the Group entities and under market conditions.*
2. *The Board of Directors shall identify all transactions subject to review under this Regulation and submit them to the Supervisory Board's verification, providing, within 10 days after the end of each quarter, a report containing all relevant information related*

to them, namely providing evidence that they were carried out within the scope of their current activity and under market conditions.

3. The Company's Supervisory Board has up to 30 days after receipt of the report referred to in the previous number to verify the compliance of the Transactions carried out in the previous quarter, with each Related Party, namely whether they are carried out (i) within the scope of its current activity and (ii) under market conditions.
4. The Board of Directors shall provide any other additional information that the Supervisory Board may consider relevant to the verification referred to in the previous number, namely independent audit reports prepared for this purpose.
5. The Related Parties shall not be able to participate in the verification referred to in number 3 of this Article.
6. Any person within the scope of the Teixeira Duarte Group who becomes aware of any transactions covered by this regulation must inform the Board of Directors of such transactions.
7. Transactions with Related Parties that are not carried out within the scope of the company's daily activity and/or under market conditions must always be subject to decision by the Board of Directors and preceded by a favourable opinion of the Company's Supervisory Board.
8. The assessment to be carried out by the Board of Directors and the Supervisory Board of the Company must take into account the principle of equal treatment of shareholders and other stakeholders, the pursuit of the Company's interest, and also the impact, nature and justification of each Transaction.

#### Article 4

##### (Transaction Disclosure)

1. The Company shall publicly disclose Related Party Transactions carried out either by the Company or by any other entity of the Teixeira Duarte Group whose value is equal to or greater than 2.5% of the consolidated assets of the issuing company, or of the individual asset if it does not prepare consolidated accounts, and which do not meet the requirements set out in number 1 of the previous article, at the time they are carried out.
2. The disclosure must contain, at least:
  - a) the identification of the related party;
  - b) information about the nature of the relationship with the related parties;
  - c) the date and amount of the transaction;
  - d) the reasoning as to the fair and reasonable nature of the transaction from the point of view of the company and of shareholders who are not related parties, including minority shareholders;
  - e) The meaning of the Supervisory Board's opinion, whenever it has been negative.

#### Article 5

##### (Exemptions)

This Regulation does not apply to Transactions whose applicable laws and regulations treat as exempt, namely:

- (a) transactions carried out between the company and its subsidiaries, provided that they are in a controlling relationship with the company and no party related to the company has an interest in that subsidiary;
- b) Transactions related to the remuneration of directors, or to certain elements of that remuneration;
- (c) transactions carried out by credit institutions on the basis of measures to ensure their stability, adopted by the competent authority responsible for prudential supervision within the meaning of European Union law;
- d) Transactions proposed to all shareholders on the same terms in which equal treatment of all shareholders and the protection of the interests of the company are ensured.

#### Article 6

##### (Transaction Aggregation)

Transactions with the same Related Party entered into during any 12-month period or during the same financial year, and which have not been subject to the obligations set out in the preceding articles, are aggregated for the purposes of those articles.

#### Article 7

##### (Final Provisions)

1. It will be up to the Supervisory Board to assess the application of this Regulation annually, as well as to issue a binding opinion on the review of this Regulation.
2. The Regulation comes into force immediately and has been preceded by a favourable opinion issued by the Supervisory Board.

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 also 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 Directors, 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 behaviour, including payments or receiving facilitations, or creating, maintaining or promising irregular or favourable 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.*

As previously mentioned, 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 any failure to apply the code may lead to disciplinary procedures and sanctions. Therefore, given this scope and effective linkage – which has been considered efficient – TD,SA is complying with Recommendation I.5.1, and has defined a more specific internal procedure for the verification of related party transactions.

### 90. Indication of transactions which were subject to control during the year under review.

In this context and in view of the mechanisms referred to above, all the transactions with related parties were subject to control under the aforesaid terms. These transactions with related parties and their respective balances and additional information may be consulted in Note 29 of the Notes to the Consolidated Financial Statements as at 31 December 2021.

### 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.

The procedures and criteria in the terms mentioned above are defined and implemented in the Regulations on Related Party Transactions described in point 89. The transactions carried out between the Company and holders of a qualified shareholding are of a current nature and for the exercise of the activity.

## 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.

The information on business with related parties, in accordance with IAS 24, is reproduced in Note 29 of the Notes to the Consolidated Financial Statements as at 31 December 2021.

#### 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 Market Code and the CMVM Regulations, in particular Regulation 4/2013, TD,SA decided to adopt the Portuguese Institute of Corporate Governance (IPCG) Code.

**Indication of the location where the texts on corporate governance codes to which the issuer is subject (Article 245-A(1)(p)).**

The aforementioned Corporate Governance Code issued by the IPCG can be consulted at [www.cgov.pt](http://www.cgov.pt).

**2. Analysis of compliance with the adopted corporate governance code**

**Under the terms of Article 245-A(1)(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 as 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 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 thirteen and partially adopted three.



	Recommendation	Adoption	Reference
I.	<b>GENERAL PART</b>		
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 governing bodies, shareholders, investors and other stakeholders, 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 governing bodies		
I.2.1.	Companies must put in place criteria and requirements relating to the suitable profiles of new members of governing 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 in relation to 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 (whistleblowing) 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.	Yes	18 and 22

	Recommendation	Adoption	Reference
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.	Yes	10, 22 and 89
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.	Yes	10, 22 and 89
<b>II.</b>	<b>SHAREHOLDERS AND GENERAL MEETING</b>		
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
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 decisions 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

	Recommendation	Adoption	Reference
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
<b>III.</b>	<b>NON-EXECUTIVE MANAGEMENT AND SUPERVISION</b>		
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 judgement 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.	<p>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 is not in any circumstance likely to affect his or her impartiality when conducting analyses or making decisions, specifically by virtue of:</p> <ul style="list-style-type: none"> <li>Having held positions in any governing body for more than twelve years, continuously or with breaks;</li> <li>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;</li> <li>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;</li> <li>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;</li> <li>Living in a non-martial 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;</li> <li>Holding a qualifying stake or representing a shareholder holding a qualifying stake.</li> </ul>	No	18

	Recommendation	Adoption	Reference
III.5.	The provisions of Recommendation III.4(i) 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 duties at any governing body and his or her new appointment (cooling-off period).	Not applicable	18
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.	Yes	50 and 51
III.6.(2)	Idem for the risk policy.	Yes	50, 51 and 54
III.7.(1)	Companies must have a specialised 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
<b>IV.</b>	<b>EXECUTIVE MANAGEMENT</b>		
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) organisation 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
<b>V.</b>	<b>PERFORMANCE ASSESSMENT, REMUNERATION AND APPOINTMENTS</b>		
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	Remunerations		



	Recommendation	Adoption	Reference
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 Commercial 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 governing body or committee as a result of the termination of his or her duties, 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 authorisation of the committee.	Not applicable	67
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.	Appointments		
V.3.1.	The company must, under the terms it deems appropriate, ensure that proposals for the election of members of governing 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

	Recommendation	Adoption	Reference
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
<b>VI.</b>	<b>INTERNAL CONTROL</b>		
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 organise 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.	Yes	51
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.	Yes	51
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, aimed at follow-up.	Partial	53 and 54

	Recommendation	Adoption	Reference
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.	Yes	53 and 54
<b>VII.</b>	<b>FINANCIAL INFORMATION</b>		
VII.1.	Financial Information		
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, judgements, relevant disclosures and their consistent application from one financial year to the next, in a duly documented and communicated manner.	Yes	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 statutory 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)	being 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 13 September 2021, "Teixeira Duarte, SA" approved - based on current guidelines (Article 1(c)) and Article 4 of Regulatory Order 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 Information Disclosure System (SDI) of the Portuguese Securities Market Commission, the description of which is disclosed herein:

#### FRAMEWORK

*Teixeira Duarte, SA (TD,SA) has always been concerned with ensuring the dignified treatment of its employees, with respect for their human and labour rights, including effective equality among all.*

*Law 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, SA 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, under the terms of Normative Order 18/2019 of 21 June.*

*In this context, on 11 September 2020, Teixeira Duarte, SA approved its Equality Plan for 2021 at a meeting of its Board of Directors, which, associated with internal and external factors relevant to its purpose and strategic orientation, served as the basis for the preparation of the Plan for Equality for 2022 that is now being presented.*

## **INTRODUCTION**

*Teixeira Duarte, SA has incorporated, in its management strategy, actions that contribute to ensuring that gender equality in its different domains (i.e., respect for the dignity of men and women in the workplace; reconciliation between professional, family and personal life and quality in employment) is a reality within the Group companies.*

*Based on the Mission “To do, contributing to the construction of a better world”, an objective shared by all Group employees and workers, regardless of their area of activity, geography, or work team, Teixeira Duarte adopted several instruments guiding the performance of the companies involved in the promotion of gender equality and the prevention of discriminatory practices, including the following:*

*Teixeira Duarte, SA operates in line with the UN Human Rights Declarations, the Guiding Principles of the Organisation for Economic Cooperation and Development (OECD), the International Labour Organisation (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, Competition and the fight against Corruption and Bribery, Money Laundering and Financing of Terrorism.*

*The Teixeira Duarte Group has in force a Code of Ethics and Conduct that is mandatory for all its employees, which in its chapter on “Commitments to Labour Rules” expressly enshrines the obligation of equal treatment and non-discrimination, prohibition of harassment, as well as the promotion of reconciliation with family and personal life and protection in parenting. The Code of Ethics and Conduct provides for the existence of an Ethics Channel where all employees (as well as third parties) must report any irregularities (namely harassment at work) identified, without the complainants being able to suffer reprisals for complaints in good faith.*

*Aware of the importance of employees' opinions in improving organisations with the implementation of measures that effectively meet the interests of the worker, Teixeira Duarte implemented an ideas channel, accessible through the Corporate Portal at [www.canaldeideias.teixeiraduarte.pt](http://www.canaldeideias.teixeiraduarte.pt), where suggestions and measures can be presented that may be considered important for the reconciliation of professional, family and personal life.*

*Based on its culture and equality objectives, Teixeira Duarte, SA presents its Equality Plan for 2022 which, in line with the guidelines contained in the “Guide for the Implementation of Equality Plans for Companies” and the recommendations of CITE regarding the Annual Plan for the Equality of Teixeira Duarte, SA for 2020, established by Normative Order 18/2019, aims to disclose new measures to be implemented, as well as to update and disseminate procedures and practices already implemented and in force in the Teixeira Duarte Group within the scope of Gender Equality defined by legislation Portuguese.*

*The Plan for Equality, defined for 2022, represents the commitment of Teixeira Duarte, SA to the measures contained therein and will be monitored by a Working Group (internal Task Force) through the evaluation of the fulfilment of the goals defined for each of the measures in order to incorporate new measures and/or or readjust the existing ones.*

*This Working Group is composed of four members - two men and two women - from different areas of activity within the Teixeira Duarte Group (Sustainability/Human Resources/Concessions and Services/Management System) and who work with the supervision of the Board of Directors.*

## **SCOPE OF APPLICATION**

*Teixeira Duarte, SA, as the top listed company of the Teixeira Duarte Group, has no employees other than members of the governing bodies and has in force a Diversity Policy of Management and Supervisory Bodies approved at the General Meeting.*

*In this circumstance, and considering that the Teixeira Duarte Group companies operate in six different sectors (Construction, Concessions and Services, Real Estate, Hospitality, Distribution and Automotive) and in 22 countries with very different cultures and legal frameworks, it is understood that the appropriate way to achieve effective equal treatment and opportunities between women and men, promoting the elimination of discrimination based on sex and fostering reconciliation between personal, family and professional life within the Teixeira Duarte Group, will be obtained through the elaboration of a Plan for Equality that presents a set of objectives and measures that should be implemented and developed directly by its subsidiaries.*

*Thus, the approval of the Plan for Equality 2022 by Teixeira Duarte, SA, as the top listed company of the Teixeira Duarte Group, that is, to be applied to itself and extended to all entities integrated in its consolidation and management perimeter - in a manner appropriate to its realities of operation, both geographic and sectoral — the meanings and scope of the following expressions used throughout this document are clarified:*

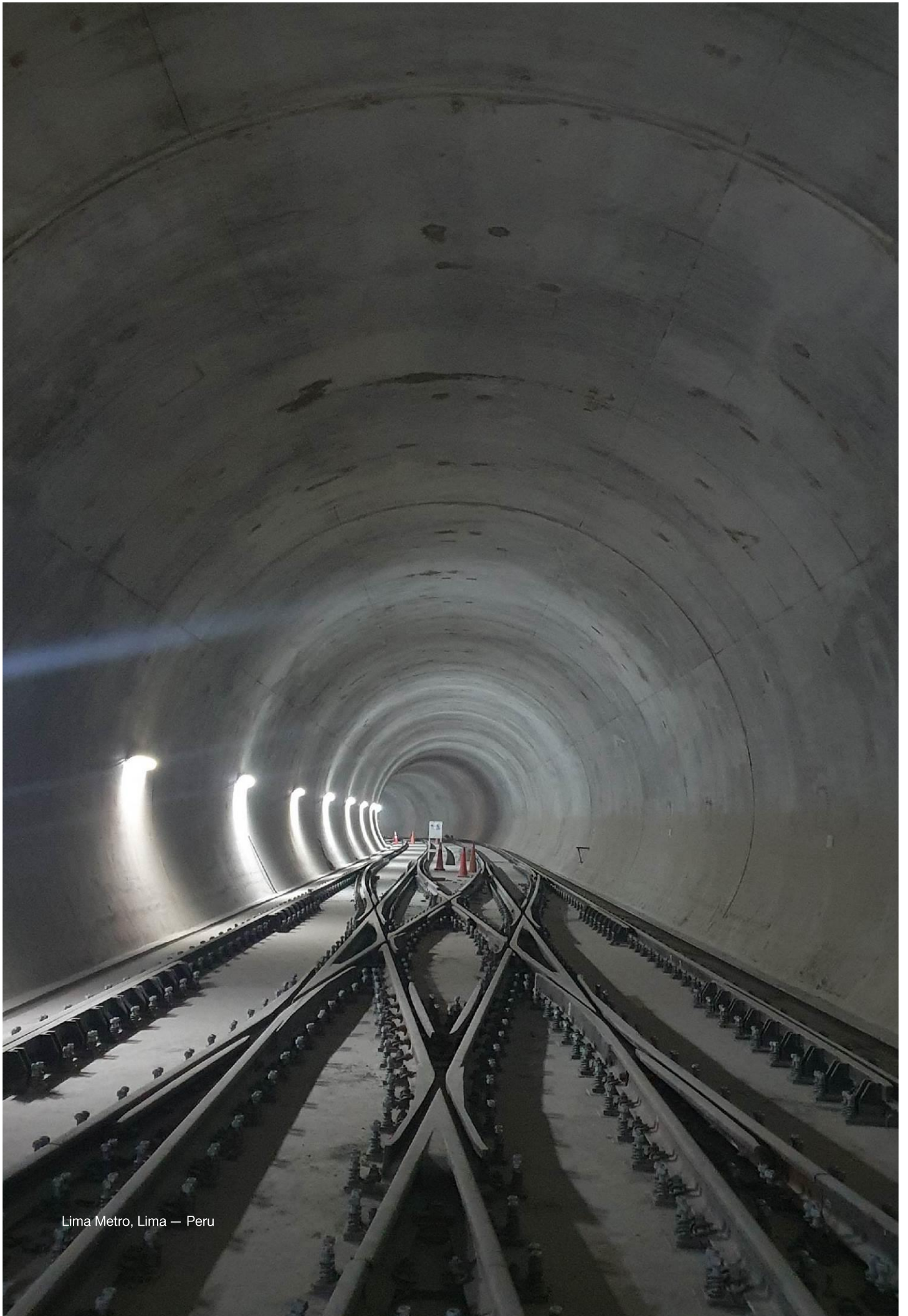


**Teixeira Duarte:** *The identity of a business Group that presents itself through its brand image: a Portuguese Group originally founded as an engineering company. Its engineering roots came from its founder who, with an entrepreneurial spirit and with support from its human resources and technical equipment, has for a century extended its action to other sectors and markets, with a marked identity experienced and upheld by all involved, with pride and affection.*

**Teixeira Duarte Group:** *Set of entities integrated in the consolidation perimeter and scope of management of Teixeira Duarte, SA.*

The 2022 equality plan can be consulted at the address: <https://www.teixeiraduarte.pt/wp-content/uploads/2021/09/TDSAPlanIgualdade2022.pdf>

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Lima Metro, Lima — Peru

# Individual Financial Statements 2021



## I. BALANCE SHEET

Items	Notes	31/12/2021	31/12/2020
<b>Assets</b>			
<b>Non-current assets:</b>			
Tangible fixed assets	7	-	-
Goodwill	8 and 9	13,002	16,253
Intangible assets	6	-	-
Financial holdings - equity method	9	957,981	980,588
Deferred tax assets	14	18,864	5,375
		<b>989,847</b>	<b>1,002,216</b>
<b>Current assets:</b>			
Clients	15.1 and 22	6,755	11,942
Government and other public entities	15.1	5,608	4,606
Other credit receivable	15.1	15,146	28,693
Deferrals	15.1	1,525	790
Cash and bank deposits	4	121	53
		<b>29,155</b>	<b>46,084</b>
<b>TOTAL ASSETS</b>		<b>1,019,002</b>	<b>1,048,300</b>
<b>Equity and Liability</b>			
<b>Equity:</b>			
Subscribed capital	23	210,000	210,000
Legal reserves	23	42,000	42,000
Other reserves	23	242,551	242,551
Retained Earnings:			
Retained earnings		(11,788)	6,116
Non-attributed profit - equity method		(362,470)	(355,592)
Adjustments/other changes in equity			
Non-attributed profit - equity method		362,470	355,592
Other adjustments to financial assets		(150,990)	(231,996)
		<b>331,773</b>	<b>268,701</b>
<b>Net income for the period</b>	<b>23</b>	<b>(125,858)</b>	<b>(17,904)</b>
<b>EQUITY TOTAL</b>		<b>205,915</b>	<b>250,797</b>
<b>Liability</b>			
<b>Non-current liabilities:</b>			
Obtained financing	15.2 and 22	220,757	229,559
Other debts payable	15.2 and 22	131,746	174,286
		<b>352,503</b>	<b>403,845</b>
<b>Current liability:</b>			
Suppliers	15.2 and 22	86,918	69,695
Government and other public entities	15.2 and 22	7,194	6,644
Obtained financing	15.2 and 22	66,987	47,236
Other debts payable	15.2 and 22	299,485	270,083
		<b>460,584</b>	<b>393,658</b>
<b>TOTAL OF LIABILITY</b>		<b>813,087</b>	<b>797,503</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,019,002</b>	<b>1,048,300</b>

(Values in thousand euros)

The notes are an integral part of the Balance Sheet as at 31 December 2021.

The Certified Accountant

The Board of Directors

## II. INCOME STATEMENT BY NATURE

Income and expenses	Notes	2021	2020
Sales and services rendered	11	3,447	4,303
Gains/losses imputed to subsidiaries, associates and joint ventures	9 and 10	(102,183)	9,032
External supplies and services	19	(3,052)	(3,333)
Staff expenses	18	(1,271)	(1,354)
Other income	20	200	1,188
Other expenses	21	(731)	(1,381)
<b>Result before depreciation, financing expenses and taxes</b>		<b>(103,590)</b>	<b>8,455</b>
Depreciation and amortisation expenses/reversals	6, 7, 8	(3,251)	(3,330)
<b>Operational result (before financing expenses and taxes)</b>		<b>(106,841)</b>	<b>5,125</b>
Interest and similar income obtained	11 and 17	59	28
Interest and similar costs paid	17	(20,580)	(25,268)
<b>Result before taxes</b>		<b>(127,362)</b>	<b>(20,115)</b>
Income tax for the period	14	1,504	2,211
<b>Net income for the period</b>		<b>(125,858)</b>	<b>(17,904)</b>

(Values in thousand euros)

The notes are an integral part of the Income Statement by Nature as at 31 December 2021.

The Certified Accountant

The Board of Directors

## III.STATEMENT OF CHANGES IN EQUITY

Description	Notes	Equity attributed to the shareholders						Total
		Subscribed capital	Legal reserves	Other reserves	Retained earnings	Adjustments to financial assets of subsidiaries and associates	Net income for the period	
Balance as at 1 January 2020	1	210,000	42,000	234,672	(314,458)	201,452	7,879	381,545
Application of equity method	9	-	-	-	(35,018)	(77,826)	-	(112,844)
Appropriation of net income		-	-	7,879	-	-	(7,879)	-
	2	-	-	7,879	(35,018)	(77,826)	(7,879)	(112,844)
Net income for the period	3						(17,904)	(17,904)
Integral income of the period	4=2+3							(130,748)
Balance as at 31 December 2020	6=1+2+3	210,000	42,000	242,551	(349,476)	123,626	(17,904)	250,797
Balance as at 1 January 2021	7	210,000	42,000	242,551	(349,476)	123,626	(17,904)	250,797
Application of equity method	9	-	-	-	(6,878)	87,854	-	80,976
Appropriation of net income	23	-	-	-	(17,904)	-	17,904	-
	8	-	-	-	(24,782)	87,854	17,904	80,976
Net income for the period	9						(125,858)	(125,858)
Integral income of the period	10=8+9							(44,882)
Balance as at 31 December 2021	12=7+8+9	210,000	42,000	242,551	(374,258)	211,480	(125,858)	205,915

(Values in thousand euros)

The notes are an integral part of the Statement of changes in equity as at 31 December 2021.

The Certified Accountant

The Board of Directors

## IV. CASH FLOW STATEMENT

Description	Notes	2021	2020
Operational activities:			
Revenue from clients		7,964	6,405
Payment to suppliers		(5,886)	(4,704)
Payment to staff		(1,014)	(1,008)
Cash generated by operations		1,064	693
Income tax payment/revenue		2,626	3,902
Other revenue/payments related to the operational activity		(259)	(1,003)
Cash flows of operational activities (1)		3,431	3,592
Investment activities:			
Payments related to:			
Other Assets - Related parties		(15,140)	(12,680)
Revenue related to:			
Tangible fixed assets		-	721
Financial investments	4	499	-
Interest and similar income		61	28
Other Assets - Related parties		17,685	9,115
Cash flows of investment activities (2)		3,105	(2,816)
Financing activities:			
Revenue related to:			
Obtained financing	15.2	120,074	115,050
Obtained financing - Related parties	15.2	48,510	23,920
Payments related to:			
Obtained financing	15.2	(118,384)	(120,196)
Obtained financing - Related parties	15.2	(38,969)	(17,850)
Interest and similar costs		(17,699)	(1,814)
Cash flows of financing activities (3)		(6,468)	(890)
Variation of cash and cash equivalents (1+2+3)		68	(114)
Cash and cash equivalents at the beginning of the period	4	53	167
Cash and cash equivalents at the end of the period	4	121	53

(Values in thousand euros)

The notes are an integral part of the Cash flow statement as at 31 December 2021.

The Certified Accountant

The Board of Directors



## NOTES

### 1. INTRODUCTION

A Teixeira Duarte, S.A. (hereinafter referred to as Teixeira Duarte or the Company), with legal person number 509234526, has its head office in Porto Salvo, was incorporated on 30 November 2009. Its main activity is investment management and the coordination and supervision of other companies that are part of or related to its business group. It essentially operates in the areas of strategic and organisational planning.

The financial statements in annex refer to the Company in individual terms with the financial investments in subsidiaries recorded by the equity method, as explained in Note 3.2.a).

All the values of these Notes are expressed in thousand euros.

### 2. ACCOUNTING STANDARDS

These financial statements were prepared pursuant to the Accounting Standards and Financial Reporting (NCRF) established by the Accounting Standardisation System (SNC), approved by Decree-Law 158/2009 of 13 July, with the rectifications of the Declaration of Rectification 67B/2009 of 11 September, and with the amendments introduced by Law 20/2010 of 23 August, and by Decree-Law 98/2015 of 2 June, which introduced into the Accounting Standardisation System (SNC), changes considered essential to guarantee its compliance with Directive 2013/34/EU of the European Parliament and of the Council of 26 June, with subsequent amendments being made to the Ordinances and Notices related to the accounting instruments comprising 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.

### 3.MAIN 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 item of investments in 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:

	<u>Service life in years</u>
Goodwill	10

In accordance with the equity method, financial investments are periodically adjusted by the amount corresponding to the participation in the net income 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) Tangible fixed assets

Tangible assets used in production, services rendered or for administrative use are recorded at acquisition or production cost, including the expenses incurred with their acquisition, minus accumulated depreciation and impairment losses, when applicable.

The tangible fixed 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:

	<u>Service life in years</u>
Buildings and other constructions	10
Transportation equipment:	4 - 5
Administrative equipment	3 - 10

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.

Tangible fixed assets in progress correspond to tangible assets under construction and are recorded at acquisition cost minus any impairment losses. These tangible fixed assets are depreciated as from when the underlying assets are concluded or in use.

The gains or losses arising from the sale or write-off of tangible fixed 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 items “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. Intangible assets are recognised only if it is probable that they will produce future economic benefits for the company, are controllable by the company and their value can be measured reliably.

Internal costs related to the maintenance and development of software are recorded as costs in the income statement when incurred, except when such costs refer directly to projects which will probably generate future economic benefits for the company. In such cases, these costs 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 carried out 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 recognised 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 credit receivable” and “Deferrals” in the assets and under “Other debts payable” and “Deferrals” in the liabilities.

#### e) Borrowing costs

Borrowing costs are recognised in the income statement for the year 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 recognised 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 recognised 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 in foreign currency**

Transactions in foreign currency (currency different from the Company's functional currency) are recorded initially at the exchange rate of the dates of the transactions. On each reporting date, the recorded quantities of the monetary items shown in foreign currency are updated to the exchange rate of that date.

Currency conversion differences calculated on the date of receipt or payment of transactions in foreign currency and those arising from the updates referred to above are recorded under financing income or expenses for 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 in the item "Cash and bank deposits" correspond to cash, bank deposits, term deposits and other cash investments, with a maturity of less than three months and which can be immediately mobilised with no significant risk of change in value.

Accounts receivable (Clients and Other credit receivable)

Accounts receivable are measured, when recognised initially, at fair value and subsequently at their amortised cost in accordance, which does not usually differ from their nominal value. When there is evidence that they are impaired, the corresponding adjustment is recorded through profit or loss. The recognised adjustment is measured by the difference between the value at which the accounts receivable are recognised and the present value of the cash flows discounted at the effective interest rate determined at their 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

Financial liabilities and equity instruments are classified in accordance with the substance of the contract independently of their legal form. Equity instruments are contracts that have 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 (Suppliers and Other debts payable)

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 recognised as liabilities at the amount received, net of costs of issuing such loans and later measured by the amortised cost method. Financial costs, calculated in accordance with the effective interest rate and including premiums payable, are stated 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 stated in accordance with the accrual basis of accounting.

**i) Pension liabilities**

The Company offers retirement insurance to its employees, constituted under a social policy and policy of incentives to workers. It is characterised by its optional nature, it is the exclusive decision of the Management that the contributions are made which are always adequate, taking into consideration performance and economic and financial situation. Thus, these contributions are recorded as a cost on the date when 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 Corporate Groups (RETGS) provided for in Article 69 of the Corporate Income Tax Code, having been the controlling company since 1 January 2012.

The “Income tax for the period” recorded in the income statement shows the sum of current tax and 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 accounting purpose (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 item.

**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 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 even disclosed.



### 3.3 VALUE JUDGEMENTS OF THE BOARD OF DIRECTORS

When preparing the financial statements, the Company adopted certain assumptions and estimates which affect the related 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 in the financial statements include: i) impairment analyses, namely of accounts receivable, financial investments and goodwill; ii) accruals and deferrals; and iii) deferred tax assets.

The estimates were determined based on the best information available on the date of preparation of the financial statements and on the best knowledge and experience of past and/or current events. However, situations might occur in subsequent periods which, not having been predictable on that date, were not considered in these estimates. Any alterations to the estimates, which occur subsequently to the date of the financial statements, will be corrected prospectively in the income statement.

## 4. CASH FLOW

### Cash and bank deposits

As at 31 December 2021 and 2020, the cash and bank deposits were detailed as follows:

	31/12/2021	31/12/2020
Cash	2	2
Bank deposits	119	51
	121	53

### Flows of investment activities

The revenues from financial investments in the periods ended on 31 December 2021 and 2020, refer to the following operations:

	2021	2020
Sale of stake in Lagoas Park, S.A.	499	-
	499	-

The amount received for the sale of the stake in Lagoas Park, S.A., corresponds to the part of the “*Earn Out*” stipulated in the 2018 deed of sale.

## 5. RELATED PARTIES

### Remunerations attributed to members of the governing bodies

The remunerations attributed to the members of the Company’s governing bodies for the periods ended on 31 December 2021 and 2020 were as follows:

	2021	2020
Executive directors:		
Short-term benefits	721	918
Supervisory board:		
Short-term benefits	66	66
	787	984

## Individual Financial Statements 2021

### 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 on 31 December 2021 and 2020 with related parties can be broken down as follows:

	Clients (Note 15.1)		Suppliers (Note 15.2)		Financing obtained (Note 15.2)		Deferrals		Other credit receivable and other debts payable	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
<b>Subsidiaries:</b>										
TEIXEIRA DUARTE - E.C., S.A.	473	5,351	86,317	68,988	-	3,212	257	257	(408,134)	(420,634)
TEIXEIRA DUARTE - E.C., S.A. (Angola Branch)	1,799	1,798	-	-	-	-	-	-	-	-
TEIXEIRA DUARTE - E.C., S.A. (E.E. of Algeria)	-	162	-	-	-	-	-	-	-	-
TEIXEIRA DUARTE - E.C., S.A. (Venezuela Branch)	15	15	-	-	-	-	-	-	-	-
TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.	-	55	-	85	-	25,534	-	-	(19,327)	(18,015)
TDGI - Tecnologia de Gestão de Imóveis, S.A.	76	76	-	-	-	-	-	-	5,361	3,284
	2,363	7,457	86,317	69,073	-	28,746	257	257	(422,100)	(435,365)
<b>Other related parties:</b>										
ALVALADE - Empreendimentos Turísticos e Hoteleiros, Lda.	335	335	-	-	-	-	-	-	-	-
AUTO COMPETIÇÃO ANGOLA (S.U.), Lda.	126	126	-	-	-	-	-	-	-	-
BONAPARTE - Imóveis Comerciais e Participações, S.A.	-	-	-	-	-	-	-	-	586	567
C + PA - Cimento e Produtos Associados, S.A.	-	-	-	-	-	-	-	-	1,721	1,358
CND - Companhia Nacional de Distribuição (S.U.), Lda.	961	961	-	-	-	-	-	-	270	135
COMÉRCIO DE AUTOMÓVEIS, Lda.	151	151	-	-	-	-	-	-	-	-
EDUCARE - Actividades Educativas e Culturais, Lda.	69	69	-	-	-	-	-	-	-	-
EMPA - Serviços de Engenharia, S.A.	127	127	-	-	-	-	-	-	-	-
EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A.	-	-	-	-	-	-	-	-	3,882	2,343
ESTA - Gestão de Hotéis, S.A.	-	-	-	-	-	-	-	-	225	257
GO CORP - Travel Solutions, S.A.	-	-	-	-	-	-	-	-	1,808	1,784
HOTEL BAÍA (S.U.), Lda.	276	276	-	-	-	-	-	-	-	-
HOTEL TRÓPICO, S.A.	63	63	-	-	-	-	-	-	-	-
IMOPEDEDOUÇOS - Sociedade Imobiliária, S.A.	-	-	-	-	-	-	-	-	2,283	2,263
IMOTD - SGPS, S.A.	-	-	-	-	-	-	-	-	507	389
LAGOAS HOTEL, S.A.	-	-	-	2	-	-	-	-	2,011	2,209
OCC - Operador Central de Comércio, Lda.	-	95	-	-	-	-	-	-	-	-
QUINTA DE CRAVEL - Imobiliária, S.A.	-	-	-	-	-	-	-	-	80	248
SINERAMA - Organizações Turísticas e Hoteleiras, S.A.	-	-	-	-	-	-	-	-	286	254
SMOTORS, S.A.	-	-	-	-	-	-	-	-	(100)	(72)
TDA - Comércio e Indústria (S.U.), Lda.	907	1,059	-	-	-	-	-	-	105	53
TEIXEIRA DUARTE - Distribuição, S.A.	-	-	-	-	-	-	-	-	2,260	1,866
TDGI - Tecnologia de Gestão de Imóveis, Lda.	186	186	-	-	-	-	-	-	46	23
TDO - Investimento e Gestão, S.A.	-	6	93	-	38,290	-	-	-	3,330	6,082
TDVIA - Sociedade Imobiliária, S.A.	-	-	-	-	-	-	-	-	(1,884)	(1,546)
TDHC - Instalações para Desporto e Saúde, S.A.	-	-	-	-	-	-	-	-	(318)	(278)
TEDAL - SGPS, S.A.	-	-	-	-	-	-	-	-	898	705
TEIXEIRA DUARTE - Engenharia e Construções (Angola), Lda.	785	690	-	-	-	-	-	-	-	-
TEIXEIRA DUARTE - Engenharia e Construções, Lda. (Mozambique)	-	63	-	-	-	-	-	-	-	-
TDSP, Participações Lda.	-	-	-	-	-	-	-	-	-	-
TD AM, S.A.	-	-	-	-	-	-	-	-	-	997
Other	183	250	9	-	-	3	-	-	803	489
	4,169	4,457	102	2	38,290	3	-	-	18,799	20,126
	6,532	11,914	86,419	69,075	38,290	28,749	257	257	(403,301)	(415,239)

## Individual Financial Statements 2021

The main transactions carried out with related parties during the periods ended on 31 December 2021 and 2020 were as follows:

	Services rendered		Interest and similar income obtained		Other income		External Supplies and Services		Interest and similar costs paid	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Subsidiaries:</b>										
TEIXEIRA DUARTE - E.C., S.A.	3,160	3,713	4	16	144	104	236	472	11,362	15,912
TEIXEIRA DUARTE - E.C., S.A. (Angola Branch)	-	-	-	-	-	-	-	2	-	-
TEIXEIRA DUARTE - E.C., S.A. (Venezuela Branch)	-	(1)	-	-	-	-	-	-	-	-
TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.	-	21	-	-	-	-	-	-	145	1,053
TDGI - Tecnologia de Gestão de Imóveis, S.A.	76	61	-	-	-	48	-	-	-	-
	3,236	3,794	4	16	144	152	236	474	11,507	16,965
<b>Other related parties:</b>										
CND - Companhia Nacional de Distribuição (S.U.), Lda.	135	317	-	-	-	-	-	-	-	-
ESTA - Gestão de Hotéis, S.A.	-	(41)	-	-	-	23	-	-	-	-
GO CORP - Travel Solutions, S.A.	-	-	-	-	-	-	1	2	-	-
LAGOAS HOTEL, S.A.	-	10	-	-	-	-	9	25	-	-
SMOTORS, S.A.	-	3	-	-	-	-	-	-	-	-
TDA - Comércio e Indústria (S.U.), Lda.	53	124	-	-	-	-	-	-	-	-
TDGI - Tecnologia de Gestão de Imóveis, Lda.	23	54	-	-	-	-	-	-	-	-
TDO, Investimento e Gestão, S.A.	-	-	55	12	-	-	-	-	673	-
TEIXEIRA DUARTE - Engenharia e Construções (Angola), Lda.	-	19	-	-	-	-	-	-	-	-
ALVALADE - Empreendimentos Turísticos e Hoteleiros, Lda.	-	12	-	-	-	-	-	-	-	-
	211	498	55	12	-	23	10	27	673	-
	3,447	4,292	59	28	144	175	246	501	12,180	16,965

## 6. INTANGIBLE ASSETS

As at 31 December 2021, the Company did not have 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 amortisations, were as follows:

	Opening Balance	Additions	Transfers and write-offs	Disposals	Closing Balance
<b>Gross assets:</b>					
Software	266	-	(39)	(227)	-
	266	-	(39)	(227)	-
<b>Accumulated amortisations:</b>					
Software	139	9	(38)	(110)	-
	139	9	(38)	(110)	-
<b>Net value of intangible assets</b>	127				-

## 7. TANGIBLE FIXED ASSETS

As at 31 December 2021, the Company did not have Tangible fixed assets.

During the period ended on 31 December 2020, the movements that occurred in the Tangible fixed assets, as well as in the respective accumulated depreciations, were as follows:

	Opening Balance	Additions	Transfers and write-offs	Disposals	Closing balance
Gross assets:					
Buildings and other constructions	612	-	-	(612)	-
Transportation equipment:	11	-	-	(11)	-
Administrative equipment	434	-	(14)	(420)	-
	1,057	-	(14)	(1,043)	-
Accumulated depreciations:					
Buildings and other constructions	146	51	-	(197)	-
Transportation equipment:	11	-	-	(11)	-
Administrative equipment	312	20	(14)	(318)	-
	469	71	(14)	(526)	-
Net value of tangible fixed assets	588				-

## 8. GOODWILL

The amounts relating to Goodwill for the financial years ended on 31 December 2021 and 2020, were:

31/12/2021			
	Gross amounts	Accumulated amortisation	Net amounts
Investments in subsidiaries - TDGI, S.A. (Note 9)	32,504	(19,502)	13,002
	32,504	(19,502)	13,002

31/12/2020			
	Gross quantities	Accumulated amortisation	Net amounts
Investments in subsidiaries - TDGI, S.A. (Note 9)	32,504	(16,251)	16,253
	32,504	(16,251)	16,253

In the period ended on 31 December 2021, based on the business plan of the subsidiary TDGI, S.A., management did not identify any signs of impairment.

## 9. FINANCIAL HOLDINGS - EQUITY METHOD

As at 31 December 2021 and 2020, the Company had recorded the following different investment amounts under the item "Financial stakes - equity method":

	31/12/2021	31/12/2020
	Net amounts	Net amounts
Investments in subsidiaries	957,981	980,588

## Subsidiary companies

As at 31 December 2021 and 2020, the Company held stakes in the following subsidiary companies:

Corporate name	Head Office	Effective percentage holding
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 at 31 December 2021 and 2020, is as follows:

	Assets		Liabilities		Income		Net income	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	2021	2020	2021	2020
TEIXEIRA DUARTE - Engenharia e Construções, S.A.	1,151,881	1,268,070	859,149	897,492	334,907	359,111	(112,827)	(9,179)
TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.	945,532	842,252	290,809	241,655	37,882	60,429	8,346	15,353
TDGI - Tecnologia de Gestão de Imóveis, S.A.	29,435	24,885	18,909	15,472	40,257	40,540	2,298	2,104
	2,126,848	2,135,207	1,168,867	1,154,619	413,046	460,080	(102,183)	8,278

As at 1 January 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, as at 1 January 2019, the Angolan economy was no longer considered as a hyperinflationary economy, for which reason IAS 29 ceased to be applicable to companies domiciled in that geographic region. Furthermore, as at 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, maintaining this criterion since then which has 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 at 31 December 2021 and 2020, 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 subsidiaries during the period ended on 31 December 2021 and 2020:

	Holdings	Goodwill	Total
Balance as at 1 January 2020	1,085,154	19,503	1,104,657
Amortisation	-	(3,250)	(3,250)
Effects of the application of the equity method			
- Effect on the result of the period	8,278	-	8,278
- Effect on equity	(112,844)	-	(112,844)
Balance as at 31 December 2020	980,588	16,253	996,841
Balance as at 1 January 2021	980,588	16,253	996,841
Amortisation	-	(3,251)	(3,251)
Effects of the application of the equity method			
- Effect on the result of the period	(102,183)	-	(102,183)
- Effect on equity	80,976	-	80,976
- Dividends received	(1,400)	-	(1,400)
Balance as at 31 December 2021	957,981	13,002	970,983



In the period ended on 31 December 2021, the Company's net income stood at the negative value of 125,858 thousand euros, having been strongly influenced by the loss arising from the application of the equity method, of the value of 102,183 thousand euros. This loss was essentially the result of the appropriation of the negative net income of its subsidiary Teixeira Duarte – Engenharia e Construções, S.A., of the value of 112,827 thousand euros, which included two material facts with significant impact on its accounts:

- Following the unpredictable decision taken by the Venezuelan public company, BOLIPUERTOS, S.A. which, in summary, resulted in the notification of the decision to terminate the Strategic Alliance for Port Operation and Management of the Specialised Container Terminal of the Port of La Guaira, signed with Teixeira Duarte - Engenharia e Construções, S.A. and which was in force since 1 April 2017 and the inherent occupation, on 15 October 2021, by BOLIPUERTOS, S.A., of the facilities assigned to Aliança, the Board of Directors of Teixeira Duarte - Engenharia e Construções, S.A. decided to recognise the effects in the financial year's accounts of the loss of the concession for the operation of the port of La Guaira. This action following which the recognition of the loss of this concession was recorded in the accounts, with an impact of 26,919 thousand euros;

- A court judgement of last resort handed down on 17 February 2022 by an Algerian court in the context of proceedings concerning a partner of Teixeira Duarte - Engenharia e Construções, S.A. called into question the operational and financial conditions that made it possible to ensure the normal execution of six public contracts contracted in Algeria. In this context, despite being a subsequent event, the Board of Directors decided to recognise, in the accounts for the period of 2021, the effects resulting from the suspension of the activity of those six public contracts, the estimated impact of which is reflected in an increase in Net Income of 61,120 thousand euros.

The investments in subsidiaries in the periods ended on 31 December 2021 and 2020 are detailed as follows:

	Holdings	
	31/12/2021	31/12/2020
TEIXEIRA DUARTE - Engenharia e Construções, S.A.	292,732	370,578
TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.	654,723	600,597
TDGI - Tecnologia de Gestão de Imóveis, S.A.	10,526	9,413
	957,981	980,588

Effects of the application of the equity method in the periods ended on 31 December 2021 and 2020, are detailed as follows:

	Gains / losses		Equity adjustments		Dividends	
	2021	2020	31/12/2021	31/12/2020	2021	2020
TEIXEIRA DUARTE - Engenharia e Construções, S.A.	(112,827)	(9,179)	45,665	(46,208)	-	-
TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.	8,346	15,353	35,096	(66,203)	-	-
TDGI - Tecnologia de Gestão de Imóveis, S.A.	2,298	2,104	215	(433)	(1,400)	-
	(102,183)	8,278	80,976	(112,844)	(1,400)	-

**10. GAINS / LOSSES ATTRIBUTED TO SUBSIDIARIES**

For the periods ended on 31 December 2021 and 2020, the company presented the following changes in investments in financial stakes in subsidiaries:

	2021	2020
Income:		
Application of equity method	10,644	17,457
Other	-	754
	10,644	18,211
Expenses:		
Application of equity method	(112,827)	(9,179)
	(112,827)	(9,179)
	(102,183)	9,032

**11. REVENUE**

In the periods ended on 31 December 2021 and 2020, the revenue recognised by the company were broken down as follows:

	2021	2020
Services rendered	3,447	4,303
Interest (Note 17)	59	28
	3,506	4,331

In the periods ended on 31 December 2021 and 2020, the services provided by the Company were geographically distributed as follows:

	2021	2020
Angola	211	527
Portugal	3,236	3,777
Venezuela	-	(1)
	3,447	4,303

**12. CONTINGENT LIABILITIES****Tax proceedings**

Following the inspections carried out by the Tax and Customs Authority (AT or Tax Authority) of the calculation of corporate income tax for the periods of 2015, 2017 and 2018, payable by the Group taxed under the Special Taxation Regime for Corporate Groups (RETGS) of which TD,SA is the parent company, the following corrections were made:

**a) Application of Article 90 of the Corporate Income Tax Code**

	Corrected tax
2017	663
2018	871
	1,534

This correction arises from the Tax Authority having a different understanding as to the use of the deductions provided for in Article 90 of the Corporate Income Tax Code in the Municipal and State Surtax, calculated under the scope of application of the RETGS, and was contested in court by TD,SA, as the parent company.

It should be noted that this correction, also made by the Tax Authority in the periods of 2013 to 2016, had been challenged by "TD,S.A.", the grounds of which were accepted at the administrative stage.

**b) Net Financing Costs (Article 67 of the Corporate Income Tax Code)**

On this subject, the Tax Authority corrected the tax result of the RETGS of TD,SA, under the following terms:

- Correction of the value of 22,710 thousand euros to the corporate income tax of 2015, related to the use of “slack” determined in previous periods;
- Correction of the value of 6,305 thousand euros for the period of 2018, because the Tax Authority considers that certain accounts should have been excluded from the determination of the EBITDA “for tax purposes” established in Article 67(13) of the Corporate Income Tax Code.

With regard to the correction for the period of 2015, a judicial challenge was lodged by TD,SA as the controlling company, which will pursue a procedure similar to that of the correction for the period of 2018.

**13. EFFECTS FROM EXCHANGE RATE CHANGES**

The exchange rates used to convert the assets and liabilities expressed in foreign currency to Euros as at 31 December 2021 and 2020, were as follows:

Currency	Closing exchange rate		Variation
	31/12/2021	31/12/2020	
US Dollar (USD)	1.1326	1.1452	1.10%

**14. INCOME TAX**

The Company is the parent company of a group of companies taxed under the Special Taxation Regime for Corporate 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 Corporate Income Tax (“IRC”) regime.

The Company is subject to corporate income tax at 21% on the collectable material. In the event of taxable profit, it is also subject to the Municipal Surtax, the rate of which can vary up to a maximum of 1.5%, as well as the State Surtax, 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 Corporate Income Tax Code.

Pursuant to the terms of the Corporate Income Tax Code, tax losses can be carried forward for a period of 5 (five) years for losses occurred during the tax period of 2017 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 carrying forward and deducting the aforementioned tax losses, under the following terms:

- The tax losses calculated in the 2020 and 2021 tax periods can be carried forward for 12 (twelve) years;
- The 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 as at 31 December 2021.

The item “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 item.

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 2021 and 2020, is as follows:

	2021	2020
Net income for the period	(125,858)	(17,904)
Adjustments for taxable profit:		
Definite differences:		
- To be added	132,712	38,053
- To be deducted	(11,002)	(20,693)
<b>Tax loss</b>	<b>(4,147)</b>	<b>(544)</b>
Taxable amount	-	-
Other income tax components		
Current tax	1,146	-
Deferred tax	358	2,211
Income tax expense	1,504	2,211

The movements occurred in the deferred tax assets and liabilities in the periods ended on 31 December 2021 and 2020, were as follows:

	31/12/2021			
	Opening balance	Constitution	Adjustment	Closing balance
Deferred tax assets:				
Tax losses carried forward	5,336	358	13,131	18,825
Double international taxation	39	-	-	39
	5,375	358	13,131	18,864

	31/12/2020			
	Opening balance	Constitution	Adjustment	Closing balance
Deferred tax assets:				
Tax losses carried forward	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

Verified incorporations were recognised as a gain or income for the period under the item “Income tax for the period”.

The adjustment verified in the periods ended on 31 December 2021 and 2020 refers, respectively, to the reinforcement and use of tax losses under the Special Group Taxation Regime (RETGS).

## 15. FINANCIAL INSTRUMENTS

The current financial assets and liabilities for the periods ended on 31 December 2021 and 2020 were broken down as follows:

**15.1 FINANCIAL ASSETS****Clients**

As at 31 December 2021 and 2020, the item “Clients” was broken down as follows:

	31/12/2021		Total
	Non-group	Group (Note 5)	
Clients, current account	223	6,532	6,755

	31/12/2020		Total
	Non-group	Group (Note 5)	
Clients, current account	28	11,914	11,942

The credit risk of the Client balance is detailed in Note 22.

**Other credit receivable**

As at 31 December 2021 and 2020, the item “Other credit receivable” was broken down as follows:

	31/12/2021	31/12/2020
	Current	Current
Accrued income receivable	3,678	2,868
Other debtors:		
Advance payments to suppliers	354	354
Staff	-	1
RETGS	6,238	20,874
Related parties	3,436	4,564
Other	1,440	32
	<u>11,468</u>	<u>25,825</u>
	15,146	28,693

As at 31 December 2021 and 2020, the item “Accrued income receivable” essentially refers to services rendered and not yet invoiced on the reporting date.

**Government and other public entities**

As at 31 December 2021 and 2020, the item “Government and other public entities” was broken down as follows:

	31/12/2021	31/12/2020
Government and other public entities:		
Income tax	5,344	4,499
Value added tax	264	107
	<u>5,608</u>	<u>4,606</u>



**Deferrals**

As at 31 December 2021 and 2020, the item “Deferrals” was broken down as follows:

	31/12/2021	31/12/2020
Deferrals:		
Expenses to be recognised	1,525	790

**15.2 FINANCIAL LIABILITIES****Suppliers**

As at 31 December 2021 and 2020, the item “Suppliers” was broken down as follows:

	31/12/2021		
	Non-group	Group (Note 5)	Total
Suppliers, current account	499	86,419	86,918

	31/12/2020		
	Non-group	Group (Note 5)	Total
Suppliers, current account	620	69,075	69,695

The liquidity risk of the Suppliers balance is detailed in Note 22.

**Other debts payable**

As at 31 December 2021 and 2020 the item “Other debts payable” is broken down as follows:

	31/12/2021		31/12/2020	
	Current	Non-current	Current	Non-current
Accrued expenses payable	2,309	-	17,050	-
Other creditors:				
Staff	4	-	707	40
RETGS	39,267	-	36,931	-
Related parties	257,822	131,746	215,322	174,246
Other	83	-	73	-
	297,176	131,746	253,033	174,286
	299,485	131,746	270,083	174,286

The liquidity risk of the balance of Other accounts payable is detailed in Note 22.

As at 31 December 2021 and 2020, the item “Accrued expenses payable” essentially concerns interest to be charged by Group companies.

**Government and other public entities**

As at 31 December 2021 and 2020, the item “Government and other public entities” was broken down as follows:

	31/12/2021	31/12/2020
Government and other public entities:		
Income tax	7,139	6,583
Retention of income tax	26	35
Social Security Contributions	29	26
	7,194	6,644

The liquidity risk of the balance of the State and other public entities is detailed in Note 22.

**Obtained financing**

As at 31 December 2021 and 2020, the item “Obtained financing” was broken down as follows:

		31/12/2021		
		Current	Non-current	Total
Bank loans	a)	23,624	211,907	235,531
Bank overdrafts	a)	5,073	-	5,073
Securities market - Commercial paper	b)	-	8,850	8,850
Subsidiaries	Note 5	38,290	-	38,290
		66,987	220,757	287,744

		31/12/2020		
		Current	Non-current	Total
Bank loans	a)	18,438	220,709	239,147
Bank overdrafts	a)	49	-	49
Securities market - Commercial paper	b)	-	8,850	8,850
Shareholders' and other loans	Note 5	3	-	3
Subsidiaries	Note 5	28,746	-	28,746
		47,236	229,559	276,795

The liquidity risk of the balance of the Financing obtained is detailed in Note 22.

The Company subscribed to the legal moratorium for principal and interest under the legal protection of loan arrangement due to the Covid-19 pandemic, for all its ongoing loan operations, with this arrangement having ended for interest on 31 March and for principal on 30 September.

During the period ended on 31 December 2021, the following movements occurred in “Financing obtained”:

		31/12/2021				
		Opening	Increase	Decrease	Interest on arrears	Closing Balance
Bank loans		239,147	-	(3,334)	(282)	235,531
Bank overdrafts		49	5,024	-	-	5,073
Securities market - Commercial paper		8,850	115,050	(115,050)	-	8,850
Shareholders' and other loans		3	-	(3)	-	-
Subsidiary companies		28,746	48,510	(38,966)	-	38,290
		276,795	168,584	(157,353)	(282)	287,744

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	Closing Balance
Bank loans		235,702	-	(3,592)	7,037	239,147
Bank overdrafts		1,603	-	(1,554)	-	49
Securities market - Commercial paper		8,850	115,050	(115,050)	-	8,850
Shareholders' and other loans		-	3	-	-	3
Subsidiary companies		22,679	23,917	(17,850)	-	28,746
		268,834	138,970	(138,046)	7,037	276,795

As at 31 December 2021, the item “Obtained financing” contains the different contracted operations along with various financial institutions and related parties, bearing interest at normal market rates.

## a) Bank loans

As at 31 December 2021, 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	Start date	Due 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	32,015	32	31,983
Banco Comercial Português, S.A.	Bank loans	30 January 2018	30 January 2023	Group	Euros	7,146	26	7,120
Banco Comercial Português, S.A.	Bank loans	05 January 2009	17 June 2035	Group	Euros	145,181	145,181	-
Banco Comercial Português, S.A.	Bank loans	12 August 2016	30 December 2033	Group	Euros	8,643	-	8,643
Caixa Geral de Depósitos, S.A.	Bank loans	22 September 2014	01 June 2034	Group	Euros	85,869	70,149	15,720
Caixa Geral de Depósitos, S.A.	Bank loans	12 August 2016	30 December 2033	Group	Euros	6,101	-	6,101
Banco Santander, S.A.	Escrow account	31 October 2012	30 December 2033	Single	Euros	5,038	5,038	-
Banco BIC, S.A.	Bank loans	02 July 2020	02 July 2025	Group	Euros	4,967	-	4,967
Banco BIC, S.A.	Escrow account	06 August 2015	31 December 2033	Group	Euros	19,605	15,105	4,500
Banco Português de Investimento, S.A.	Bank loans	05 July 2016	05 May 2023	Group	Euros	5,337	-	5,337
Novo Banco, S.A.	Bank loans	12 August 2016	30 December 2033	Group	Euros	8,233	-	8,233
Novo Banco, S.A.	Bank overdrafts	01 February 2007	31 December 2033	Group	Euros	18,335	5,073	6,542
Banco Comercial Português, S.A.	Escrow account	27 June 2014	31 December 2033	Group	Euros	4,825	-	4,825
						351,295	240,604	103,971

## b) Commercial paper

As at 31 December 2021, the Company had negotiated the following commercial paper programmes:

Bank	Type of financing	Start date	Due date	Financing	Currency	Total amount financed - (€)	Limit used by the Company - (€)	Limit used by rest of the Group - (€)
Novo Banco, S.A.	Commercial Paper	28 December 2015	15 June 2027	Group	Euros	95,000	8,850	86,150
Novo Banco, S.A.	Commercial Paper	30 December 2013	31 December 2033	Group	Euros	180,350	-	180,350
Novo Banco, S.A.	Commercial Paper	14 January 2016	31 December 2033	Group	Euros	15,200	-	15,200
						290,550	8,850	281,700

The Obtained financing above is refundable according to the following terms of redemption:

	31/12/2021	31/12/2020
Less than one year	66,987	47,236
1 to 2 years	13,381	8,533
2 to 3 years	27,456	13,416
3 to 4 years	27,215	15,735
4 to 5 years	21,328	21,354
Over 5 years	131,377	170,521
	287,744	276,795

To guarantee the financing obtained as described above, mortgages were constituted and several pledges were made (Note 16).

## 16. GUARANTEES AND COMMITMENTS

## Guarantees

As at 31 December 2021 and 2020, the Company had granted bank guarantees and sureties to third parties, as follows:

	31/12/2021	31/12/2020
Bank guarantees	1,469	719

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 periods of 2015, 2016 and 2017, 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, cancelled. The details of those that are still active, with reference to 31 December 2021, can be found below:

Correction period	Amount of the bank guarantee
2015	125
2016	594
2017	750
	1,469

The following liens and mortgages were also provided, in addition to the aforementioned guarantees:

Bank	Type of financing	Start date	Due date	Amount	Collateral
Novo Banco, S.A.	Bank overdrafts	1 February 2007	31 December 2033	11,615	Pledge of all shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda; Mortgage of Angolan Hotels: Alvalade and Baía and Mozambican Hotels: Avenida and Tivoli Beira
Banco Comercial Português, S.A.	Bank loans	5 January 2009	17 June 2035	145,181	Pledge of all shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda; Mortgage of Angolan Hotels: Alvalade and Baía   Mortgage of Mozambican Hotels: Avenida and Tivoli Beira
Novo Banco, S.A.	Commercial Paper	30 December 2013	31 December 2033	180,350	Pledge of all shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda; Mortgage of Angolan Hotels: Alvalade and Baía   Mortgage of Mozambican Hotels: Avenida and Tivoli Beira + Pledge of: Total EPOS shares + Total C+PA shares + 1,325,000 units of the TDF Closed Investment Fund and mortgage of: Polo Industrial do Montijo (TDGPII) + 9 plots of land (V8) + 7 plots of land (Quinta do Cravel)
Caixa Geral de Depósitos, S.A.	Bank loans	22 September 2014	1 June 2034	85,869	Pledge of all shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda; Mortgage of Angolan Hotels: Alvalade and Baía   Mortgage of Mozambican Hotels: Avenida and Tivoli Beira
Banco BIC, S.A.	Escrow account	6 August 2015	31 December 2033	19,605	BG of BIC AO (€23M) to BIC PT; Mortgage of Building no. 2554 (TD Angola, Lda) Complexo Comercial e Oficinas Polo Automóvel - Talatona
Novo Banco, S.A.	Commercial Paper	28 December 2015	15 June 2027	95,000	Pledge of all shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda; Mortgage of Angolan Hotels: Alvalade and Baía and Mozambican Hotels: Avenida and Tivoli Beira + Pledge of 1,045,610 Recoleta Spain (TEDAL) shares + 50% pledge of TDE shares
Novo Banco, S.A.	Commercial Paper	14 January 2016	31 December 2033	15,200	Pledge of all shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda; Mortgage of Angolan Hotels: Alvalade and Baía and Mozambican Hotels: Avenida and Tivoli Beira + Pledge of all TDGI shares
Banco Comercial Português, S.A.	Bank loans	12 August 2016	30 December 2033	8,643	Pledge of all shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda; Mortgage of Angolan Hotels: Alvalade and Baía   Mortgage of Mozambican Hotels: Avenida and Tivoli Beira; Mortgages of: Lot 26 of the Magnólia Development (TDGPIL) + Land named Troviscais (TD AM) + Lezíria Park II (TDVIA) + Vila Rio, 50 plots of land (TDVIA) + Land named Jardins da Póvoa and Logistic Park of Póvoa (TDVIA).
Caixa Geral de Depósitos, S.A.	Bank loans	12 August 2016	30 December 2033	6,101	Pledge of all shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda; Mortgage of Angolan Hotels: Alvalade and Baía   Mortgage of Mozambican Hotels: Avenida and Tivoli Beira; Mortgages of: Lot 26 of the Magnólia Development (TDGPIL) + Land named Troviscais (TD AM) + Lezíria Park II (TDVIA) + Vila Rio, 50 plots of land (TDVIA) + Land named Jardins da Póvoa and Logistic Park of Póvoa (TDVIA).
Novo Banco, S.A.	Bank loans	12 August 2016	30 December 2033	8,233	Pledge of all shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda; Mortgage of Angolan Hotels: Alvalade and Baía   Mortgage of Mozambican Hotels: Avenida and Tivoli Beira; Mortgages of: Lot 26 of the Magnólia Development (TDGPIL) + Land named Troviscais (TD AM) + Lezíria Park II (TDVIA) + Vila Rio, 50 plots of land (TDVIA) + Land named Jardins da Póvoa and Logistic Park of Póvoa (TDVIA).
Banco Comercial Português, S.A.	Bank loans	27 November 2017	30 December 2033	32,015	Pledge of all shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda; Mortgage of Angolan Hotels: Alvalade and Baía   Mortgage of Mozambican Hotels: Avenida and Tivoli Beira
Banco Comercial Português, S.A.	Bank loans	30 January 2018	30 January 2023	7,146	Pledge of all shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda; Mortgage of Angolan Hotels: Alvalade and Baía   Mortgage of Mozambican Hotels: Avenida and Tivoli Beira

As at 31 December 2021, the Company had issued comfort letters in favour of Group companies as follows:

	Currency amount	Currency	Thousand euros
BONAPARTE - Imóveis Comerciais e Participações, S.A.	18,000,000	EUR	18,000
Recolte, Servicios y Medioambiente	584,758	EUR	585
TEIXEIRA DUARTE - Engenharia e Construções, S.A.	1,600,000	EUR	1,600
	20,184,758	EUR	20,185

### Sureties

As at 31 December 2021 and 2020, the Company had provided the following surety:

	31/12/2021	31/12/2020
Sureties	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. related to the corporate income tax debt of the period of 2010, for which the Company submitted a surety, amounting to 10,139 thousand euros, which was accepted by the Tax Authority.

## 17. FINANCIAL RESULTS

In the periods ended on 31 December 2021 and 2020, the financial results were broken down as follows:

	2021	2020
Financial expenses and losses:		
Interest paid - Interest of obtained financing	(16,998)	(24,954)
Other financing expenses:	(3,582)	(314)
	(20,580)	(25,268)
Income and financial earnings:		
Interest earned (Note 11)	59	28
	59	28
	(20,521)	(25,240)

## 18. STAFF EXPENSES

During the periods ended on 31 December 2021 and 2020, the average number of employees contracted directly by Portugal was 10 and 9 people, respectively.

In the periods ended on those dates, staff expenses were broken down as follows:

	2021	2020
Remuneration of the governing bodies	677	677
Remuneration of staff	51	54
Compensations	268	433
Charges on remunerations	148	147
Industrial accidents and occupational diseases insurance	27	25
Social Action expenses	37	10
Other staff costs	63	8
	1,271	1,354



**19. EXTERNAL SUPPLIES AND SERVICES**

In the periods ended on 31 December 2021 and 2020, the item “External supplies and services” was broken down as follows:

	2021	2020
Specialised services	681	3,042
Materials	-	6
Energy and fluids	1	1
Travel, stays and transport	41	171
Different services	2,329	113
	3,052	3,333

**20. OTHER INCOME**

During the periods ended on 31 December 2021 and 2020, other income was as follows:

	2021	2020
Performance of duties of governing bodies	-	70
Other supplementary income	144	-
Disposal of tangible fixed assets	-	32
Corrections referring to previous periods	-	8
Estimated surplus for tax	-	240
Compensations	-	125
Favourable currency conversion differences	1	-
Interest on arrears	-	3
Other	55	710
	200	1,188

**21. OTHER EXPENSES**

During the periods ended on 31 December 2021 and 2020, other expenses were as follows:

	2021	2020
Taxes and rates	26	3
Insufficient tax estimate	680	1,360
Other	25	18
	731	1,381

**22. FINANCIAL RISK 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 credit to its clients relative to the Company’s operating activities;
- 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, currency conversion transactions, as well as the counterpart risk of the Company.

In addition to the above, it is responsible for identifying, measuring, proposing and implementing measures to manage/mitigate 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 minimisation of the cost of debt subject to the maintenance of a low level of volatility of financial costs.

As at 31 December 2021 and 2020, the financial liabilities consist, only and exclusively, of variable interest rates.

In case the market interest rates were less by 1% during the periods ended on 31 December 2021 and 2020, the income of those periods would have diminished by 6,665 thousand euros and 6,623 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 6,665 thousand euros and 6,623 thousand euros, respectively.

**(b) Credit risks**

As at 31 December 2021 and 2020, the balances of accounts receivable from clients (Note 15.1) for whom adjustments were not recorded by the Board of Directors, considering that they are realisable, are the following:

	31/12/2021	31/12/2020
Balances:		
Unexpired	472	5,423
Up to 180 days	-	322
180 to 360 days	15	663
Over 360 days	6,268	5,534
	6,755	11,942

**c) 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.

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.

Financial liabilities maturing within one year are replaced with medium and long-term maturities as deemed appropriate.

The maturity of the financial liabilities (Note 15.2) as at 31 December 2021 and 2020 is as follows:

	31/12/2021				Total
	Up to 1 year	From 1 to 2 years	From 2 to 3 years	Over 3 years	
Suppliers	86,918	-	-	-	86,918
Obtained financing	66,987	13,381	27,456	179,920	287,744
Government and other public	7,194	-	-	-	7,194
Other debts payable	299,485	42,500	42,500	46,746	431,231
	460,584	55,881	69,956	226,666	813,087

	31/12/2020				Total
	Up to 1 year	From 1 to 2 years	From 2 to 3 years	Over 3 years	
Suppliers	69,695	-	-	-	69,695
Obtained financing	47,236	8,533	13,416	207,610	276,795
Government and other public	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

## 23. CAPITAL

### Share capital

As at 31 December 2021 and 2020, the Company's share capital, totally underwritten and paid-up, was composed of 420 000 000 shares with a par value of 0.50 euros each.

As at 31 December 2021 and 2020, the Company's share capital is 210,000 thousand euros.

### Legal reserve

The Portuguese commercial legislation establishes that at least 5% of annual net income should be used to reinforce the legal reserve until it represents at least 20% of the share 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.

As at 31 December 2021 and 2020, the Legal Reserve stands at 42,000 thousand euros.

### Other reserves

The other reserves are composed only and exclusively by free reserves. As at 31 December 2021 and 2020, the Other reserves stand at 242,551 thousand euros.

### Appropriation of net income

By decision of the General Meeting, held on 24 May 2021, the accounts for the period of 2020 were approved and it was decided that the negative net income, of the value of €17,904,404.60 (seventeen million, nine hundred and four hundred and four hundred and sixty cents) should be applied as follows:

	Value
Retained Earnings	(17,904)

As presented in the Management Report, the proposed appropriation of net income for the period ended on 31 December 2021, in the negative amount of €125,858,431.74 (one hundred twenty-five million, eight hundred and fifty-eight thousand, four hundred and thirty-one euros and seventy-four cents) is as follows:

	Value
Retained Earnings	(125,858)

## 24. OTHER INFORMATION

The Board of Directors approved and authorised the issuance of the financial statements for 2021 on 22 April 2022.

The Board of Directors discloses that the Company does not have any debts to the State in arrears.

The Board of Directors reports that the Company's Social Security status is in good standing, within the legally stipulated periods.

### Additional disclosures

The total fees charged by the audit firm for the statutory audit of the financial statements were as follows:

	2021	2020
Statutory Audit Fees	61	61

## 25. SUBSEQUENT EVENTS

A court judgement of last resort handed down on 17 February 2022 by an Algerian court in the context of proceedings concerning a partner of Teixeira Duarte - Engenharia e Construções, S.A. called into question the operational and financial conditions that made it possible to ensure the normal execution of six public contracts contracted in Algeria. In this context, despite being a subsequent event, the Board of Directors decided to recognise, in the accounts for the 2021, the effects arising from the suspension of the activity of those six public contracts, the estimated impact of which is reflected in a worsening of Net Income by 61,120 thousand euros, a reduction of Liabilities by 13,722 thousand euros and a reduction of Assets by 74,842 thousand euros.

Recent geopolitical events, which began on 24 February 2022 as a result of Russia's invasion of Ukraine, have created a climate of growing political and social instability, of unpredictable proportions and with significant repercussions on global economic activity. Although the Company does not have direct exposure in those conflicting countries, it cannot fail to be affected by the indirect economic impacts that may arise, should the conflict not be resolved in the short term, and which are not possible to anticipate and estimate reliably.

We are not aware of any other materially material fact, with an impact on the financial statements as at 31 December 2021, that occurred between the end of the period and the present date.

The Certified Accountant

The Board of Directors



Hotel Trópico, Luanda - Angola



# Consolidated Financial Statements 2021

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021 AND 2020

	Notes	2021	2020
<b>Non-current assets:</b>			
Goodwill	18	12,248	12,203
Intangible assets	19	29,192	56,109
Tangible fixed assets	20	463,553	399,484
Investment properties	21	271,308	234,235
Right of use	22	30,740	33,434
Investments in associates and joint-ventures	7 and 23	8,908	18,863
Other financial investments at amortised cost	24	2,752	2,569
Other financial investments at fair value through other comprehensive income	7 and 24	11,443	11,638
Deferred tax assets	26	166,192	145,766
Clients	27	142	12,489
Other credit receivable	27	12,186	10,986
Other non-current assets	30	4,900	-
<b>Total non-current assets</b>		<b>1,013,564</b>	<b>937,776</b>
<b>Current assets:</b>			
Inventories	9 and 10	224,723	171,419
Clients	27	150,191	151,642
Other credit receivable	27	37,735	31,467
Other financial investments at fair value through other comprehensive income	7 and 24	10	10
Cash and cash equivalents	29	92,847	116,215
Other current assets	30	99,355	156,217
		<b>604,861</b>	<b>626,970</b>
Non-current assets held for sale	25	29,280	34,897
<b>Total current assets</b>		<b>634,141</b>	<b>661,867</b>
<b>TOTAL ASSETS</b>	<b>7</b>	<b>1,647,705</b>	<b>1,599,643</b>
<b>Equity:</b>			
Share capital	32	210,000	210,000
Adjustments of shareholdings in associates and joint-ventures	23	(211)	(209)
Currency conversion adjustments	45	(518,592)	(608,954)
Reserves and retained income	33	598,041	605,197
Consolidated net income for the period	16	(119,140)	3,558
<b>Equity attributable to shareholders</b>		<b>170,098</b>	<b>209,592</b>
Non-controlling interests	34	19,107	28,673
<b>TOTAL EQUITY</b>		<b>189,205</b>	<b>238,265</b>
<b>Non-current liabilities:</b>			
Obtained financing	35	607,254	697,106
Provisions	36	37,063	41,328
Lease liabilities	38	26,476	29,173
Deferred tax liabilities	26	102,877	84,166
Advance payments from clients	37	37,229	57,091
Other debts payable	37	24,196	5,367
Other non-current liabilities	39	1,244	-
<b>Total non-current liabilities</b>		<b>836,339</b>	<b>914,231</b>
<b>Current liabilities:</b>			
Obtained financing	35	171,376	77,285
Lease liabilities	38	6,180	6,157
Suppliers	37	135,977	106,197
Advance payments from clients	37	161,382	126,088
Other debts payable	37	28,458	15,970
Other current liabilities	39	96,463	91,889
		<b>599,836</b>	<b>423,586</b>
Non-current liabilities held for sale	25	22,325	23,561
<b>Total current liabilities</b>		<b>622,161</b>	<b>447,147</b>
<b>TOTAL LIABILITIES</b>	<b>7</b>	<b>1,458,500</b>	<b>1,361,378</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,647,705</b>	<b>1,599,643</b>

(Values in thousand euros)

The accompanying notes are an integral part of the consolidated statement of financial position as at 31 December 2021.

The Certified Accountant

The Board of Directors

## CONSOLIDATED INCOME STATEMENT FOR THE PERIODS ENDED ON 31 DECEMBER 2021 AND 2020

	Notes	2021	2020
Operating income:			
Sales and services rendered	7 and 8	539,236	608,366
Other income and gains	8	98,218	114,200
Total operating income	8	637,454	722,566
Operating expenses:			
Cost of goods sold and materials used	9	(177,830)	(182,454)
Production changes	10	4,954	1,287
External supplies and services	11	(219,285)	(206,169)
Staff expenses	12	(175,806)	(167,115)
Depreciation and amortisation expenses	7, 19, 20 and 22	(43,765)	(46,312)
Impairment of depreciable/amortisable assets and goodwill (losses/reversals)	7, 19, 20 and 22	(29,784)	1,221
Impairment of accounts receivable (losses/reversals)	27	(23,205)	(8,128)
Impairment of inventories (losses/reversals)	9 and 10	(245)	7,014
Provisions (increases/reductions)	7 and 36	5,707	(2,979)
Other costs and losses	13	(80,607)	(66,507)
Total operating expenses		(739,866)	(670,142)
Operating results	7	(102,412)	52,424
Financial expenses and losses	7 and 14	(96,895)	(91,026)
Income and financial earnings	7 and 14	64,867	49,647
Earnings from investment activities:			
Gains / (losses) in associated companies and joint-ventures	7 and 14	116	576
Gains / (losses) from other investments	7 and 14	(1,219)	1,563
Financial Results		(33,131)	(39,240)
Earnings before tax	7	(135,543)	13,184
Income tax	15	17,921	(10,233)
Consolidated net income for the period		(117,622)	2,951
Net income attributable to:			
Shareholders	16	(119,140)	3,558
Non-controlling interests	34	1,518	(607)
Earnings per share:			
Basic (euros)	16	(0.28)	0.01
Diluted (euros)	16	(0.28)	0.01

(Values in thousand euros)

The accompanying notes are an integral part of the consolidated income statement for the period ended on 31 December 2021.

The Certified Accountant

The Board of Directors

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIODS ENDED ON 31 DECEMBER 2021 AND 2020

	Notes	2021	2020
<b>Consolidated net income for the period</b>		(117,622)	2,951
Income and expenses that will not be subsequently reclassified to profit or loss			
Other changes in equity		(25,246)	19,261
Other financial investments at fair value through other comprehensive income, net of taxes	24	92	(532)
Revaluation surplus, net of tax	20	-	55,814
		(25,154)	74,543
Income and costs that may be subsequently reclassified to profit or loss			
Currency conversion adjustments	45	93,718	(175,987)
Adjustments of shareholdings in associates and joint-ventures	23	(2)	234
		93,716	(175,753)
Earnings recognised directly in equity		68,562	(101,210)
<b>Comprehensive income for the period</b>		(49,060)	(98,259)
Comprehensive income attributable to:			
Shareholders		(39,494)	(90,347)
Non-controlling interests		(9,566)	(7,912)

(Values in thousand euros)  
The accompanying notes are an integral part of the consolidated statement of other comprehensive income for the period ended on 31 December 2021.

The Certified Accountant

The Board of Directors

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS ENDED ON 31 DECEMBER 2021 AND 2020

	Notes	Reserves and retained earnings									Total equity attributable to shareholders	Non-controlling interests	Total
		Capital	Adjustments of shareholdings in associates and joint-ventures	Currency conversion adjustments	Legal Reserve	Other reserves	Fair value reserve - Financial investments	Revaluation reserve - real estate	Retained earnings	Consolidated net income			
Balance as at 1 January 2021	32	210,000	(209)	(608,954)	42,000	265,877	(61)	274,025	23,356	3,558	209,592	28,673	238,265
Comprehensive income for the financial year:													
Consolidated net income for the period		-	-	-	-	-	-	-	-	(119,140)	(119,140)	1,518	(117,622)
Variation in currency conversion adjustments	45	-	-	90,362	-	-	-	-	-	-	90,362	3,356	93,718
Changes in the fair value of other investments through other comprehensive income, net of taxes	24	-	-	-	-	-	92	-	-	-	92	-	92
Effect of the application of the equity method	23	-	(2)	-	-	-	-	-	-	-	(2)	-	(2)
Purchase of non-controlling interests	34	-	-	-	-	-	-	-	14,254	-	14,254	(14,254)	-
Other		-	-	-	-	-	-	(13,676)	(11,384)	-	(25,060)	(186)	(25,246)
Operations with shareholders in the period:													
Application of the consolidated net income for 2021		-	-	-	-	-	-	-	3,558	(3,558)	-	-	-
Transfer to retained earnings		-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2021		210,000	(211)	(518,592)	42,000	265,877	31	260,349	29,784	(119,140)	170,098	19,107	189,205
	Notes	Reserves and retained earnings									Total equity attributable to shareholders	Non-controlling interests	Total
		Capital	Adjustments of shareholdings in associates and joint-ventures	Currency conversion adjustments	Legal Reserve	Other reserves	Fair value reserve - Financial investments	Revaluation reserve - real estate	Retained earnings	Consolidated net income			
Balance as 1 January 2020	32	210,000	(443)	(444,577)	42,000	257,998	471	229,797	(9,721)	14,414	299,939	36,585	336,524
Comprehensive income for the financial year:													
Consolidated net income 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 the equity method	23	-	234	-	-	-	-	-	-	-	234	-	234
Other		-	-	-	-	-	-	(9,548)	26,542	-	16,994	2,267	19,261
Operations with shareholders in the period:													
Application of the consolidated net income for 2020		-	-	-	-	7,879	-	-	6,535	(14,414)	-	-	-
Transfer to other reserves and retained earnings		-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 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 are an integral part of the consolidated statement of changes in equity for the period ended on 31 December 2021.

The Certified Accountant

The Board of Directors



## CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIODS ENDED ON 31 DECEMBER 2021 AND 2020

	Notes	2021	2020
<b>OPERATING ACTIVITIES:</b>			
Revenue from clients		612,038	712,372
Payment to suppliers		(406,840)	(429,995)
Payment to staff		(178,262)	(171,656)
Cash flow generated by operations		26,936	110,721
Income tax payment/revenue		(2,190)	(10,119)
Other revenue/payments related to the operational activity		3,458	(22,030)
Cash flows of operational activities (1)		28,204	78,572
<b>INVESTMENT ACTIVITIES:</b>			
Revenue related to:			
Financial investments	29	1,825	-
Tangible fixed assets and investment properties		36,407	27,120
Intangible assets		-	1,110
Interest and similar income		1,666	6,043
Dividends	29	2,498	2,202
		42,396	36,475
Payments related to:			
Financial investments	29	(3)	(13)
Tangible fixed assets and investment properties		(60,573)	(52,775)
Intangible assets		(4,519)	(3,436)
		(65,095)	(56,224)
Cash flows of investment activities (2)		(22,699)	(19,749)
<b>FINANCING ACTIVITIES:</b>			
Revenue related to:			
Obtained financing	35	4,131,598	4,036,107
Payments related to:			
Obtained financing	35	(4,130,496)	(4,074,828)
Lease liabilities		(5,269)	(7,120)
Interest and similar costs		(31,899)	(11,645)
		(4,167,664)	(4,093,593)
Cash flows of financing activities (3)		(36,066)	(57,486)
Variation of cash and cash equivalents (1+2+3)		(30,561)	1,337
Perimeter alteration	5	185	-
Effect of exchange rate differences		7,008	(20,502)
Cash and cash equivalents at the beginning of the period	29	116,215	135,380
Cash and cash equivalents at the end of the period	29	92,847	116,215

(Values in thousand euros)

The accompanying notes are an integral part of the consolidated cash flow statement for the period ended on 31 December 2021.

The Certified Accountant

The Board of Directors

# NOTES ACCOMPANYING THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 - INTRODUCTION NOTE

Teixeira Duarte, S.A. ("Company" or "TD,SA") has its head office at Lagoas Park, Edifício 2 in Porto Salvo, Portugal. It was incorporated in Portugal on 30 November 2009, with registered capital of 210,000,000 euros, represented by 420,000,000 shares with a nominal value of 0.50 euros (Note 32). Its main activity is the realisation and management of investments, the coordination and supervision of other companies integrated in or related to its corporate Group. In view of the previous period, there were no changes to the name of the company or means of identification.

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

The stated values will be expressed in thousand euros, unless expressly indicated otherwise. 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 have been prepared under the assumption of the continuity of operations, based on the accounting books and records of the companies included in the consolidation (Note 4), adjusted in accordance with the consolidation process, in order to conform with the provisions of the International Financial Reporting Standards adopted by the European Union, effective for the periods beginning on 1 January 2021. For the Group companies that use different accounting rules, conversion adjustments were made to the IFRS.

The 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 International Financial Reporting 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.

### 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 2021:

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 Instruments and the future application of IFRS 17. The expiry date of the temporary exemption from the application of IFRS 9 is postponed from 2021 to 2023. This exemption is optional and only applies to entities with activity in the insurance business.
Amendments to IFRS 9, IAS 39, IFRS 4, IFRS 7 and IFRS 16 - Reform of the interest rates of reference - phase 2	01/Jan/21	Amendments to IFRS 9, IAS 39, IFRS 4, IFRS 7 and IFRS 16 related to the ongoing benchmark interest rate reform ("IBOR reform") project. These amendments aim to lessen the potential impact of the change in reference interest rates on financial reporting, namely on hedge accounting.

### 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 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 outputs for which a market exists in which they can be sold. The consideration received for the sale of the outputs obtained during the testing phase must be recognised through profit or loss for the period, in accordance with the applicable regulations. This amendment applies retrospectively, without the restatement of comparisons.
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 amendment is applicable prospectively.
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 labour 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 must be recognised against results carried over (or other equity component, as appropriate), on that same date.
Improvement to IFRS 1 - Subsidiary while IFRS adopter for the first time	01/Jan/22	Subsidiaries that become IFRS adopters for the first time after their parent, and that choose to measure their assets and liabilities based on the book values expressed in the consolidated financial statements of the parent, may measure the accumulated translation differences for all transactions denominated in foreign currency, at the amounts that would be determined in the consolidated financial statements of the parent, based on the date of transition of the parent to IFRS. This improvement is applicable prospectively.
Improvement to IFRS 9 - Derecognition of financial liabilities	01/Jan/22	This improvement clarifies that within the scope of the derecognition tests carried out on renegotiated liabilities, the net amount between fees paid and fees received should be determined, considering only the fees paid or received between the borrower and the financier, including fees paid or received, by any of the entities on behalf of the other. This improvement is applicable prospectively.
Improvement to IFRS 16 - Lease incentives	01/Jan/22	Amendment to example 13 of IFRS 16 to eliminate inconsistency in the accounting treatment of incentives assigned by the lessor to the lessee. This improvement is applicable prospectively.

Standard / Interpretation	Effective date (periods starting on or after)	Contents
Improvement to IAS 41 – Taxation and measurement of fair value	01/Jan/22	This improvement removes the requirement to exclude fiscal cash flows from measuring the fair value of biological assets, ensuring consistency with the principles of IFRS 13. This improvement is applicable prospectively.
IFRS 17 – Insurance contracts	01/Jan/23	This standard supersedes IFRS 4 and is applicable 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, although endorsed by the European Union, were not adopted in 2021, as their application is not yet mandatory.

It is not estimated that the future adoption of these standards and interpretations, issued by the IASB and endorsed by the European Union, will have a significant impact on the attached financial statements.

#### Standards, interpretations, amendments and revisions not endorsed by the European Union

The following accounting standards and technical 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
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 not 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.
IAS 1 (amendment) – Disclosure of policies accounting	01/Jan/23	Change to disclosure requirements for accounting policies that become based on the definition of "material" rather than "significant". Intangible information regarding accounting policies need not be disclosed.
IAS 8 (amendment) – Disclosure of estimates accounting	01/Jan/23	Introduction of the definition of accounting estimation and how it differs from changes in accounting policies. Accounting estimates are now defined as monetary values subject to uncertainty in their measurement.
IAS 12 (amendment) – Deferred tax related to assets and liabilities associated with a single transaction	01/Jan/23	The rule now requires entities to register deferred tax on specific transactions when their initial recognition gives rise to equal amounts of taxable temporary differences and deductible temporary differences. The transactions in question are: 1- right-of-use assets and lease liabilities; 2- provisions for dismantling, restoration and similar liabilities. The cumulative effect of the initial application of this change is recognised as an adjustment to the opening balance of retained earnings.
IFRS 17 (amendment) – Initial application of IFRS 17 and IFRS 9 – Comparative information	01/Jan/23	This change applies only to insurance entities in their transition to IFRS 17. It aims to avoid temporary accounting mismatches between financial assets and insurance contract liabilities.

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 on 31 December 2021.

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 net realisable value 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.

### Goodwill impairment

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 amortisation/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 amortisation/depreciation to be recognised in the consolidated income statement 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 loans granted 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 account the latest 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 depreciation) was 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 judgements 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 are consolidated in each reporting period 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 items of "Non-controlling interests".

Significant transactions and balances between these companies were eliminated during the consolidation process. Capital gains arising from the disposal of subsidiaries, 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) Business combinations**

Business combinations, 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-controlling 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 recognised to reflect facts and circumstances that existed on the financial position date and that, if known, would have affected the amounts recognised 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-controlling 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 recognised as other comprehensive income are transferred to profit or loss 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 24) 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-controlling 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 item “Investments in associates”.

Goodwill is recorded as an asset and is not subject to amortisation. It is presented separately in the consolidated statement of financial position or under the item “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 expenses 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 such cases, 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	5 - 50
Basic equipment	3 - 8
Transportation equipment:	3 - 7
Administrative equipment	2 - 10
Other tangible fixed 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.

Tangible fixed assets in progress correspond to tangible assets under construction and are recorded at acquisition cost minus any impairment losses. 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 realisable 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 operating income and gains" or "Other operating expenses and losses", as applicable.

## 2.6 - Lease liabilities

Assets acquired under lease contracts, as well as the corresponding liabilities, are recorded by recognising the right-of-use asset, 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 right of use depreciations are recognised as expenses in the income statement and statement of other comprehensive income of the period to which they refer.

Low value leases are excluded from this procedure. These are leases with a total contractual value of less than 5000 euros, which are recorded through profit or loss 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 flow 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 recognised for the difference, which is recorded on the income statement under the item "Impairment of depreciable/amortisable assets and Goodwill".

The recoverable amount is either the fair value less disposal expenses or value-in-use, 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 expenses 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 recognised on the income statement under the item "Impairment of depreciable/amortisable 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 recognised (net of amortisation 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 recognised in the income for the period in which they occur, and recorded under the item "Change in fair value of investment properties", included under "Other operating income and gains" or "Other operating expenses and losses", 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 for investment properties in use, including maintenance, repair, insurance and taxes, are recognised in the income statement for the period to which they refer. 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 carried out in currencies other than the euro are recorded at the rates prevailing on the transaction date. 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 euros using the exchange rate in force on the date when the fair value was determined.

Favourable and unfavourable 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 "Currency conversion 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 items, and average exchange rates for the period, for converting the items under the income statement, other comprehensive income and cash flows.

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, in the item "Currency conversion 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%.

### 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 retained earnings 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 retained earnings were determined based on all other amounts of the restated statement of financial position.

#### Income statement

– The income statement generally reports current expenses and revenue at the time when the underlying transactions or events occurred. Accordingly, the expenses with sales and depreciation of fixed assets are recorded at current expenses at the time of their consumption; and revenue and other current expenses are recorded at current amounts at the time they were incurred;

#### 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 income for the period.

### **2.11 – Financing costs**

Borrowing expenses are recognised in the income statement for the year 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 revenue arising from loans obtained in advance and which may be allocated to a specific investment is deducted from financial expenses eligible for capitalisation.

### **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 expenses 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.

The difference between the cost value and respective realisation value of the inventories, when the latter is lower than the book value, is recorded as impairment losses in 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.

The Group presents business segments as operating segments, in a manner consistent with the way the management conducts the 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 recognised 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 recognised, at their respective fair value and, subsequently, at their amortised cost, in accordance with the effective interest rate method. When there is evidence that they are impaired, the corresponding adjustment is recorded through profit or loss under the item "Impairment of accounts receivable". The recognised adjustment is measured by the difference between the value at which the accounts receivable are recognised and the present value of the cash flows discounted at the effective interest rate determined at their 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 income statement, but is only transferred to the item "Retained earnings".

Associated dividends are recognised on the consolidated income statement 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 income statement under “Results related to investment activities”.

#### Financial investments at fair value through the income statement

Financial assets that do not meet the criteria to be measured at amortised cost or at fair value through other comprehensive income are measured at fair value through the income statements.

Financial assets recorded at fair value through the income statement are measured at fair value determined at the end of each reporting period, with the respective gains or losses recognised on the consolidated income statement, 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 measured initially at fair value and subsequently at amortised cost in accordance with the effective interest rate method.

#### **f) Obtained financing**

Obtained financing is initially recorded and recognised as liabilities at the amount received, net of costs of issuing such loans and later measured by the amortised cost method. Financial expenses, calculated in accordance with the effective interest rate and including premiums payable, are recorded 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 income statement 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 clients 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 expenses incurred, among other aspects.

Revenue from these variable components is recognised only when it is reliably measurable and its realisation 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 client 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 recognised as income over the estimated financing period.

In addition, the existence of a significant financing component in advances received from clients is also assessed. If applicable, that component is treated as a stand-alone performance obligation, and the respective interest is recognised 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 clients, 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 clients. As at 31 December 2021, given the representative nature of advances from clients, as well as the fact that they are consumed in proportion as the client is invoiced, the management considers that there are no advances from clients 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 client 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 client 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 client simultaneously receives and enjoys the benefits arising from Teixeira Duarte's performance and execution upon the assignment of the right of use during that period.

Hospitality:

With regard to hospitality 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 client 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 client obtains the benefits associated with them.

Distribution:

As regards distribution services, the Group believes that the performance obligation that it assumes towards clients 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 client are delivered, as until this moment the client 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 client 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 clients under the scope of the respective contracts that are established.

Other services:

As regards other lines of revenue, particularly services provided to clients, 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 client 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 client 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 recognised 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 "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 recognises expected impairment losses for debt instruments, measured at amortised cost or at fair value through other comprehensive income, as well as for accounts receivable from clients, from other debtors, and for assets associated with contracts with clients.

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 credit history of the Group's clients over the past seven years, adjusted for specific factors attributable to clients, as well as the macroeconomic conditions that are estimated for the future. To this end, the balances of clients and other debtors were grouped taking into account similar credit risk profiles (country, business unit, type of debtor - public or private, and others) and maturity ranges.

## 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 shareholders of TD,SA, 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,SA ordinary shareholders 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 on 31 December 2021, there were no changes in accounting policies, estimates and errors compared to those considered in the preparation of the financial information for the period ended on 31 December 2020.

### 4 - COMPANIES INCLUDED IN THE CONSOLIDATION PERIMETER

As at 31 December 2021, Teixeira Duarte, S.A. and the following subsidiaries were included in the consolidation, using the full method:

Corporate name	Head office	% Effective stake
<b>INTERNAL MARKET</b>		
<b>CONSTRUCTION</b>		
CONSTRUSALAMONDE, A.C.E.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
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%
<b>CONCESSIONS AND SERVICES</b>		
DPLG - Desenvolvimento do Terminal Especializado de Contentores do Porto de La Guaira, Sociedade Unipessoal, Lda.	Rua das Pretas, 4 - Fração 4 D - Funchal	100.00%
TDAP - Atividades Portuárias, S.A.	Rua das Pretas, 4 - Fração 4 D - Funchal	100.00%
TDGI - Tecnologia de Gestão de Imóveis, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TDGI Manutenção, A.C.E.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
<b>REAL ESTATE</b>		
EMPREENHIMENTOS IMOBILIÁRIOS 01, Unipessoal Lda.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
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%
TD AM, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
V8 - Gestão Imobiliária, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%

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Corporate name	Head office	% Effective stake
<b>HOSPITALITY</b>		
ESTA - Gestão de Hotéis, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
GO CORP TRAVEL SOLUTIONS - Agência de Viagens, S.A.	Rua Encosta das Lagoas, nº 8 - Porto Salvo	100.00%
LAGOAS HOTEL, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
SINERAMA - Organizações Turísticas e Hoteleiras, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TDH - Sociedade Gestora de Participações Sociais, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TDHC - Instalações para Desporto e Saúde, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
<b>DISTRIBUTION</b>		
TEDAL - Participações e Distribuição, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TEDAL II - Distribuição e Investimentos, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TEIXEIRA DUARTE - Distribuição, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
<b>AUTOMOTIVE</b>		
SMOTORS, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TDO - Investimento e Gestão, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TEDAL III - Automóveis e Investimentos, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TEDAL IV - Participações e Automóveis, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
<b>OTHER</b>		
C + P.A. - Cimento e Produtos Associados, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TDO - Sociedade Gestora de Participações Sociais, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TEDAL - Sociedade Gestora de Participações Sociais, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
<b>EXTERNAL MARKET</b>		
<b>SOUTH AFRICA</b>		
<b>CONSTRUCTION</b>		
Global Net Distributors (Pty) Ltd.	10 Ninth Avenue - Northmead, Gauteng 1501	100.00%
<b>ANGOLA</b>		
<b>CONCESSIONS AND SERVICES</b>		
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%
<b>REAL ESTATE</b>		
AFRIMO - Empreendimentos Imobiliários, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark), Edifício Teixeira Duarte, nº 387, Luanda	51.00%
TEIXEIRA DUARTE - Engenharia e Construções (Angola), Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark), Edifício Teixeira Duarte, nº 387, Luanda	100.00%

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Corporate name	Head office	% Effective stake
<b>HOSPITALITY</b>		
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%
<b>DISTRIBUTION</b>		
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 - Distribuição e Comércio Geral (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%
<b>AUTOMOTIVE</b>		
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%
<b>OTHER</b>		
INVESTIPART - Participações e Investimentos, S.A.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark), Edifício Teixeira Duarte, nº 387, Luanda	36.00%
<b>ALGERIA</b>		
<b>CONSTRUCTION</b>		
TEIXEIRA DUARTE ALGERIE, SPA	8 Rooute Ben Aknoun, Rés de Chaussée El Biar - Alger	99.94%
<b>BELGIUM</b>		
<b>CONCESSIONS AND SERVICES</b>		
TDGI, S.A.	Avenue Jean-Monnet, 1, 1348 Louvain-La-Neuve – RPM Bruxelles	100.00%
<b>BRAZIL</b>		
<b>CONSTRUCTION</b>		
EMPA, S.A. - Serviços de Engenharia	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%
<b>CONCESSIONS AND SERVICES</b>		
PAREDÃO de Minas Energia, S.A.	Rua Paraíba, 1000, 12º andar - Parte Bairro Savassi - Belo Horizonte	100.00%



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Corporate name	Head office	% Effective stake
GONGOJI Montante 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%
<b>REAL ESTATE</b>		
TDGP - 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, 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, 10º andar Conjunto 1001, Itaim Bibi - São Paulo	92.65%
TDSP - Zanzibar Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 09 Itaim Bibi - São Paulo	92.50%
TDSP - Dionísio da Costa Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 10 Itaim Bibi - São Paulo	92.50%
TDSP - Baceunas Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 11 Itaim Bibi - São Paulo	100.00%
TDSP - Maria de Jesus Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 12 Itaim Bibi - São Paulo	95.00%
TDSP - Volta Redonda Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 13 Itaim Bibi - São Paulo	95.00%
TDSP - Nilo Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 14 Itaim Bibi - São Paulo	100.00%
TDSP - Alta Vista IV Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 15 Itaim Bibi - São Paulo	92.65%
TDSP - Princesa Isabel Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 16 Itaim Bibi - São Paulo	90.00%
TDSP - Carolina Ribeiro - Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 17 Itaim Bibi - São Paulo	95.00%
TDSP - Furnas Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 23 Itaim Bibi - São Paulo	91.00%
TDSP - Fernandes Moreira 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%

## Consolidated Financial Statements 2021

Corporate name	Head office	% Effective stake
TDSP - 21 Empreendimentos Imobiliários SPE, Ltda	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 24 Itaim Bibi - São Paulo	100.00%
TDSP - Costa Junior Empreendimentos Imobiliários SPE, Ltda	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 25 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%
SPAIN		
CONSTRUCTION		
UTE VIANA	Av. Alberto Alcocer, 24 - 7º Madrid	100.00%
CONCESSIONS AND SERVICES		
RECOLTE, Servicios Y Medioambiente, S.A. Sociedad 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, Suite 310, Dallas, Texas 75244	100.00%
TDRE LEE PARK, LLC.	4100 Spring Valley Road, Suite 310, Dallas, Texas 75244	100.00%
TDRE HOOD, LLC.	4100 Spring Valley Road, Suite 300, Dallas, Texas 75244	100.00%
GABON		
CONSTRUCTION		
SOMAFEL GABON, SARL Unipersonnelle	Zone Industrielle Owendo, Libreville, Gabon	100.00%
MACAO		
CONSTRUCTION		
TEIXEIRA DUARTE - Engenharia e Construções (Macao), 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	100.00%
CONCESSIONS AND SERVICES		
TDGI - Tecnologia de Gestão de Imóveis, Lda.	Av. Július Nyerere, nº 130 Maputo	100.00%
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	99.75%

## Consolidated Financial Statements 2021

Corporate name	Head office	% Effective stake
IMOC - Empreendimentos Imobiliários, S.A.	Av. Július Nyerere, nº 130 Maputo	99.99%
<b>HOSPITALITY</b>		
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%
<b>OTHER</b>		
INVESTIMOC, S.A.	Av. Július Nyerere, nº 4 Maputo	100.00%
<b>PERU</b>		
<b>CONSTRUCTION</b>		
TEIXEIRA DUARTE PERÚ – Ingeniería y Construcciones, Sociedad Anónima Cerrada	Avenida Arenales, nº 773, Lima	100.00%
<b>VENEZUELA</b>		
<b>CONSTRUCTION</b>		
CONSORCIO BOYACÁ – LA GUAIRA	Av. San Juan Bosco, Edificio Centra Altamira Piso 5, Oficina 54, Urb. Altamira, Caracas	57.20%
TEGAVEN – Teixeira Duarte y Asociados, C.A.	Av. Venezuela del Rosal con Calle, Moledano, Torre JWM, Piso 5, Of. 5-2, Urb El Rosal - Caracas	100.00%

## 5 - CHANGES IN THE CONSOLIDATION PERIMETER

During the period ended on 31 December 2021, the company IMOC - Empreendimentos Imobiliários, S.A. entered the consolidation perimeter in relation to the consolidation perimeter as at 31 December 2020 in the Real Estate segment. On the other hand, there were exits due to the sale of the companies Vauco - Automóveis e Equipamentos, Lda and Taboquinha Energia S.A. of the Automotive and Concessions, and Services segments, respectively.

The impact of these changes was as follows:

<b>Assets</b>	
Intangible assets (Note 19)	(445)
Tangible fixed assets (Note 20)	1,878
Investment properties (Note 21)	907
Financial investments in Group companies	14,094
Deferred tax assets (Note 26)	(14)
Inventories (Notes 9 and 10)	(261)
Clients	(114)
Other credit receivable	2,967
Cash and cash equivalents	185
Other current assets	399
<b>Total assets</b>	<b>19,596</b>
<b>Liability</b>	
Provisions (Note 36)	(447)
Deferred tax liabilities (Note 26)	806
Suppliers	(100)
Advance payments from clients	(6)
Other accounts payable	(89)
Other current liabilities	275
<b>Total liabilities</b>	<b>439</b>
<b>Total net value</b>	<b>19,157</b>

These divestments resulted in a loss of 674 thousand euros for the Group (Note 13).

During the period ended on 31 December 2021, the Group also dissolved and constituted the following companies:

#### Dissolutions

Other:

- Levenel, Limited.

#### Incorporations

Real estate:

- Empreendimentos Imobiliários 01, Unipessoal Lda.;
- TDSP - Costa Junior Empreendimentos Imobiliários SPE, Ltda.

Other:

- Investimoc, S.A.

### 6 - EXCHANGE RATES

The exchange rates used to convert the assets and liabilities expressed in foreign currency to euros as at 31 December 2021 and 2020, as well as the results of operations carried out in countries with a functional currency other than the euro, for the periods ended on 31 December 2021 and 2020, were as follows:

Currency	Closing exchange rate			Mean exchange rate		
	2021	2020	Var	2021	2020	Var
Venezuelan Bolivar	5.2116	1,225,801.9000	-	5.2116	1,225,801.9000	-
Algerian Dinar	156.4290	161.4373	3.1%	159.4681	144.6605	(10.2)%
Kuwaiti Dinar	0.3422	0.3727	8.2%	0.3574	0.3506	(1.9)%
Tunisian Dinar	3.2507	3.3054	1.7%	3.2879	3.2001	(2.7)%
Moroccan Dirham	10.4751	10.9233	4.1%	10.6626	10.8314	1.6%
US Dollar	1.1326	1.2271	7.7%	1.1851	1.1452	(3.5)%
Cape Verde Escudo	110.2650	110.2650	-	110.2650	110.2650	-
CFA Franc BEAC	655.9570	655.9570	-	655.9570	655.9570	-
Angolan Kwanza	635.7510	797.1291	20.2%	739.7491	655.8875	(12.8)%
Mozambican Metical	71.5800	91.0500	21.4%	77.4849	78.9292	1.8%
Peruvian Novo Sol	4.5136	4.4409	(1.6)%	4.5878	4.0059	(14.5)%
Macanese Pataca	9.0983	9.7996	7.2%	9.4872	9.1516	(3.7)%
Colombian Peso	4,604.4800	4,189.9300	(9.9)%	4,440.0576	4,216.3938	(5.3)%
South African Rand	18.0625	18.0219	(0.2)%	17.6253	18.6726	5.6%
Brazilian Real	6.3101	6.3735	1.0%	6.3782	5.8847	(8.4)%

### 7 - INFORMATION BY OPERATING SEGMENTS

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

- Construction;
- Concessions and services;
- Real estate;
- Hospitality;
- Distribution;
- Automotive.

## Consolidated Financial Statements 2021

Sales and services rendered and the results of each of the above operating segments for the periods ended on 31 December 2021 and 2020 were as follows:

Segment	Sales and services rendered						Operating results	
	2021			2020			2021	2020
	External clients	Intersegmental	Total	External clients	Intersegmental	Total		
Construction (Note 31)	300,880	57,826	358,706	337,766	40,402	378,168	(84,426)	5,394
Concessions and services	85,144	4,750	89,894	102,171	5,701	107,872	(28,968)	9,397
Real estate	39,230	6,679	45,909	52,085	6,382	58,467	17,153	38,592
Hospitality	31,498	545	32,043	30,423	522	30,945	3,890	4,872
Distribution	61,660	959	62,619	70,976	820	71,796	(1,390)	1,555
Automotive	20,824	1,070	21,894	14,945	743	15,688	(3,768)	(4,103)
Not allocated to segments	-	-	-	-	-	-	(4,903)	(3,321)
Eliminations	-	(71,829)	(71,829)	-	(54,570)	(54,570)	-	38
	539,236	-	539,236	608,366	-	608,366	(102,412)	52,424
Financial expenses and losses (Note 14)							(96,895)	(91,026)
Financial revenue and gains (Note 14)							64,867	49,647
Results related to investment activities (Note 14)							(1,103)	2,139
Earnings before tax							(135,543)	13,184

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

Other information:

Segment	Fixed capital expenditure		Depreciation and amortisation expenses		Impairment of depreciable/amortisable assets and goodwill (losses/reversals)		Provisions (increases/reductions)	
	2021	2020	2021	2020	2021	2020	2021	2020
Construction	10,762	18,238	(18,327)	(21,959)	(883)	(114)	5,583	(3,140)
Concessions and services	269	211	(2,537)	(3,129)	(28,735)	407	36	270
Real estate	47,847	36,627	(2,450)	(2,453)	(166)	-	89	(258)
Hospitality	1,584	791	(7,978)	(7,779)	-	-	4	33
Distribution	4,575	271	(4,611)	(5,319)	-	928	(2)	80
Automotive	55	108	(7,668)	(5,395)	-	-	(3)	36
Not allocated to segments	-	-	(194)	(278)	-	-	-	-
	65,092	56,246	(43,765)	(46,312)	(29,784)	1,221	5,707	(2,979)

The assets and liabilities of the segments and their conciliation to the consolidated total, as at 31 December 2021 and 2020, are as follows:

Segment	Assets								Liabilities	
	2021				2020				2021	2020
	Investments in associates and joint-ventures (Note 23)	Financial assets at fair value through other comprehensive income (Note 24)	Other assets	Total	Investments in associates and joint-ventures (Note 23)	Financial assets at fair value through other comprehensive income (Note 24)	Other assets (*)	Total (*)		
Construction	2,261	793	1,203,212	1,206,266	2,546	574	1,155,078	1,158,198	887,164	916,499
Concessions and services	3,000	177	89,515	92,692	2,623	132	107,540	110,295	52,032	44,015
Real estate	3,647	725	1,311,594	1,315,966	3,695	642	1,058,002	1,062,339	636,790	516,055
Hospitality	-	29	264,061	264,090	-	22	232,443	232,465	81,187	69,982
Distribution	-	19	195,202	195,221	-	15	165,949	165,964	81,004	67,458
Automotive	-	9	212,157	212,166	-	7	180,248	180,255	72,916	54,869
Not allocated to segments	-	9,701	1,628,214	1,637,915	9,999	10,256	1,511,965	1,532,220	820,312	808,705
Eliminations	-	-	(3,276,611)	(3,276,611)	-	-	(2,842,093)	(2,842,093)	(1,172,905)	(1,116,205)
	8,908	11,453	1,627,344	1,647,705	18,863	11,648	1,569,132	1,599,643	1,458,500	1,361,378



(\*) The item “Other Assets” was restated between segments in the period ended on 31 December 2020 in order to ensure the comparability of values between periods.

Sales and services rendered and information about non-current non-monetary assets, by geographic segment, had the following composition in the periods ended on 31 December 2021 and 2020:

Geographic segment	Sales and services rendered		Non-monetary non-current assets	
	2021	2020	2021	2020
Portugal	196,814	188,025	283,051	264,440
Angola	130,564	134,875	465,850	381,344
Algeria a)	(53,258)	71,113	1,058	4,967
Brazil	156,014	125,269	14,681	18,642
Spain	13,981	29,499	5,439	6,050
Mozambique	26,286	15,648	33,294	25,389
Venezuela	9,280	13,074	966	31,822
Other markets	59,555	30,863	2,702	2,811
	539,236	608,366	807,041	735,465

a) The sales and provision of services registered in Algeria were impacted by the suspension of activity in six works in Algeria, through the derecognition of increases in income from these six contracts, with a negative impact of 73,123 thousand euros on sales and provision of services.

Non-current non-monetary assets include the items of goodwill, intangible assets, property, plant and equipment, right of use and investment properties.

## 8 - OPERATING REVENUE

Operating revenue was as follows in the periods ended on 31 December 2021 and 2020:

	2021	2020
Sales and services rendered	539,236	608,366
Other operating income:		
Change in fair value of investment properties (Note 21)	71,294	68,826
Exchange rate differences	4,522	18,130
Supplementary income	4,107	6,157
Sales of assets a)	4,010	7,164
Works for own company b)	1,463	1,877
Indemnity	665	1,134
Corrections related to prior financial years	568	353
Tax refund	551	1,587
Other operating income c)	11,038	8,972
	98,218	114,200
	637,454	722,566

a) In the period ended on 31 December 2021, the indicated income was obtained from the sale of property, plant and equipment of the value of 3.722 thousand euros (7,162 thousand euros in the period ended on 31 December 2020), with the sale of investment properties of 58 thousand euros and the sale of intangible assets of 230 thousand euros (Note 21).

The period ended on 31 December 2020 also includes the sale of the company “Lagoasfut - Equipamento Recreativo e Desportivo, S.A.”, with a gain of 2 thousand euros having been recorded.

b) Work for the company essentially involves the upgrading of equipment.

c) This item includes, for the period ended on 31 December 2021, income related to compensatory interest of the value of 1,041 thousand euros as a result of a stamp duty recovery process and the value of 3,358 thousand euros relating to the refund of charges incurred with a bank guarantee related to corporate income tax (“IRC”) enforcement proceedings for 2008.

In the period ended on 31 December 2020, this item includes the value of 2,760 thousand euros of income received for the fulfilment of contractual requirements (earn out) entered into at the time of the sale of the subsidiary "Lagoas Park, S.A.".

Net exchange rate differences posted for the periods ended on 31 December 2021 and 2020 are due to payments and revenues, as well as to exchange rate updates to balances, recorded based on currencies other than the euro.

## 9 - COST OF SALES

During the periods ended on 31 December 2021 and 2020, the costs of sales were calculated as follows:

	Raw materials and consumables	Goods	Total
<b>Gross assets:</b>			
Balance as at 31 December 2019	13,326	45,290	58,616
Cost of the period	(81,336)	(101,118)	(182,454)
Purchases	83,042	106,197	189,239
Currency conversion adjustments	(3,487)	(17,458)	(20,945)
Balance as at 31 December 2020	11,545	32,911	44,456
Cost of the period	(98,675)	(79,155)	(177,830)
Purchases	99,117	115,458	214,575
Currency conversion adjustments	(200)	5,418	5,218
Perimeter variation (Note 5)	-	(264)	(264)
Balance as at 31 December 2021	11,787	74,368	86,155
<b>Accumulated impairment losses in inventories:</b>			
Balance as at 31 December 2019	1,006	2,788	3,794
Reinforcements	83	429	512
Reductions	(13)	(105)	(118)
Currency conversion adjustments	(110)	(928)	(1,038)
Balance as at 31 December 2020	966	2,184	3,150
Reinforcements	209	492	701
Reductions	(69)	(341)	(410)
Settlements	-	(1,218)	(1,218)
Currency conversion adjustments	55	555	610
Balance as at 31 December 2021	1,161	1,672	2,832
Net value as at 31 December 2020	10,579	30,727	41,306
Net value as at 31 December 2021	10,626	72,696	83,322

## 10 - CHANGE IN PRODUCTION

The statement of change in production that occurred in the periods ended on 31 December 2021 and 2020 is as follows:

	Ongoing products and works	Finished and intermediate products	Total
<b>Gross assets:</b>			
Balance as at 31 December 2019	155,439	2,877	158,316
Variation of Production	1,368	(81)	1,287
Settlements	(15,316)	(125)	(15,441)
Currency conversion adjustments	(10,536)	-	(10,536)
Balance as at 31 December 2020	130,955	2,671	133,626
Variation of Production	5,319	(365)	4,954
Settlements	3,436	(22)	3,414
Currency conversion adjustments	888	-	888
Perimeter variation (Note 5)	-	3	3
Balance as at 31 December 2021	140,598	2,287	142,885
<b>Accumulated impairment losses in inventories:</b>			
Balance as at 31 December 2019	11,028	-	11,028
Reinforcements	2,396	196	2,592
Reductions	(10,000)	-	(10,000)
Currency conversion adjustments	(106)	-	(106)
Balance as at 31 December 2020	3,318	196	3,514
Reinforcements	1	4	5
Reductions	(46)	(5)	(51)
Uses	(1,985)	-	(1,985)
Currency conversion adjustments	1	-	1
Balance as at 31 December 2021	1,289	195	1,484
Net value as at 31 December 2020	127,638	2,475	130,113
Net value as at 31 December 2021	139,309	2,092	141,401

As at 31 December 2021 and 2020 inventories are detailed as follows:

	2021	2020
Raw materials and consumables	10,626	10,579
Goods	72,696	30,727
Ongoing products and works	139,309	127,638
Finished and intermediate products	2,092	2,475
	224,723	171,419

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As at 31 December 2021 and 2020, the real estate developments, shown under products and work in progress, are being developed by the following entities:

	2021	2020
TD VIA - Sociedade Imobiliária, S.A.	47,667	44,173
V8 - Gestão Imobiliária, S.A.	19,793	16,534
QUINTA DE CRAVEL - Imobiliária, S.A.	14,912	16,301
TDSP - Nilo Empreendimentos Imobiliários SPE, Ltda.	13,180	7,971
TDSP - Carolina Ribeiro - Empreendimentos Imobiliários SPE, Ltda.	9,170	5,545
TDSP - Costa Junior Empreend Imobiliários SPE, Ltda.	8,113	-
TDSP - Furnas Empreendimentos Imobiliários SPE, Ltda.	7,943	6,415
TDSP - Princesa Isabel Empreendimentos Imobiliários SPE, Ltda.	5,397	4,417
TDSP - Fernandes Moreira Empreend Imobiliários SPE, Ltda.	4,974	6
TDSP - Alta Vista III Empreendimentos Imobiliários SPE, Ltda.	3,444	1,362
TDSP - Bela Vista Empreendimentos Imobiliários, Ltda.	2,093	2,026
TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.	1,433	1,433
TDPG - Empreendimentos Imobiliários e Hoteleiros, Ltda.	587	581
TDSP - Maria de Jesus Empreendimentos Imobiliários SPE, Ltda.	395	11,923
TDRE LEE PARK, LLC.	-	4,189
TDSP - Galeno de Castro Empreendimentos Imobiliários SPE, Ltda.	-	3,138
TDSP - Baceunas Empreendimentos Imobiliários SPE, Ltda.	-	967
TEIXEIRA DUARTE REAL ESTATE, S.A.	-	368
Other	206	289
	139,309	127,638

As at 31 December 2021 and 2020, the following inventories were pledged as collateral for liabilities:

Geography	2021	2020
Portugal	Mortgage of 9 Lots Santa Marinha Design District Development	Mortgage of 10 Lots Santa Marinha Design District Development
Portugal	Mortgage of 7 Lots Mafamude	Mortgage of 9 Lots Mafamude
Portugal	Mortgage of the Magnolia Development	Mortgage of the Magnolia and Coína Development
Portugal	Mortgage of Vale Figueira	Mortgage of Vale Figueira
Portugal	Mortgage of Lezíria Park 2, Villa Rio, Jardins da Póvoa and Póvoa Logistics Park	Mortgage of Lezíria Park 2, Villa Rio, Jardins da Póvoa and Póvoa Logistics Park
Brazil	Condomínio Loomi Paulista Real Estate Development - São Paulo / Brazil (96 Independent Units)	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)	Condomínio Loomi Klabin real estate development - São Paulo / Brazil (60 Independent Units)
Brazil	Real Estate Development Condominium Reserva Alta Vista - São Paulo / Brazil (204 Independent Units)	-
Brazil	-	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)

**11 -EXTERNAL SUPPLIES AND SERVICES**

External supplies and services are detailed as follows for the periods ended on 31 December 2021 and 2020:

	2021	2020
Subcontracts	84,736	78,059
Specialised services	25,446	20,875
Hire and rental charges	21,674	16,935
Maintenance and repair	9,040	14,496
Fuel	5,851	4,925
Transport of goods	4,979	5,579
Surveillance and security	4,256	2,219
Travel and accommodation	3,840	3,627
Transportation of people	3,177	1,363
Electricity	3,139	3,156
Advertising	1,954	1,548
Fees	1,198	2,606
Other	49,995	50,781
	219,285	206,169

**12 – PERSONNEL EXPENSES**

The average number of employees in the periods ended on 31 December 2021 and 2020, by operating segment, was as follows:

	2021	2020
Construction	5,440	4,792
Concessions and services	1,532	1,698
Real estate	202	204
Hospitality	985	1,013
Distribution	1,039	1,233
Automotive	269	328
Not allocated to segments	10	9
	9,477	9,277

The item “Staff expenses”, for the years ended on 31 December 2021 and 2020, is broken down as follows:

	2021	2020
Normal remunerations	88,208	85,980
Other remunerations	45,536	40,306
Charges with remunerations	24,897	23,893
Insurance	2,881	1,348
Other staff costs	14,284	15,588
	175,806	167,115

**13 – OTHER OPERATING EXPENSES**

Other operating expenses for the periods ended on 31 December 2021 and 2020 were as follows:

	2021	2020
Change in fair value of investment properties (Note 21)	62,839	35,851
Taxes	4,376	8,773
Corrections related to prior financial years	1,441	511
Losses incurred in asset divestment (a)	882	5,243
Uncollectable debts	378	101
Loss of inventories	347	110
Other operating expenses b)	10,344	15,918
	80,607	66,507



- a) The indicated losses were incurred on the sale of property, plant and equipment and investment property amounting to 208 thousand euros (5,243 thousand euros in 2020). During the period ended on 31 December 2021, losses amounting to 674 thousand euros were also recorded with the sale of the companies Vauco - Automóveis e Equipamentos, Lda and Taboquinha Energia S.A. (Note 5).
- b) The item "Other operating expenses" includes, in the period ended on 31 December 2021, 1,100 thousand euros (5,150 thousand euros in the period ended on 31 December 2020) referring to liabilities that the Group has towards a third party under the Association Contract concluded between the parties, whose purpose is to share in the profits of a real estate development.

#### 14 - FINANCIAL RESULTS

The financial results for the periods ended on 31 December 2021 and 2020 were as follows:

	2021	2020
<b>Financial expenses and losses:</b>		
Interest paid	(20,024)	(23,198)
Unfavourable exchange rate differences a)	(62,389)	(50,181)
Other financial expenses and losses	(14,482)	(17,647)
	<b>(96,895)</b>	<b>(91,026)</b>
<b>Financial income and gains:</b>		
Interest earned	1,981	3,247
Favourable exchange rate differences a)	62,052	44,575
Other financial income and gains	834	1,825
	<b>64,867</b>	<b>49,647</b>
<b>Earnings from investment activities:</b>		
Earnings from associates and joint-ventures b)	116	576
Dividends c)	3,071	1,795
Other investments d)	(4,290)	(232)
	<b>(1,103)</b>	<b>2,139</b>
<b>Financial results</b>	<b>(33,131)</b>	<b>(39,240)</b>

- a) The net exchange rate differences recorded for the periods ended on 31 December 2021 and 2020 are due to payments and revenues, as well as exchange rate updates of balances, recorded based on currencies other than the Euro;
- b) The results related to associates and joint ventures for the periods ended on 31 December 2021 and 2020 include the effect of applying the equity method to these investments (Note 23).
- In the period ended on 31 December 2021, there was also a gain of 10 thousand euros with the dissolution of the associate AK10 - Empreendimentos e Participações SPE Ltda.;
- c) The values presented in 2021 and 2020 correspond to dividends received from "Financial assets at fair value through other comprehensive income" and "Non-current assets held for sale";
- d) The item "Other investments" includes impairment losses and reversals of "Other financial investments at fair value through other comprehensive income" and "Non-current assets held for sale".

In the periods ended on 31 December 2021 and 2020, no interest was capitalised 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 Corporate 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 Corporate Income Tax ("IRC") regime.

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.

TD,SA and most of its subsidiaries with head office in Portugal are subject to corporate income tax, at the rate of 21%, of the taxable amount. Entities with taxable 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 1,500, 7,500 and 35,000 thousand euros, 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 established in Article 88 of the Corporate Income Tax Code.

Pursuant to the Corporate Income Tax Code, tax losses can be carried forward for a period of 5 (five) years for losses occurred during the tax period of 2017 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 carrying forward and deducting the aforementioned tax losses, under the following terms:

- The tax losses calculated in the 2020 and 2021 tax periods can be carried forward for 12 (twelve) years;
- The 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 as at 31 December 2021.

The item “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 IAS 12 - Income Taxes (Note 26).

Current income tax is calculated based on the taxable result determined by each Company that is part of the Group, and may also be levied on autonomous tax facts occurring in the tax period in the case of partial taxes on income or on turnover, according to with the tax rules in force in each jurisdiction in which the Group is present.

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 item.

At the end of each period, deferred taxes are reviewed and reduced whenever their future use is no longer likely.

The following income tax was recognised in the periods ended on 31 December 2021 and 2020:

	2021	2020
Current tax:		
Income tax in Portugal	(6,610)	(8,247)
Income tax in other jurisdictions	(8,719)	(12,462)
Current tax	(15,329)	(20,709)
Deferred tax (Note 26):	33,250	10,476
	17,921	(10,233)

In addition to the deferred taxes recorded directly in the income statement, deferred taxes of the value of 119 thousand euros were recorded directly in equity in the period ended on 31 December 2021 ((18,682) thousand euros as at 31 December 2020) (Note 26).

As at 31 December 2021 and 2020 the conciliation between the nominal and effective income tax rate can be presented as follows:

	2021		2020	
	Yield %	Tax	Yield %	Tax
<b>Profit/(loss) before taxation</b>		<b>(135,543)</b>		<b>13,184</b>
Nominal rate and tax on income	21.0%	(5,155)	(21.0)%	(2,769)
Tax rate differential from other countries	6.5%	(8,770)	(101.8)%	(13,425)
Earnings from associated companies and joint ventures (equity method)	(0.0)%	28	0.9%	121
Tax losses generated in the year for which deferred tax assets were not recognised	(1.0)%	1,360	22.3%	2,942
Difference between capital gains and losses for tax and accounting purposes	(0.0)%	55	1.5%	193
Expenses not accepted for tax purposes	(3.1)%	4,151	(30.3)%	(3,999)
Autonomous taxation	0.6%	(802)	(3.4)%	(454)
Municipal tax	0.6%	(844)	(2.5)%	(333)
Differences in estimates	(0.2)%	242	(28.3)%	(3,728)
Other tax components	4.1%	(5,593)	5.6%	743
Deferred tax for the year	(24.5)%	33,250	79.5%	10,476
Effective rate and income tax	(13.2)%	17,921	(77.6)%	(10,233)

## 16 - EARNINGS PER SHARE

The earnings per share for the periods ended on 31 December 2021 and 2020 were calculated taking into account the following values:

	2021	2020
Profit to estimate the earnings per basic share (net income of the period)	(119,140)	3,558
Weighted average number of shares for the effect of calculating earnings per basic share (thousand)	420,000	420,000
Earnings per basic share	(0.28)	0.01

Due to the fact that during the periods ended on 31 December 2021 and 2020 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 24 May 2021, it was decided not to distribute dividends, taking into account the Company's separate financial statements as at 31 December 2020.

No dividends were distributed for the year ended on 31 December 2020, relative to the period of 2019.

**18 - GOODWILL**

During the periods ended on 31 December 2021 and 2020, the movements occurring in the values of Goodwill, determined upon the acquisition of subsidiary companies, as well as in the respective accumulated impairment losses, were as follows:

	2021	2020
<b>Gross assets:</b>		
Opening balance	27,458	27,469
Currency conversion adjustments	45	(11)
Closing balance:	27,503	27,458
Accumulated impairment losses	(15,255)	(15,255)
Net assets:	12,248	12,203

The values of the Goodwill as at 31 December 2021 and 2020 refer to the following entities:

Participated company	Operating segment	2021	2020
EPOS - Empresa Portuguesa de Obras Subterrâneas, SA	Construction	12,107	12,107
AUTO COMPETIÇÃO ANGOLA (SU), Lda.	Automotive	141	96
		12,248	12,203

The goodwill relative to the associated companies and joint-ventures is an integral part of the values of the corresponding investments.

The values of Goodwill are tested annually for impairment or whenever there are indications that they might 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.

Thus, the main assumptions considered in determining the value in use of goodwill are as follows:

	2021			2020		
Participated company	Book value of the goodwill	Discount rate	Perpetuity growth rate	Book value of the goodwill	Discount rate	Perpetuity growth rate
EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A.	12,107	8.1%	1.00%	12,107	5.3%	1.00%
Auto Competição Angola, Lda.	141	15.8%	1.00%	96	15.8%	1.00%
	12,248			12,203		

## 19 - INTANGIBLE ASSETS

During the periods ended on 31 December 2021 and 2020, the movements in intangible assets, as well as in the respective accumulated amortisation and impairment losses, were as follows:

	Industrial property	Other	Intangible assets underway	Advances on account	Total
<b>Gross assets:</b>					
Balance as at 31 December 2019	75,555	58	3,337	647	79,597
Acquisitions	2,798	-	222	434	3,454
Disposals	(1,469)	-	-	-	(1,469)
Transfers and write-offs	21	-	(21)	-	-
Currency conversion adjustments	(4,049)	(4)	(734)	-	(4,787)
Balance as at 31 December 2020	72,856	54	2,804	1,081	76,795
Acquisitions	1,681	-	-	2,839	4,519
Disposals	(248)	-	-	-	(248)
Transfers and write-offs	501	-	(137)	(936)	(572)
Currency conversion adjustments	1,198	6	13	319	1,537
Perimeter variation (Note 5)	-	-	(445)	-	(445)
Balance as at 31 December 2021	75,988	60	2,235	3,303	81,586
<b>Accumulated amortisation and impairment losses:</b>					
Balance as at 31 December 2019	19,272	58	-	-	19,330
Reinforcements	3,297	-	-	-	3,297
Disposals	(359)	-	-	-	(359)
Currency conversion adjustments	(1,578)	(4)	-	-	(1,582)
Balance as at 31 December 2020	20,632	54	-	-	20,686
Reinforcements a)	31,657	-	-	-	31,657
Disposals	(113)	-	-	-	(113)
Transfers and write-offs	(377)	-	-	-	(377)
Reductions	(592)	-	-	-	(592)
Currency conversion adjustments	1,128	5	-	-	1,133
Balance as at 31 December 2021	52,335	59	-	-	52,394
<b>Net value:</b>					
As at 31 December 2020	52,224	-	2,804	1,081	56,109
As at 31 December 2021	23,653	1	2,235	3,303	29,192

a) Following the decision taken by the Venezuelan public company BOLIPUERTOS, S.A. to terminate the Strategic Alliance for Port Operation and Management of the Specialised Container Terminal of the Port of La Guaira, signed with Teixeira Duarte - Engenharia e Construções, S.A., derecognition was carried out accounting for the loss of the concession for the operation of the port of La Guaira, which resulted in a reduction in Intangible Assets of 28,947 thousand euros.

As at 31 December 2021 the item "Industrial property" presented the value of 12,049 thousand euros referring to surface rights (45,376 thousand euros as at 31 December 2020).



## 20 - TANGIBLE FIXED ASSETS

During the periods ended on 31 December 2021 and 2020, 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	Administrative equipment	Other tangible fixed assets	Tangible fixed assets in progress	Advances on account of tangible fixed assets	Total
<b>Gross assets:</b>									
Balance as at 31 December 2019	18,437	797,926	351,435	61,519	25,715	9,104	3,405	74	1,267,615
Acquisitions	3	727	13,623	1,045	731	832	869	-	17,830
Revaluations	-	180,628	-	-	-	-	-	-	180,628
Disposals	(54)	(3,611)	(24,378)	(14,292)	(2,980)	(2,292)	-	-	(47,607)
Transfers and write-offs	(3,061)	(3,399)	(3,817)	(1,224)	(2,974)	(2,703)	(888)	(15)	(18,081)
Currency conversion adjustments	(2,349)	(219,592)	(25,255)	(10,059)	(4,352)	(1,349)	(839)	(8)	(263,803)
Balance as at 31 December 2020	12,976	752,679	311,608	36,989	16,140	3,592	2,547	51	1,136,582
Acquisitions	-	2,195	8,850	962	1,012	137	1,067	-	14,223
Disposals	-	(135)	(13,290)	(1,587)	(215)	(8)	-	-	(15,235)
Transfers and write-offs	(1,199)	5,340	417	(216)	(1,091)	(921)	(1,335)	(13)	982
Currency conversion adjustments	1,377	137,511	16,013	5,089	3,485	1,834	463	5	165,777
Perimeter variation (Note 5)	1,158	778	(119)	(90)	(39)	(12)	-	-	1,676
Balance as at 31 December 2021	14,312	898,368	323,479	41,147	19,292	4,622	2,742	43	1,304,005
<b>Depreciation and losses due to accumulated impairment:</b>									
Balance as at 31 December 2019	-	400,553	308,028	50,430	23,154	5,674	-	-	787,839
Reinforcements	-	15,221	14,196	2,386	825	444	-	-	33,072
Revaluations	-	105,971	-	-	-	-	-	-	105,971
Disposals	-	(1,247)	(19,128)	(10,912)	(2,871)	(1,928)	-	-	(36,086)
Transfers and write-offs	-	(3,056)	(3,120)	(976)	(2,866)	(2,117)	-	-	(12,135)
Currency conversion adjustments	-	(111,917)	(17,450)	(8,305)	(3,632)	(259)	-	-	(141,563)
Balance as at 31 December 2020	-	405,525	282,526	32,623	14,610	1,814	-	-	737,098
Reinforcements	-	20,820	12,630	1,840	793	721	-	-	36,804
Reductions	-	-	(16)	(101)	(14)	(81)	-	-	(212)
Disposals	-	(39)	(11,851)	(1,204)	(178)	(8)	-	-	(13,280)
Transfers and write-offs	-	(1,258)	(642)	(996)	(594)	(345)	-	-	(3,835)
Currency conversion adjustments	-	64,632	13,806	2,608	2,691	342	-	-	84,079
Perimeter variation (Note 5)	-	21	(100)	(82)	(34)	(7)	-	-	(202)
Balance as at 31 December 2021	-	489,701	296,353	34,688	17,274	2,436	-	-	840,452
<b>Net value:</b>									
As at 31 December 2020	12,976	347,154	29,082	4,366	1,530	1,778	2,547	51	399,484
As at 31 December 2021	14,312	408,667	27,126	6,459	2,018	2,186	2,742	43	463,553

According to IAS 16, after initial recognition, tangible fixed assets can be measured in accordance with two models:

- Cost model;
- Revaluation model

As at 31 December 2021 and 2020, the Group adopted the revaluation model for the restricted set of property, plant and equipment, and no valuations were made in the period of 2021.

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).

As at 31 December 2020, the impact of the revaluation of these tangible fixed assets was as follows:

Tangible Fixed Assets	2020						
	Gross assets	Accumulated depreciation	Net value	Evaluation value	Impact on revaluation	Deferred taxes	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

Acquisitions made in property, plant and equipment in the period ended on 31 December 2021 essentially refer to equipment.

As at 31 December 2021, the amount of property, plant and equipment in progress essentially refers to buildings and other ongoing construction and equipment.

## 21 - INVESTMENT PROPERTIES

During the periods ended on 31 December 2021 and 2020, the movement in investment properties was as follows:

	2021	2020
Opening balance	234,235	208,478
Increases / divestments	11,898	21,282
Change in fair value (Note 8 and 13)	8,455	32,975
Currency conversion adjustments	15,813	(28,500)
Perimeter variation (Note 5)	907	-
Closing balance	271,308	234,235

During the periods ended on 31 December 2021 and 2020, the fair value of investment properties by geographic area changed as follows:

	2021	2020
Portugal	18,616	18,838
Angola	(9,552)	14,238
Mozambique	(609)	(101)
	8,455	32,975

Income from investment property amounted to 2,735 thousand euros for the period ended on 31 December 2021 (2,913 thousand euros as at 31 December 2020). Direct operating expenses for investment properties for the period ended on 31 December 2021 amounted to 1,034 thousand euros (1,269 thousand euros as at 31 December 2020).

The fair value of each investment property in operation is periodically determined by means of valuations performed by specialised 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 method;
- 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. As at 31 December 2021 and 2020, all investment properties were appraised by independent appraisers with relevant and recognised professional qualifications, as well as recent experience in location 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 - RIGHTS OF USE

During the periods ended on 31 December 2021 and 2020, the following movements occurred under the item "rights of use" due to the application of IFRS 16:

	Buildings and other constructions	Basic equipment	Transportation equipment:	Administrative equipment	Other	Total
<b>Gross assets:</b>						
Balance as at 1 January 2020	43,979	15,068	3,503	7	192	62,749
Acquisitions	1,569	377	694	726	-	3,366
Disposals	-	(221)	(1,291)	-	(192)	(1,704)
Transfers and write-offs	(2,713)	(189)	(408)	-	-	(3,310)
Currency conversion adjustments	(2,593)	(678)	(161)	-	-	(3,432)
Balance as at 31 December 2020	40,242	14,357	2,337	733	-	57,669
Acquisitions	972	1,701	439	-	-	3,112
Transfers and write-offs	(3,578)	(10,893)	(223)	-	-	(14,694)
Currency conversion adjustments	1,104	35	2	-	-	1,141
Balance as at 31 December 2021	38,740	5,200	2,555	733	-	47,228
<b>Depreciation and losses due to accumulated</b>						
Balance as at 1 January 2020	7,887	12,018	1,172	1	68	21,146
Reinforcements	5,778	2,349	481	114	-	8,722
Disposals	-	(37)	(236)	-	(68)	(341)
Transfers and write-offs	(3,039)	(187)	(421)	-	-	(3,647)
Currency conversion adjustments	(951)	(543)	(151)	-	-	(1,645)
Balance as at 31 December 2020	9,675	13,600	845	115	-	24,235
Reinforcements	4,559	723	416	194	-	5,892
Transfers and write-offs	(2,115)	(11,781)	(218)	-	-	(14,114)
Currency conversion adjustments	434	39	2	-	-	475
Balance as at 31 December 2021	12,553	2,581	1,045	309	-	16,488
<b>Net value:</b>						
As at 31 December 2020	30,567	757	1,492	618	-	33,434
As at 31 December 2021	26,187	2,619	1,510	424	-	30,740

**23 - INVESTMENTS IN ASSOCIATES AND JOINT-VENTURES**

The following associated companies and joint ventures were recorded by the equity method as at 31 December 2021:

Corporate name	Head office	% Effective stake
ADOQUINES VARGAS, (ADOQUINVAR), C.A.	Instalaciones de Bolivariana de Puertos Puerto de La Guaira – Parroquia Maiquetia Municipio Vargas del Estado Vargas	49.00%
ADVANTAGE - Distribuição de Seguros, Lda	Av. Almirante Gago Coutinho nº164, 1700-033 Lisboa	50.00%
ALVORADA PETRÓLEO, S.A.	Rua Paraíba, nº 1000, sala 1518 15º andar – Bairro Funcionário Belo Horizonte - Minas Gerais - Brazil	43.21%
CAIS DE CRUZEIROS 2ª FASE, A.C.E.	Rua da Tapada da Quinta de Cima - Linhó – Sintra	16.94%
CONBATE, A.C.E.	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%
CONSORCIO 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, A.C.E.	Tower Plaza, Rotunda Edgar Cardoso, nº 23, 12º andar, sala F - Vila Nova de Gaia	40.00%
METROLIGEIRO - Construção de Infraestruturas, A.C.E.	Rua Abranches Ferrão, nº 10 – 5º F - Lisboa	26.80%
MESOFER, A.C.E.	Rua Mário Dionísio, nº 2, 2799-557 Linda-a-Velha	24.73%
TEIXEIRA DUARTE - SOPOL - Metro Superfície, A.C.E.	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, A.C.E.	Av. das Forças Armadas, 125 - 2º C - Lisboa	50.00%

Investments in associated companies and joint ventures showed the following movements in the periods ended on 31 December 2021 and 2020:

	Holdings	Goodwill	Total
Balance as at 1 January 2020	22,235	-	22,235
Effect of the application of the equity method:			
- on the net income for the period (Note 14)	576	-	576
- on equity	234	-	234
Dividends	(407)	-	(407)
Other	(141)	-	(141)
Currency conversion adjustments	(3,634)	-	(3,634)
Balance as at 31 December 2020	18,863	-	18,863
Balance as at 1 January 2021	18,863	-	18,863
Effect of the application of the equity method:			
- on the net income for the period (Note 14)	106	-	106
- on equity	(2)	-	(2)
Other	(323)	-	(323)
Dividends	(18)	-	(18)
Currency conversion adjustments	281	-	281
Perimeter variation a)	(9,999)	-	(9,999)
Balance as at 31 December 2021	8,908	-	8,908

a) As at 31 December 2021, IMOC - Empreendimentos Imobiliários, S.A. was consolidated by the full method, while as at 31 December 2020, it was consolidated by the equity method.

The investments in associates and joint ventures as at 31 December 2021 and 2020 are detailed below:

	2021			2020		
	Holdings	Goodwill	Value of financial position	Holdings	Goodwill	Value of financial position
Associates and joint-ventures						
TDE - Empreendimentos Imobiliários, SA	3,495	-	3,495	3,512	-	3,512
TDGISERV Services, LLC (a)	3,000	-	3,000	2,623	-	2,623
Douro Litoral, ACE	1,448	-	1,448	1,506	-	1,506
Consórcio Puente Daule Guayaquil	698	-	698	658	-	658
IMOC - Empreendimentos Imobiliários, S.A.	-	-	-	9,999	-	9,999
Other	267	-	267	565	-	565
	8,908	-	8,908	18,863	-	18,863

These holdings are disclosed using the equity method of accounting which, for the periods ended on 31 December 2021 and 2020, had the following impacts:

	2021			
	Gains and losses in associates and joint ventures (Note 14)	Adjustments of equity stakes	Dividends	Total
Associates and joint-ventures				
Alvorada Petróleo, S.A.	(33)	-	-	(33)
Consórcio Puente Daule Guayaquil	(14)	-	(18)	(32)
TDE - Empreendimentos Imobiliários, SA	(18)	-	-	(18)
TDGISERV Services, LLC (a)	149	3	-	152
Other	22	(5)	-	17
	106	(2)	(18)	86



	2020			
	Gains and losses in associated companies and joint ventures (Note 14)	Adjustments of equity stakes	Dividends	Total
<b>Associates and joint-ventures</b>				
Alvorada Petróleo, S.A.	(18)	201	-	183
Consórcio Ponte Daule Guayaquil	137	-	(407)	(270)
IMOC - Empreendimentos Imobiliários, S.A.	(131)	-	-	(131)
TDE - Empreendimentos Imobiliários, SA	(3)	-	-	(3)
TDGISERV Services, LLC (a)	540	(57)	-	483
Other	51	90	-	141
	576	234	(407)	403

The main financial information referring to the associates and joint ventures, as at 31 December 2021 and 2020 is as follows:

	Total assets		Total liabilities		Total net assets		The Group's share in net assets	
	2021	2020	2021	2020	2021	2020	2021	2020
Alvorada Petróleo, S.A.	1,006	1,074	656	651	350	423	151	183
Consórcio Ponte Daule Guayaquil	35,302	33,910	31,810	30,619	3,492	3,291	698	658
IMOC - Empreendimentos Imobiliários, S.A.	-	21,138	-	1,288	-	19,850	-	9,999
TDE - Empreendimentos Imobiliários, S.A.	18,482	19,385	11,493	11,332	6,989	8,053	3,495	3,512
TDGISERV Services, LLC (a)	13,755	9,488	7,633	4,134	6,123	5,354	3,000	2,623
Other	10,985	10,938	6,987	6,531	3,997	4,407	1,564	1,888
	79,530	95,933	58,579	54,555	20,951	41,378	8,908	18,863

## 24 - OTHER FINANCIAL INVESTMENTS

As at 31 December 2021 and 2020, the other financial investments were detailed as follows:

	2021		2020	
	Non-current	Current	Non-current	Current
<b>Financial assets at fair value through other comprehensive income:</b>				
Aginyo Inversiones Y Gestiones Inmobiliarias S.L.	8,955	-	8,873	-
Banco Comercial Português, S.A.	939	-	821	-
Kuikila Investments, Lda.	542	-	397	-
Matadouro de Macau, S.A.R.L.	317	-	317	-
ILTA - Urbanizadora da Ilha de Tavira, S.A.	78	-	79	-
Macau CPM Holdings	72	-	150	-
EIA - Ensino, Investigação e Administração, S.A.	25	-	624	-
Other	515	10	377	10
	11,443	10	11,638	10
<b>Financial assets at amortised cost:</b>				
Public Debt Securities of the Government of the Peoples Republic of Angola	2,752	-	2,569	-
	2,752	-	2,569	-
	14,195	10	14,207	10

For the stake held in Banco Comercial Português, S.A., the fair value of this asset was measured through its market price.

The fair value of the stake held in the company Aginyo Inversiones y Gestiones Inmobiliarias S.L. was determined by an independent valuation performed in the period ended on 31 December 2021.

For the remaining financial assets indicated above (shares in unlisted companies), the Group's Board of Directors considered that their acquisition cost, if necessary, minus their impairment losses, corresponded to the best estimate of their fair value as at 31 December 2021.

During the financial years ended on 31 December 2021 and 2020, the following movements occurred in other financial investments:

	2021		2020	
	Non-current	Current	Non-current	Current
Opening balance	14,207	10	18,672	10
Increases	175	-	13	-
Variation of fair value	118	-	(686)	-
Other variations	(678)	-	(86)	-
Currency conversion adjustments	373	-	(3,706)	-
Closing balance	14,195	10	14,207	10

## 25 - ASSETS AND LIABILITIES HELD FOR SALE

As at 31 December 2021 and 2020, the assets and liabilities held for sale are detailed as follows:

	2021	2020
<b>Assets held for sale:</b>		
Goodwill	-	1,979
Intangible assets	8	-
Tangible fixed assets	171	441
Investment properties	28,400	30,548
Deferred tax assets	467	-
Inventories	-	199
Clients	55	115
Other credit receivable	-	5
Cash and cash equivalents	10	24
Other assets	169	1,586
<b>Total assets held for sale</b>	<b>29,280</b>	<b>34,897</b>
<b>Liabilities held for sale:</b>		
Obtained financing	17,701	21,698
Deferred tax liabilities	-	(1,848)
Lease liabilities	2,436	2,417
Suppliers	256	212
Other debts payable	982	634
Other liabilities	950	448
<b>Total liabilities held for sale</b>	<b>22,325</b>	<b>23,561</b>
<b>Total net value</b>	<b>6,955</b>	<b>11,336</b>

Bonaparte — Imóveis Comerciais e Participações, S.A., is classified as “Assets and Liabilities Held for Sale” as at 31 December 2021 and 2020.

## 26 - DEFERRED TAXES

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

During the periods ended on 31 December 2021 and 2020, the movements occurred in deferred tax assets and liabilities, in accordance with the temporary differences which generated them, are as follows:

	2021							
			Constitution		Reversal			
	Opening balance	Perimeter variation (Note 5)	Net income (Note 15)	Equity (Note 15)	Net income (Note 15)	Equity (Note 15)	Currency conversion & adjustments	Closing balance
Deferred tax assets:								
Inventory impairments	670	-	172	-	(217)	-	(29)	596
Impairment of clients	1,847	(9)	3,684	-	(554)	-	(104)	4,864
Impairment of financial assets at fair value through other comprehensive income	106,577	-	-	133	-	(25)	-	106,685
Double international taxation credit	12,546	-	1,275	-	(64)	-	(1,588)	12,169
Tax losses carried forward	12,180	95	20,020	-	(3,705)	-	(4,130)	24,460
Provision for losses in works	2,285	-	362	-	(1,854)	-	101	894
Other	9,661	(100)	7,222	11	(2,046)	-	1,776	16,524
	145,766	(14)	32,735	144	(8,440)	(25)	(3,974)	166,192
Deferred tax liabilities:								
Gains taxable in future periods	521	-	37	-	(138)	-	(106)	314
Investment properties	12,769	838	13	-	(3,387)	-	4,262	14,495
Revaluation of tangible fixed assets	63,916	-	87	-	(3,623)	-	15,331	75,711
Other	6,960	(32)	80	-	(2,024)	-	7,373	12,357
	84,166	806	217	-	(9,172)	-	26,860	102,877

	2020						
	Constitution			Reversal		Currency conversion & adjustments	Closing balance
	Opening balance	Net income (Note 15)	Equity (Note 15)	Net income (Note 15)	Equity (Note 15)		
Deferred tax assets:							
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
Tax losses carried forward	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
Deferred tax liabilities:							
Income taxable in future periods	72	153	-	(141)	-	437	521
Investment properties	20,598	734	-	(20)	-	(8,543)	12,769
Revaluation of tangible fixed 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

According to the tax returns of the companies that recorded deferred tax assets due to tax losses as at 31 December 2021 and 2020, they were carried forward as follows:

	2021			2020		
	Calculated tax loss	Deferred tax asset	Deadline for use	Recorded tax loss	Deferred tax asset	Deadline for use
Generated in 2015	259	88	2029	2,771	942	2029
Generated in 2016	31,096	6,702	2030	31,106	6,720	2030
Generated in 2017	17	4	2024	17	3	2024
Generated in 2019	145	45	2026	7,190	2,396	2026
Generated in 2020	7,402	2,357	2032	6,636	2,119	2030
Generated in 2021	70,712	15,264	2033	-	-	-
	109,631	24,460		47,720	12,180	

Additionally, at 31 December 2021 and 2020, all tax losses and credits that were not posted as deferred tax assets due to prudence are detailed as follows:

	2021			2020		
	Recorded tax loss	Deferred tax asset	Deadline for use	Calculated tax loss	Deferred tax asset	Deadline for use
Generated in 2017	566	142	2024	662	165	2024
Generated in 2018	12,569	3,142	2025	15,728	3,932	2025
Generated in 2019	28,251	7,063	2026	34,677	8,669	2026
Generated in 2020	15,670	3,918	2032	11,769	2,942	2030
Generated in 2021	5,440	1,360	2033	-	-	-
	62,496	15,625		62,836	15,708	

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, periodically reviewed and updated, on their prospects of generating taxable earnings.

## 27- CLIENTS AND OTHER CREDIT RECEIVABLE

As at December 2021 and 2020, this item was broken down as follows:

	Current		Non-current	
	2021	2020	2021	2020
<b>Clients:</b>				
Clients	255,286	214,933	142	12,489
Impairment losses	(105,095)	(63,291)	-	-
	150,191	151,642	142	12,489
<b>Other credit receivable:</b>				
Staff	335	536	-	-
Other debtors	38,680	31,722	12,186	10,986
	39,015	32,258	12,186	10,986
Impairment losses	(1,280)	(791)	-	-
	37,735	31,467	12,186	10,986

During the periods ended on 31 December 2021 and 2020 movements which occurred in the impairment of accounts receivable were as follows:

Accumulated impairment losses on clients and other credit receivable:

Balance as at 31 December 2019	65,000
Reinforcements	8,326
Reversals	(198)
Settlements	(2,388)
Currency conversion adjustments	(6,658)
Balance as at 31 December 2020	64,082
Reinforcements a)	24,667
Reversals	(1,462)
Settlements	15,540
Currency conversion adjustments	3,682
Perimeter variation	(134)
Balance as at 31 December 2021	106,375

a) In the period of 2021, the reinforcement of impairment losses is influenced by the recognition of losses resulting from extraordinary events in Venezuela and Algeria, of the total value of 19,930 thousand euros.

Conciliation of accumulated impairment losses as at 31 December 2021 and 2020:

	2021	2020
Accumulated impairment losses recognised pursuant to IAS 39	100,455	59,018
Accumulated impairment losses recognised pursuant to IFRS 9	5,920	5,064
	106,375	64,082

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 financial position are net of impairment 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 clients and other debtors.

## 28 - RELATED PARTIES

The transactions and balances between TD,SA 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 this 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.



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The main balances with related parties as at 31 December 2021 and 2020 may be detailed as follows:

	Balance receivable		Balance payable		Loans granted		Other balances	
	2021	2020	2021	2020	2021	2020	2021	2020
Adoquines Vargas, (ADOQUINVAR), C.A.	27	-	-	-	3	1	-	-
Bonaparte - Imóveis Comerciais e Participações, S.A.	51	38	-	-	415	477	561	605
Caais de Cruzeiros 2ª Fase, ACE	-	-	4	4	-	-	-	-
CINTEL - Construção Interceptor Esgotos, S.A.	-	46	-	-	-	4	-	-
Conbate, ACE	8	13	4	1	69	-	-	-
Consórcio Puente Daule Guayaquil	-	-	-	-	-	-	12	6
D.L.O.E.A.C.E. – Douro Litoral Obras Especiais, ACE	-	-	10	2	-	-	-	-
Douro Litoral, ACE	1	8	43	41	-	-	85	(3)
EIA - Ensino e Investigação e Administração, S.A.	-	-	(3)	-	-	-	9	9
IMOC - Empreendimentos Imobiliários, S.A.	-	482	-	59	-	-	-	(3,102)
Kuikila, Investments, Lda.	-	-	-	-	-	-	68	-
Mesofer, ACE	386	641	-	-	-	-	-	-
Metroligeiro - Construção de Infraestruturas, ACE	9	32	-	-	11	11	-	-
Nova Estação, ACE	-	286	-	88	-	6	-	-
Promociones Inmobiliárias 3003, C.A.	-	-	-	-	55	-	347	427
TDE - Empreendimentos Imobiliários, S.A.	241	242	-	-	5,890	5,890	-	-
TDGISERV Services, LLC (a)	92	-	66	-	-	-	(439)	(774)
TDHOSP - Gestão Hospitalar, S.A.	216	180	-	-	-	-	-	-
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	-	-	-	-
	1,038	1,975	179	285	6,443	6,389	643	(2,832)

During the periods ended on 31 December 2021 and 2020, the main transactions with related parties were as follows:

	Sales and services rendered		Purchases and services received		Interest debited	
	2021	2020	2021	2020	2021	2020
AEBT - Auto Estradas do Baixo Tejo, S.A.	33	46	-	-	-	-
Bonaparte - Imóveis Comerciais e Participações, S.A.	540	577	-	-	15	2
Conbate, ACE	140	109	4	-	-	-
Consórcio Puente Daule Guayaquil	-	594	-	-	-	-
Douro Litoral, ACE	34	80	1	7	-	-
EIA - Ensino e Investigação e Administração, S.A.	-	-	4	-	-	-
IMOC - Empreendimentos Imobiliários, S.A.	-	677	-	87	-	-
Mesofer, ACE	7,714	9,339	8	-	8	-
Metroligeiro - Construção de Infraestruturas, ACE	-	-	-	7	-	-
Nova Estação, ACE	-	19	-	-	-	-
TDE - Empreendimentos Imobiliários, S.A.	17	57	-	-	-	-
TDGISERV Services, LLC (a)	139	101	-	-	-	-
TDHOSP - Gestão Hospitalar, S.A.	2,419	2,598	122	199	3	114
	11,036	14,197	139	300	26	116

The remunerations attributed to the members of the governing bodies of TD,SA, for the periods ended on 31 December 2021 and 2020, were as follows:

	2021	2020
<b>Executive directors:</b>		
Short-term benefits	721	918
<b>Supervisory board:</b>		
Short-term benefits	66	66
<b>Statutory auditor:</b>		
Short-term benefits	61	61
	848	1,045

The remuneration of the members of the senior management of TD,SA, for the periods ended on 31 December 2021 and 2020 were as follows:

	2021	2020
<b>Senior staff:</b>		
Short-term benefits	5,962	6,393
	5,962	6,393

## 29 - NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

### Cash and cash equivalents

As at 31 December 2021 and 2020 cash and equivalent was detailed as follows:

	2021	2020
Bank deposits	62,461	71,519
Term deposits	29,457	43,832
Cash	930	864
	92,847	116,215

The item “Cash and cash equivalents” 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

The revenue from financial investments for the periods ended on 31 December 2021 and 2020 refer to the disposal of stakes in the share capital of the following companies:

	2021	2020
Lagoas Park, S.A.	1,825	-
	1,825	-

The amount received for the sale of the stake in Lagoas Park, S.A., corresponds to the part of the “*Earn Out*” stipulated in the 2018 deed of sale.

The payments relative to financial investments for the periods ended on 31 December 2021 and 2020 refer to the acquisition of stakes in the share capital of the following companies:

	2021	2020
Advantage - Distribuição de Seguros, Lda	3	-
Built Colab - Colaborative Laboratory For The Future Built Environment	-	13
	3	13

Other dividends received in the periods ended on 31 December 2021 and 2020 were as follows:

	2021	2020
AEBT - Vias do Baixo Tejo, S.A.	1,773	311
Macau CPM Holdings	707	1,114
Consórcio Puente Daule Guayaquil	18	407
TDHOSP – Gestão de Edifício Hospital, S.A.;	-	370
	2,498	2,202

**30 - OTHER CURRENT AND NON-CURRENT ASSETS**

As at 31 December 2021 and 2020 other current and non-current assets were broken down as follows:

	Current		Non-current	
	2021	2020	2021	2020
<b>Government and other public entities:</b>				
Value Added Tax	15,844	9,312	-	-
Other	745	605	-	-
	<b>16,589</b>	<b>9,917</b>	-	-
<b>Associates, participated companies and other shareholders:</b>				
Associated companies	1,156	5,915	4,900	-
Participated companies	-	717	-	-
Other shareholders	1,695	1,078	-	-
	<b>2,851</b>	<b>7,710</b>	<b>4,900</b>	-
<b>Accrued income:</b>				
Interest receivable	52	73	-	-
Amounts to be invoiced (Note 31) a)	54,555	109,427	-	-
Other accrued income	2,572	7,517	-	-
	<b>57,179</b>	<b>117,017</b>	-	-
<b>Deferred expenses:</b>				
Insurance paid in advance	2,854	1,528	-	-
Interest payable	329	6	-	-
Other deferred expenses	9,821	11,354	-	-
	<b>13,004</b>	<b>12,888</b>	-	-
<b>Other assets:</b>				
Advance payments to suppliers	9,727	8,685	-	-
Other	5	-	-	-
	<b>9,732</b>	<b>8,685</b>	-	-
	<b>99,355</b>	<b>156,217</b>	<b>4,900</b>	-

a) The item "Values to be invoiced" decreased by 54,872 thousand euros, which includes the derecognition of increases in income from six suspended contracts in Algeria, of the value of 73,256 thousand euros.

**31 - CONSTRUCTION CONTRACTS**

For the periods ended on 31 December 2021 and 2020, the recognised expenses and income related to construction contracts in progress are as follows:

	2021	2020
<b>Net income:</b>		
Issued invoices	362,454	328,558
Change in:		
Deferred income - works (Note 39)	(6,702)	8,648
Accrued income - works (Note 30)	(54,872)	560
	<b>300,880</b>	<b>337,766</b>
<b>Net expenses:</b>		
Invoiced expenses	394,037	333,112
Change in:		
Provisions for guarantees (Note 36)	(2,184)	(2,236)
Provisions for future losses (Note 36)	(6,547)	1,496
	<b>385,306</b>	<b>332,372</b>
Calculated earnings (Note 7):	(84,426)	5,394

Furthermore, as at 31 December 2021 and 2020, the retentions made by clients relative to construction contracts amounted to 10,590 thousand euros and 6,317 thousand euros, respectively.

**32 – SHARE CAPITAL**

As at 31 December 2021 and 2020 underwritten and paid-up share capital was represented by 420,000,000 shares with the nominal value of 0.50 euro each.

As at 31 December 2021 TEIXEIRA DUARTE 1886, S.A. (formerly called TEIXEIRA DUARTE – Sociedade Gestora de Participações Sociais, S.A.) directly held 168,550,000 shares representing the capital of Teixeira Duarte, S.A., 40.1% of which corresponds to the respective share capital (on 31 December 2020, 180,600,000 shares were held representing the capital of Teixeira Duarte, S.A., corresponding to 43% 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 income 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 to increase the 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 of this item during the periods ended on 31 December 2021 and 2020 were as follows:

	2021	2020
Opening balance	28,673	36,585
Dividends	(939)	(203)
Other changes in the equity of the participated companies	753	2,470
Revaluation of tangible fixed assets	-	2,038
Net income for the period attributable to non-controlling interests	1,518	(607)
Currency conversion adjustments	3,356	(11,610)
Purchase of non-controlling interests	(14,254)	-
Closing balance	19,107	28,673

**35 – FINANCING OBTAINED**

As at 31 December 2021 and 2020, the loans received were as follows:

	2021	2020
<b>Non-current liabilities:</b>		
Bank loans	309,654	347,606
Commercial paper	297,600	349,500
	607,254	697,106
<b>Current liabilities:</b>		
Bank loans	118,376	60,235
Commercial paper	53,000	11,950
Bonds	-	5,100
	171,376	77,285
	778,630	774,391

## a) Bank loans

As at 31 December 2011 and 2021, the internal bank loans, bank overdrafts and pledged current accounts earned interest at the weighted annual average rate of 2.41% (2.18% as at 31 December 2020).

As at 31 December 2021, the most significant bank loans contracted by the Group essentially correspond to:

Geography	Bank	Type of financing	Contract date	Due Date	Currency	Amount Currency	Amount (€)
Portugal	Banco Português de Investimento	Escrow account	21/12/1998	31/12/2033	EUR	1,000	1,000
Portugal	Novo Banco	Authorised Overdraft	01/02/2007	31/12/2033	EUR	8,774	8,774
Portugal	Banco Comercial Português	Loan	05/01/2009	17/06/2035	EUR	145,181	145,181
Portugal	Banco Santander	Escrow account	31/10/2012	31/12/2033	EUR	5,039	5,039
Angola	Banco Millennium Atlântico	Escrow account	29/11/2012	31/12/2022	AON	195,176	307
Angola	Banco de Fomento Angola	Escrow account	27/03/2013	31/12/2022	AON	1,960,020	3,083
Portugal	Banco Comercial Português	Escrow account	27/06/2014	31/12/2033	EUR	4,825	4,825
Portugal	Caixa Geral de Depósitos	Loan	22/09/2014	01/06/2034	EUR	85,869	85,869
Portugal	Banco BIC	Escrow account	06/08/2015	31/12/2033	EUR	19,605	19,605
Portugal	Novo Banco	Loan	30/12/2015	01/06/2022	EUR	21,604	21,604
Angola	Banco BIC	Escrow account	01/01/2016	31/12/2022	AON	225,056	354
Portugal	Banco Português de Investimento	Loan	05/07/2016	05/05/2023	EUR	5,337	5,337
Portugal	Banco Comercial Português	Loan	12/08/2016	30/12/2033	EUR	8,643	8,643
Portugal	Caixa Geral de Depósitos	Loan	12/08/2016	30/12/2033	EUR	6,101	6,101
Portugal	Novo Banco	Loan	12/08/2016	30/12/2033	EUR	8,233	8,233
Portugal	Banco BAI Europa	Loan	22/09/2016	30/10/2023	USD	759	670
Portugal	Banco Comercial Português	Loan	27/11/2017	30/12/2033	EUR	32,015	32,015
Portugal	Banco Comercial Português	Loan	16/01/2018	31/12/2033	EUR	3,833	3,833
Portugal	Caixa Geral de Depósitos	Loan	30/01/2018	15/12/2022	EUR	2,690	2,690
Portugal	Banco Comercial Português	Loan	30/01/2018	30/01/2023	EUR	7,147	7,147
Portugal	Banco Comercial Português	Authorised Overdraft	24/04/2018	31/12/2033	EUR	3,414	3,414
Portugal	Caixa Geral de Depósitos	Loan	15/12/2018	15/06/2022	EUR	828	828
Brazil	Banco Bradesco	Loan	27/06/2019	30/04/2022	BRL	35,242	5,585
Portugal	Caixa Geral de Depósitos	Loan	25/07/2019	31/12/2022	EUR	2,439	2,439
Brazil	Sandvik credit	Loan	29/08/2019	02/08/2023	EUR	266	266
Brazil	Sandvik credit	Loan	17/10/2019	19/09/2023	EUR	331	331
Brazil	Sandvik credit	Loan	19/10/2019	19/09/2023	EUR	742	742
Brazil	Sandvik credit	Loan	22/10/2019	23/09/2023	EUR	674	674
Brazil	Sandvik credit	Loan	01/11/2019	04/10/2023	EUR	371	371
Brazil	Banco Itaú	Loan	27/12/2019	30/09/2022	BRL	16,495	2,614
Portugal	Banco BIC	Loan	02/01/2020	02/07/2025	EUR	4,967	4,967
Portugal	Novo Banco	Loan	09/03/2020	31/12/2022	EUR	6,589	6,589
Portugal	Sandvik credit	Loan	06/04/2020	30/11/2024	EUR	981	981
Angola	Banco BIC	Escrow account	02/06/2020	31/12/2022	AON	2,295,061	3,610
Portugal	Nordea Bank Abp	Loan	24/06/2020	26/06/2025	EUR	583	583
Angola	Banco BAI Europa	Loan	31/07/2020	31/07/2027	AON	1,523,259	2,396
Portugal	Banco Comercial Português	Loan	01/11/2020	01/11/2024	EUR	15,397	15,397
Brazil	Banco Bradesco	Loan	08/11/2021	09/10/2023	BRL	15,352	2,433
Portugal	Miscellaneous	Other financing	-	-	EUR	231	228
Portugal	Miscellaneous	Other financing	-	-	USD	3	3
Brazil	Miscellaneous	Other financing	-	-	BRL	18,810	2,981
Spain	Miscellaneous	Other financing	-	-	EUR	125	125
Angola	Miscellaneous	Other financing	-	-	AON	49,589	78
Colombia	Miscellaneous	Other financing	-	-	COP	391,381	85
							428,030



**b) Commercial paper**

As at 31 December 2021, the Group had negotiated the following commercial paper programmes:

Geography	Bank	Type of financing	Renewal	Contract date	Due Date	Spread	Currency	Amount (€)
Portugal	Novo Banco	Commercial Paper	Quarterly	16/12/2005	15/12/2023	1.60%	EUR	35,000
Portugal	Caixa Geral de Depósitos	Commercial Paper	Quarterly	07/07/2010	31/12/2033	2.50%	EUR	20,550
Portugal	Novo Banco	Commercial Paper	Monthly	30/12/2013	31/12/2033	2.00%	EUR	180,350
Portugal	Novo Banco	Commercial Paper	Monthly	28/12/2015	15/06/2027	1.95%	EUR	95,000
Portugal	Novo Banco	Commercial Paper	Monthly	14/01/2016	31/12/2033	1.55%	EUR	15,200
Portugal	Banco BPI	Commercial Paper	Quarterly	30/01/2018	30/01/2024	1.00%	EUR	4,500
								350,600

Due to the commitment to successive renewal during the programme contract period, some issues existing at 31 December 2021 and 2020 are classified as non-current liabilities.

As at 31 December 2021 and 2020 the repayment of the non-current bank loans is defined as follows:

	2021	2020
2022	-	116,400
2023	63,276	43,373
2024	56,591	34,744
2025	45,869	38,786
2026	38,006	37,288
2027 and following	403,512	426,515
	607,254	697,106

As at 31 December 2021 and 2020 loans in foreign currency were expressed in the following currencies:

Currency	2021		2020	
	Currency	Euros	Currency	Euros
US Dollar	762	673	1,207	984
Angolan Kwanza	6,248,161	9,828	6,619,105	8,304
Brazilian Real	85,899	13,613	91,678	14,384
Colombian Peso	391,381	85	-	-

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.

As at 31 December 2021 and 2020, the conciliation of the changes in liabilities arising from the financing activity is presented as follows:

2021	Opening balance	Increases	Decreases	Legal moratorium	Currency conversion adjustments	Closing balance
Obtained financing	774,391	4,131,598	(4,130,496)	803	2,334	778,630
2020	Opening balance	Increases	Decreases	Legal moratorium	Currency conversion adjustments	Closing balance
Obtained financing	811,903	4,036,107	(4,074,828)	9,509	(8,300)	774,391

## 36 - PROVISIONS

The movement in the accumulated provisions during the periods ended on 31 December 2021 and 2020 was as follows:

	Other provisions related to the	Bonds to clients (Note 31)	Lawsuits	Construction losses (Note 31)	Other provisions for risks and charges	Total
Balance as at 31 December 2019	7,957	15,944	3,860	8,687	8,605	45,053
Uses	(4,610)	-	(7)	-	-	(4,617)
Reinforcements	1,617	328	506	7,246	1,412	11,109
Reductions	(568)	(1,807)	(873)	(2,387)	(1,119)	(6,754)
Transfers	-	-	-	(2,885)	2,868	(17)
Currency conversion adjustments	-	(757)	(472)	(478)	(1,739)	(3,446)
Balance as at 31 December 2020	4,396	13,708	3,014	10,183	10,027	41,328
Uses	(2,699)	(35)	-	-	(476)	(3,210)
Reinforcements	4,850	1,762	968	3,528	3,801	14,909
Reductions a)	-	(4,147)	(777)	(10,167)	(849)	(15,940)
Transfers	-	-	29	-	(325)	(296)
Currency conversion adjustments	-	236	52	92	339	719
Perimeter variation (Note 5)	-	-	(2)	-	(445)	(447)
Balance as at 31 December 2021	6,547	11,524	3,284	3,636	12,072	37,063

a) In the period ended on 31 December 2021, the reductions in the items “Guarantee to clients” and “Losses in works” of 4,147 thousand euros and 10,67 thousand euros, respectively, are essentially explained by the suspension of the activity of the six works in Algeria.

The reinforcements and reductions were made against:

	2021			2020		
	Reinforcements	Reductions	Total	Reinforcements	Reductions	Total
Results of the period:						
Provisions	9,842	(15,549)	(5,707)	8,659	(5,680)	2,979
Staff costs	4,945	(388)	4,557	2,385	(955)	1,430
Earnings from associates and joint-ventures	-	(1)	(1)	61	(24)	37
Results related to other investments	-	-	-	4	-	4
Other operating expenses	122	(2)	120	-	(95)	(95)
	14,909	(15,940)	(1,031)	11,109	(6,754)	4,355

## 37- SUPPLIERS, ADVANCES FROM CLIENTS AND OTHER DEBTS PAYABLE

As at 31 December 2021 and 2020, these items were broken down as follows:

	Current		Non-current	
	2021	2020	2021	2020
Suppliers, current account	135,977	106,197	-	-
Advance payments from clients	161,382	126,088	37,229	57,091
Other accounts payable:				
Other creditors	28,458	15,970	24,196	5,367
	325,817	248,255	61,425	62,458

**38 - LEASE LIABILITIES**

As at 31 December 2021 and 2020, the Group presents the following maturities of lease liabilities arising from the application of IFRS 16:

	2021	2020
2021	-	6,157
2022	6,180	5,300
2023	5,461	4,628
2024	4,670	4,076
2025	4,250	3,892
After 2025	12,095	11,277
	32,656	35,330
Current lease liabilities	6,180	6,157
Non-current lease liabilities	26,476	29,173

**39 - OTHER CURRENT AND NON-CURRENT LIABILITIES**

As at 31 December 2021 and 2020, these items were broken down as follows:

	Current		Non-current	
	2021	2020	2021	2020
<b>Government and other public entities:</b>				
Corporate Income Tax (IRC)	(2,791)	337	-	-
Income Tax Withholdings	3,956	1,834	-	-
Value Added Tax	11,761	9,228	-	-
Contributions for Social Security	3,018	2,778	-	-
Other	511	1,374	-	-
	16,455	15,551	-	-
<b>Associates, participated companies and other shareholders:</b>				
Associated companies	475	436	-	-
Participated companies	-	15	-	-
Other shareholders	40	190	1,244	-
	515	641	1,244	-
<b>Accrued expenses:</b>				
Insurance to liquidate	20	14	-	-
Remunerations payable	13,760	10,281	-	-
Interest payable	723	3,393	-	-
Other expenses payable	31,567	27,447	-	-
	46,070	41,135	-	-
<b>Deferred income:</b>				
Invoiced work not performed (Note 31)	28,649	21,947	-	-
Other deferred income	4,722	12,589	-	-
	33,371	34,536	-	-
<b>Other liabilities</b>				
Advances on account of sales	-	26	-	-
Other liabilities	52	-	-	-
	52	26	-	-
	96,463	91,889	1,244	-

**40 - CONTINGENT LIABILITIES, GUARANTEES AND COMMITMENTS**

Following several inspections of the periods 2008 to 2013, carried out by the Tax and Customs Authority (AT or Tax Authority) 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,SA, the following corrections were made to the tax losses initially calculated by this subsidiary:

<u>Period</u>	<u>Calculated tax loss</u>	<u>AT correction</u>
2008	36,573	611
2011	12,779	3,213
2012	13,294	2,299
2013	26,221	5,000

The nature of the 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 corporate income pursuant to the Special Taxation Regime for Corporate Groups (Article 69 onwards of the Corporate Income Tax Code), the corrections to tax losses over the periods from 2009 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. - that challenged them in court.

The correction related to the 2012 period was subject to an additional settlement by the parent company from that period, TD,SA, which contested it within the statutory periods.

Regarding this correction, and based on fundamentally identical underlying arguments by the Tax Authority, it is disclosed that, in 2021, TEIXEIRA DUARTE - Engenharia e Construções, obtained a favourable outcome as to the corporate income tax for the years of 2008, 2009 and 2010, by Judgements of the Supreme Administrative Court and Sintra Administrative and Tax Court, with the same conclusion expected in the remaining periods in dispute.

2. Application of Article 51 of the Corporate Income Tax Code

According to the Tax Authority, the correction to the tax loss calculated in the period of 2013 refers entirely to the incorrect application of Article 51 of the Corporate Income Tax Code. This correction was subject to a legal challenge by TD,SA as the parent company.

3. Elimination of economic double taxation – income distributed by the TDF Fund

According to the Tax Authority, the correction to the 2008 tax loss refers entirely to the improper application of Article 22(10) of the Tax Benefits Statute (EBF) to the distribution of income by the TDF Real Estate Investment Fund.

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 the Tax Authority of the accounting elements of the subsidiary TEIXEIRA DUARTE - Engenharia e Construções, S.A. for the period of 2008, the respective taxable profit calculated at that time in that period, of the value of 35,467 thousand euros, was corrected.

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 Tax Benefits Statute (EBF).

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

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

Following several inspections carried out by the Tax Authority of the corporate income tax calculation for the periods of 2015, 2017 and 2018, payable by the group of companies taxed under the Special Taxation Regime for Corporate Groups (RETGS) of which TD,SA is the parent company, the following corrections were made:

1. Application of Article 90 of the Corporate Income Tax Code to the RETGS

Period	Corrected tax
2017	663
2018	871
	1,534

These corrections arise from the Tax Authority having a different understanding as to the use of the deductions provided for in Article 90 of the Corporate Income Tax Code in the Municipal and State Surtax, calculated under the scope of application of the RETGS, and were contested in court by TD,SA, as the parent company.

It is hereby informed that these corrections, also made by the Tax Authority in the periods of 2013 to 2016, were challenged by TD,SA, the grounds of which were accepted at the administrative stage.

2. Net Financing Costs (Article 67 of the Corporate Income Tax Code)

On this subject, the Tax Authority corrected the tax result of the RETGS of TD,SA, in the following terms:

- Correction of the value of 22,710 thousand euros to the corporate income tax of 2015, related to the use of “slack” determined in previous periods;
- Correction of the value of 6.305 thousand euros for the period of 2018, because the Tax Authority considers that certain accounts should have been excluded from the determination of the EBITDA “for tax purposes” established in Article 67(13) of the Corporate Income Tax Code.

With regard to the correction for the period of 2015, a judicial challenge was lodged by TD,SA as the controlling company, which will adopt a similar procedure regarding the correction for the period of 2018.

**Guarantees:**

As at 31 December 2021 and 2020 companies included in the consolidation perimeter had provided the following guarantees to third parties:

	2021	2020
Granted bank guarantees	236,968	285,660
Guarantee insurance	155,509	110,996

The bank guarantees were essentially provided for the effect of tenders, advances received and as a completion bond 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 against the subsidiary TEIXEIRA DUARTE - Engenharia e Construções, S.A., related to corporate income tax debt for the period of 2010, TD,SA presented a guarantee, amounting to 10,139 thousand euros, which was accepted by the Tax Authority. Following the favourable decisions for the corporate income tax of 2009 and 2010, the cancellation of this guarantee was requested from the Tax Authority.



The value 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 purpose of suspending the tax enforcement proceedings brought against the subsidiary TEIXEIRA DUARTE - Engenharia e Construções, S.A. related to corporate income tax debt of 2008, bank guarantees were issued in favour of the Tax Authority, amounting to 4,373 thousand euros as at 31 December 2021. It is disclosed that after the closing of the period, this guarantee was reduced to 3,034 thousand euros, following TA's response to this subsidiary's request;
- For the purpose of suspending the tax enforcement proceedings brought against the subsidiary TDO - Investimento e Gestão, S.A. related to corporate income tax debt of 2014, a bank guarantee was issued in favour of the Tax Authority of the value of 181 thousand euros;
- For the purpose of suspending tax enforcement proceedings brought against TD, SA related to corporate income tax debts determined under the RETGS for the periods of 2015 to 2017, several bank guarantees were issued, with the active guarantees as at 31 December 2021 being presented below:

Period	Amount of the bank guarantee
2015	125
2016	594
2017	750
	1,469

As at 31 December 2021, the Group's collateral was broken down as follows:

Geography	Bank	Type of financing	Contract date	Due Date	Collateral
Portugal	Novo Banco	Commercial Paper	16/12/2005	15/12/2023	Pledge of 4,610,000 BCP shares + Pledge of all Shares: Soc. Automóvel Angola + Soc. Distribuição Angola + Pledge of TDSP Brasil + TD Angola, Lda. + Mortgage of Angolan Hotels: Alvalade and Baía + Mortgage of Mozambican Hotels: Avenida and Tivoli Beira
Portugal	Novo Banco	Overdraft	01/02/2007	31/12/2033	Pledge of all Shares: Soc. Automóvel Angola + Soc. Distribuição Angola + Pledge of TDSP Brasil + TD Angola, Lda. + Mortgage of Angolan Hotels: Alvalade and Baía + Mortgage of Mozambican Hotels: Avenida and Tivoli Beira
Portugal	Banco Comercial Português	Loan	05/01/2009	15/12/2033	Pledge of all Shares: Soc. Automóvel Angola + Soc. Distribuição Angola + Pledge of TDSP Brasil + TD Angola, Lda. + Mortgage of Angolan Hotels: Alvalade and Baía + Mortgage of Mozambican Hotels: Avenida and Tivoli Beira
Portugal	Caixa Geral de Depósitos	Commercial Paper	07/07/2010	31/12/2033	Pledge of 4,675,000 TDF Fund Participation Units + Pledge of all Shares: Soc. Automóvel Angola + Soc. Distribuição Angola + Pledge of TDSP Brasil + TD Angola, Lda. + Mortgage of Angolan Hotels: Alvalade and Baía + Mortgage of Mozambican Hotels: Avenida and Tivoli Beira
Portugal	Caixa Geral de Depósitos	Escrow account	07/07/2010	31/12/2033	Pledge of 4,675,000 TDF Fund Participation Units + Pledge of all Shares: Soc. Automóvel Angola + Soc. Distribuição Angola + Pledge of TDSP Brasil + TD Angola, Lda. + Mortgage of Angolan Hotels: Alvalade and Baía + Mortgage of Mozambican Hotels: Avenida and Tivoli Beira
Portugal	Novo Banco	Commercial Paper	30/12/2013	31/12/2033	Pledge of all EPOS shares and all C+PA shares + Pledge of 1,325,000 TDF Fund Participation Units + Montijo Industrial Centre Mortgage + Mortgage of 7 Lots Mafamude + Mortgage of 9 Lots Santa Marinha Design District - Santa Marinha + Pledge of all Shares: Soc. Automóvel Angola + Soc. Distribuição Angola + Pledge of TDSP Brasil + TD Angola, Lda. + Mortgage of Angolan Hotels: Alvalade and Baía + Mortgage of Mozambican Hotels: Avenida and Tivoli Beira
Portugal	Banco Comercial Português	Escrow account	27/06/2014	31/12/2033	Pledge of all Shares: Soc. Automóvel Angola + Soc. Distribuição Angola + Pledge of TDSP Brasil + TD Angola, Lda. + Mortgage of Angolan Hotels: Alvalade and Baía + Mortgage of Mozambican Hotels: Avenida and Tivoli Beira
Portugal	Caixa Geral de Depósitos	Loan	22/09/2014	01/06/2034	Pledge of all Shares: Soc. Automóvel Angola + Soc. Distribuição Angola + Pledge of TDSP Brasil + TD Angola, Lda. + Mortgage of Angolan Hotels: Alvalade and Baía + Mortgage of Mozambican Hotels: Avenida and Tivoli Beira
Portugal	BIC	Escrow account	06/08/2015	31/12/2033	Bank Guarantee from BIC AO to BIC PT + TD Angola, Lda Mortgage (Building No. 2554) - Complexo Comercial e Oficinas Pólo Automóvel in Talatona (Angola)
Portugal	Novo Banco	Commercial Paper	28/12/2015	15/06/2027	Pledge of 1,045,610 Shares in Recolte Espanha + Pledge of 50% of TDE Shares + Pledge of all Shares: Soc. Automóvel Angola + Soc. Distribuição Angola + Pledge of TDSP Brasil + TD Angola, Lda. + Mortgage of Angolan Hotels: Alvalade and Baía + Mortgage of Mozambican Hotels: Avenida and Tivoli Beira
Portugal	Novo Banco	Loan	30/12/2015	01/06/2022	Pledge of 2,006,396 BCP shares + Pledge of all Shares: Soc. Automóvel Angola + Soc. Distribuição Angola + Pledge of TDSP Brasil + TD Angola, Lda. + Mortgage of Angolan Hotels: Alvalade and Baía + Mortgage of Mozambican Hotels: Avenida and Tivoli Beira
Portugal	Novo Banco	Commercial Paper	14/01/2016	31/12/2033	Pledge of all TDGI shares + Pledge of all Shares: Soc. Automóvel Angola + Soc. Distribuição Angola + Pledge of TDSP Brasil + TD Angola, Lda. + Mortgage of Angolan Hotels: Alvalade and Baía + Mortgage of Mozambican Hotels: Avenida and Tivoli Beira
Portugal	Caterpillar	Loan	07/07/2016	07/01/2022	Respective Equipment
Portugal	Caterpillar	Loan	07/08/2016	07/02/2022	Respective Equipment

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Geography	Bank	Type of financing	Contract date	Due Date	Collateral
Portugal	Banco Comercial Português	Loan	12/08/2016	31/12/2033	Mortgage of Plot 26 of the developments of Magnólia and Coína + Vale Figueira, Lezíria Park 2, Villa Rio, Jardins da Póvoa and Póvoa Logistics Park + Pledge of all Shares: Soc. Automóvel Angola + Soc. Distribuição Angola + Pledge of TDSP Brasil + TD Angola, Lda. + Mortgage of Angolan Hotels: Alvalade and Baía + Mortgage of Mozambican Hotels: Avenida and Tivoli Beira
Portugal	Caixa Geral de Depósitos	Loan	12/08/2016	31/12/2033	Mortgage of Plot 26 of the developments of Magnólia and Coína + Vale Figueira, Lezíria Park 2, Villa Rio, Jardins da Póvoa and Póvoa Logistics Park + Pledge of all Shares: Soc. Automóvel Angola + Soc. Distribuição Angola + Pledge of TDSP Brasil + TD Angola, Lda. + Mortgage of Angolan Hotels: Alvalade and Baía + Mortgage of Mozambican Hotels: Avenida and Tivoli Beira
Portugal	Novo Banco	Loan	12/08/2016	31/12/2033	Mortgage of Plot 26 of the developments of Magnólia and Coína + Vale Figueira, Lezíria Park 2, Villa Rio, Jardins da Póvoa and Póvoa Logistics Park + Pledge of all Shares: Soc. Automóvel Angola + Soc. Distribuição Angola + Pledge of TDSP Brasil + TD Angola, Lda. + Mortgage of Angolan Hotels: Alvalade and Baía + Mortgage of Mozambican Hotels: Avenida and Tivoli Beira
Portugal	Caterpillar	Loan	12/12/2016	22/06/2022	Respective Equipment
Portugal	Banco Comercial Português	Loan	27/11/2017	30/12/2033	Pledge of all Shares: Soc. Automóvel Angola + Soc. Distribuição Angola + Pledge of TDSP Brasil + TD Angola, Lda. + Mortgage of Angolan Hotels: Alvalade and Baía + Mortgage of Mozambican Hotels: Avenida and Tivoli Beira
Portugal	Banco Comercial Português	Loan	30/01/2018	30/01/2023	Pledge of all Shares: Soc. Automóvel Angola + Soc. Distribuição Angola + Pledge of TDSP Brasil + TD Angola, Lda. + Mortgage of Angolan Hotels: Alvalade and Baía + Mortgage of Mozambican Hotels: Avenida and Tivoli Beira
Portugal	Caixa Geral de Depósitos	Loan	30/01/2018	15/12/2022	Pledge of all Shares: Soc. Automóvel Angola + Soc. Distribuição Angola + Pledge of TDSP Brasil + TD Angola, Lda. + Mortgage of Angolan Hotels: Alvalade and Baía + Mortgage of Mozambican Hotels: Avenida and Tivoli Beira
Portugal	Banco Comercial Português	Loan	24/04/2018	31/12/2033	Pledge of all Shares: Soc. Automóvel Angola + Soc. Distribuição Angola + Pledge of TDSP Brasil + TD Angola, Lda. + Mortgage of Angolan Hotels: Alvalade and Baía + Mortgage of Mozambican Hotels: Avenida and Tivoli Beira
Portugal	Caixa Geral de Depósitos	Loan	15/12/2018	15/06/2022	Pledge of all Shares: Soc. Automóvel Angola + Soc. Distribuição Angola + Pledge of TDSP Brasil + TD Angola, Lda. + Mortgage of Angolan Hotels: Alvalade and Baía + Mortgage of Mozambican 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 Bradesco	Loan	27/06/2019	30/04/2022	Condomínio Loomi Paulista Real Estate Development - São Paulo / Brazil (96 Independent Units)
Brazil	Banco Itaú	Loan	27/12/2019	30/09/2022	Condomínio Loomi Klabin real estate development - São Paulo / Brazil (60 Independent Units)
Portugal	Sandvik credit	Loan	06/04/2020	30/11/2024	Respective Equipment
Portugal	Nordea Bank Abp	Loan	24/06/2020	26/06/2025	Respective Equipment
Brazil	Banco Bradesco	Loan	04/12/2020	31/03/2024	Real Estate Development Condominium Reserva Alta Vista - São Paulo / Brazil (204 Independent Units)
Angola	BIC	Loan	05/08/2021	05/08/2024	Respective Equipment
Colombia	Bancolombia	Loan	17/09/2021	17/08/2022	Respective Equipment
Brazil	Miscellaneous	Loan	Miscellaneous	Miscellaneous	Respective equipment for multiple financing contracts

### Financial commitments:

As at 31 December 2021 and 2020, the comfort letters provided by TEIXEIRA DUARTE, S.A. and its subsidiaries reached 323,521 thousand euros and 304,012 thousand respectively.

As at 31 December 2021 and 2020, factoring contracts without right of recourse were in force, which were registered as reductions in accounts receivable of the value of 5,393 and 789 thousand euros, respectively. According to the contractual conditions, the Group's liability is essentially restricted to the guaranteed acceptance of the invoices subject to factoring on the part of the clients.

## 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, Ecuador, Macau, Morocco, Mozambique, Peru and Venezuela, as well as the availability of convertible currencies on some of these markets;
- credit risk, particularly from amounts receivable from clients 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 counterpart risk of the Group. In addition to the above, it is responsible for identifying, measuring, proposing and implementing measures to manage/mitigate 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 minimisation of the cost of debt subject to the maintenance of a low level of volatility of financial costs.

As at 31 December 2021 the financial liabilities had a variable interest rate of 99.81% (99% as at 31 December 2020) and 0.19% a fixed interest rate (1% as at 31 December 2020).

Had the market interest rates been higher (lower) by 1 p.p. during the periods ended on 31 December 2021 and 2020, the financial results of these periods would have (decreased) increased by (8,148) / 8,148 thousand euros (8,227) / 8,227 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, Macau, Morocco, Mozambique, Peru 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.

## Consolidated Financial Statements 2021

The monetary assets and liabilities denominated in foreign currency, converted into euros as at 31 December 2021 and 2020, were as follows:

Currency	Assets		Liabilities	
	2021	2020	2021	2020
Venezuelan Bolivar	-	2,309	-	4,345
Algerian Dinar	20,461	19,164	54,181	13,380
Kuwaiti Dinar	5,244	15	6,021	252
Moroccan Dirham	84	-	495	35
Tunisian Dinar	-	-	37	-
US Dollar	116,095	99,058	42,256	30,606
Cape Verdean Escudo	-	-	-	3
Japanese Yen	54	56	20	17
Pound Sterling	410	477	205	293
Angolan Kwanza	57,287	55,253	87,185	88,550
Mozambican Metical	60,192	37,554	34,903	40,104
Peruvian Novo Sol	4	4	-	-
Macanese Pataca	(185)	-	24	22
Colombian Peso	-	-	-	3,219
South African Rand	38	34	20	21
Brazilian Real	21,196	200	5,201	15,927
Qatar Rial	-	78	544	-
	280,880	214,202	231,092	196,774

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 on 31 December 2021 and 2020, if a 5% appreciation of the aforementioned currencies were to occur, can be summarised as follows:

Currency	2021	2020
Venezuelan Bolivar	-	(102)
Algerian Dinar	(1,686)	289
Kuwaiti Dinar	(39)	(12)
Moroccan Dirham	(21)	(2)
Tunisian Dinar	(2)	-
US Dollar	3,692	3,423
Japanese Yen	2	2
Pound Sterling	10	9
Angolan Kwanza	(1,495)	(1,665)
Mozambican Metical	1,264	(128)
Macanese Pataca	(10)	(1)
Colombian Peso	-	(161)
South African Rand	1	1
Brazilian Real	800	(786)
Qatar Rial	(27)	4
	2,489	871

The Board of Directors believes that the sensitivity analysis presented above, based on the position on the indicated dates, might not be representative of the 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 clients and other debtors 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 clients 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 clients, considering their profile and the 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 client's risk profile;
  - the financial conditions of clients;
  - the current macroeconomic environment resulting from the impact of the Covid-19 pandemic.

As at 31 December 2021 and 2020 Board of Directors believes that the estimated impairment losses of the accounts receivable are adequately disclosed in the financial statements.

As at 31 December 2021 and 2020, the accounts receivable from clients (Note 27) for which no impairment losses were recorded, because the Board of Directors considered that they are realisable, are as follows:

	2021	2020
Balances		
Unexpired	66,198	58,427
Up to 180 days	33,030	41,626
180 to 360 days	7,536	5,812
Over 360 days	43,569	58,266
	150,333	164,131

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 amortise its debt in adequate periods of time.

Financial liabilities maturing within one year are replaced with medium and long-term maturities as deemed appropriate.



The maturity of the financial liabilities as at 31 December 2021 and 2020 is as follows:

	2021				Total
	Up to 1 year	From 1 to 2 years	From 2 to 3 years	Over 3 years	
Obtained financing	171,376	63,276	56,591	487,387	778,630
Lease liabilities	6,180	5,461	4,670	16,345	32,656
Suppliers	135,977	-	-	-	135,977
Advance payments from clients	161,382	37,229	-	-	198,611
Other debts payable	28,458	24,196	-	-	52,654
Other liabilities	96,463	1,244	-	-	97,707
	599,836	131,406	61,261	503,732	1,296,235

	2020				Total
	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	
Obtained financing	77,285	116,400	43,373	537,333	774,391
Lease liabilities	6,157	5,300	4,628	19,245	35,330
Suppliers	106,197	-	-	-	106,197
Advance payments from clients	126,088	42,718	6,617	7,756	183,179
Other debts payable	15,970	5,367	-	-	21,337
Other liabilities	91,889	-	-	-	91,889
	423,586	169,785	54,618	564,334	1,212,323

As at 31 December 2021 and 2020, the amount of disposable cash and the unused amount of the commercial paper programme and credit lines reached 210,189 thousand euros and 210,822 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:

	2021			Total
	Loans and accounts receivable	Financial assets	Other liabilities and financing obtained	
<b>Assets:</b>				
Cash and cash equivalents	92,847	-	-	92,847
Clients	150,333	-	-	150,333
Other financial investments at fair value through other comprehensive income	-	11,453	-	11,453
Other financial investments at amortised cost	-	2,752	-	2,752
Other credit receivable	49,921	-	-	49,921
Other assets	74,662	-	-	74,662
<b>Total financial assets</b>	<b>367,763</b>	<b>14,205</b>	<b>-</b>	<b>381,968</b>
<b>Liabilities:</b>				
Obtained financing	-	-	778,630	778,630
Lease liabilities	-	-	32,656	32,656
Suppliers	-	-	135,977	135,977
Advance payments from clients	-	-	198,611	198,611
Other debts payable	-	-	52,654	52,654
Other liabilities	-	-	47,881	47,881
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,246,409</b>	<b>1,246,409</b>

	2020			Total
	Loans and accounts receivable	Financial assets	Other liabilities and financing obtained	
<b>Assets:</b>				
Cash and cash equivalents	116,215	-	-	116,215
Clients	164,131	-	-	164,131
Other financial investments at fair value through other comprehensive income	-	11,648	-	11,648
Other financial investments at amortised cost	-	2,569	-	2,569
Other credit receivable	42,453	-	-	42,453
Other assets	133,412	-	-	133,412
<b>Total financial assets</b>	<b>456,211</b>	<b>14,217</b>	<b>-</b>	<b>470,428</b>
<b>Liabilities:</b>				
Obtained financing	-	-	774,391	774,391
Lease liabilities	-	-	35,330	35,330
Suppliers	-	-	106,197	106,197
Advance payments from clients	-	-	183,179	183,179
Other debts payable	-	-	21,337	21,337
Other liabilities	-	-	41,801	41,801
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,162,236</b>	<b>1,162,236</b>

### 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 at 31 December 2021 according to the following fair value hierarchy levels:

- Level 1: the fair value of financial instruments is based on lending net market prices as at the reference date of the statement of financial position;
- 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
<b>Assets:</b>				
Other financial investments at fair value through other comprehensive income	Shares	940	8,955	1,558
Investment properties	Buildings and land	-	271,308	-

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. Therefore, it is deemed that the corresponding book value (amortised cost) does not differ significantly from the corresponding market value.

**44 – AUDITOR FEES AND SERVICES**

In the periods ended on 31 December 2021 and 2020, the fees for services provided by the auditors to Group companies (Moore Stephens and BDO in Portugal; Moore; Moore Stephens and Deloitte in Brazil; Moore Stephens in Spain and Belgium Ernst & Young in Angola and Ernst & Young in Mozambique; as well as other auditors) were as follows:

	2021	2020
Statutory audit services	776	733
Other reliability assurance services	3	3
Tax advisory services	7	17
Other services	26	16
	812	769

**45 – CURRENCY CONVERSION ADJUSTMENTS**

In the periods ended on 31 December 2021 and 2020, the currency conversion adjustments calculated during the conversion of the financial statements of companies denominated in foreign currencies, for each geographic area, were as follows:

	2021	2020
Angola	78,487	(107,258)
Algeria	1,107	(6,037)
Brazil	798	(39,655)
Mozambique	12,232	(15,288)
Venezuela	302	(5,702)
Other markets	792	(2,047)
Total	93,718	(175,987)

**46 – APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements for the period ended on 31 December 2021 were approved at a meeting of the Board of Directors on 22 April 2022, 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 23 May 2022.

**47 – SUBSEQUENT EVENTS**

A court judgement of last resort handed down on 17 February 2022 by an Algerian court in the context of proceedings concerning a partner of Teixeira Duarte - Engenharia e Construções, S.A. called into question the operational and financial conditions that made it possible to ensure the normal execution of six public contracts contracted in Algeria. In this context, despite being a subsequent event, the Board of Directors decided to recognise, in the accounts for the 2021, the effects arising from the suspension of the activity of those six public contracts, the estimated impact of which is reflected in a worsening of Net Income by 61,120 thousand euros, a reduction of Liabilities by 13,722 thousand euros and a reduction of Assets by 74,842 thousand euros.

Recent geopolitical events, which began on 24 February 2022 as a result of Russia's invasion of Ukraine, have created a climate of growing political and social instability, of unpredictable proportions and with significant repercussions on global economic activity. Although the Group does not have direct exposure in those countries in conflict, it cannot fail to be affected by the indirect economic impacts that may arise, should the conflict not be resolved in the short term, and which are not possible to anticipate and estimate reliably.

We are not aware of any other materially material fact, with an impact on the financial statements consolidated as at 31 December 2021, that occurred between the end of the period and the present date.

The Certified Accountant

The Board of Directors

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Nacala Port, Nampula Province - Mozambique



# Report, Opinions and Certifications of the Supervisory Bodies 2021

## REPORT AND OPINION OF THE SUPERVISORY BOARD

To the Shareholders,

### Introduction

Pursuant to Article 420(1)(g) of the Commercial 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 on 31 December 2021, and on the proposed appropriation of net income.

The appraised report and accounts were approved by the Board of Directors at a meeting held on 22 April 2022 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 through the Chairperson of the Supervisory Board's regular participation in the monthly meetings of the Board of Directors, and in other meetings and contacts with the Board of Directors, management and other Group managers, and Audit Firm.

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 Association, and we analysed 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 worldwide Covid-19 pandemic declared in the first quarter of 2020 and still present;
- 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 notes, offer a true and fair view of the financial position of the Company and of the TEIXEIRA DUARTE Group, respectively;
- we appraised the Legal Certification of Accounts and Audit Report of the individual financial statements and the Legal Certification of Accounts and Audit Report of the consolidated financial statements issued on 29 April 2022 by the Audit Firm, which contain no reservations 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 Audit Firm conducted the audit and reached the conclusions.

We understand that the audit services were provided independently, under the terms of current legislation, and the Audit Firm has declared that it has not rendered any other permitted services.

We draw attention to the situation arising from the suspension of some businesses in the Venezuelan and Algerian markets, for the reasons set out in the management report, and whose negative effects are, with the information currently available, reflected in the 2021 financial statements and disclosed in the accountability in approval.

### 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 Certification of Accounts and Audit Report on the individual and consolidated financial statements issued by the 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 2021 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 Market Code.**

Pursuant to Article 245(1)(c) 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, 29 April 2022

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*Óscar Manuel Machado de Figueiredo – Chairman*

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*Ana Cristina Louro Ribeiro Doutor Simões - Director*

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*João Salvador dos Santos Matias – Member*

**STATUTORY AUDITORS' REPORT and AUDITORS' REPORT***(Free translation from a report originally issued in Portuguese language.**In case of doubt, the Portuguese version will always prevail.)***REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS****Opinion**

We have audited the accompanying financial statements of Teixeira Duarte, S.A. (the Entity), which comprise the balance sheet as at 31 December 2021 (showing a total of 1,019,002 thousand euros and total equity of 205,915 thousand euros, including a net loss for the year of 125,858 thousand euros), the income statement by nature, the changes in equity and the cash flow statement for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of Teixeira Duarte, S.A. as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with Accounting and Financial Reporting Standards adopted in Portugal under the Portuguese Accounting System.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section below. We are independent of the Entity in accordance with the law and we have fulfilled other ethical requirements in accordance with the Portuguese Institute of Statutory Auditors' code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS	SUMMARY OF OUR RESPONSE
<b>1. Valuation of financial investments in subsidiaries</b>	
<p>As disclosed in notes 3.2 a), 9 and 10 to the financial statements, the financial investments in subsidiaries, in the amount of 957,981 thousand euros, are valued by the equity method.</p> <p>The valuation of the Entity's financial investments was considered a relevant matter in our audit, because the carrying amount of these assets is significant and the measurement process adopted is complex, given the large number of direct and indirect shareholdings and the diversity of the geographies in which the subsidiaries operate.</p> <p>In the period ended 31 December 2021, the Entity recognized net losses imputed to subsidiaries, in the net amount of 102,183 thousand euros, which includes the loss occurred in the subsidiary Teixeira Duarte - Engenharia e Construções, S.A. in the amount of 112,827 thousand euros.</p>	<p>In order to validate the adequate valuation of the financial holdings we have performed several audit procedures in order to mitigate the risks of material distortion in this area, highlighting the following:</p> <ul style="list-style-type: none"> <li>• Obtaining the financial statements of the subsidiaries and the respective legal certifications of the accounts;</li> <li>• Validation of the uniformity of the accounting policies adopted in valuing the direct and indirect financial holdings held by the Entity;</li> <li>• Research into the existence of possible indications that these assets may be impaired;</li> <li>• Identification of the events that gave rise to losses both in Venezuela and Algeria, recognised by the subsidiary Teixeira Duarte - Engenharia e Construções, S.A., and verification of the respective rationale and reasonableness;</li> <li>• Verification of the adequacy of the measurement criteria adopted, testing of the accuracy of the calculations performed and verification of the adequate accounting recognition; and</li> <li>• Validation of the disclosures included in the notes to the financial statements</li> </ul>
<b>2. Subsequent events</b>	
<p>As mentioned in Note 25 to the financial statements, the Board of Directors decided to recognise in the accounts of the subsidiary Teixeira Duarte - Engenharia e Construções, S.A., for the period ended 31 December 2021, the effects of a final court sentence, issued on 17 February 2022, by an Algerian court, which called into question the operational and financial conditions that would ensure the normal execution of six public works contracts contracted in Algeria.</p> <p>The effects arising from the suspension of the activity of the referred works had a significant impact on the financial statements, which is reflected in the reduction of the value of the financial investment and of the result of that subsidiary, in the amount of 61,120 thousand euros.</p> <p>Considering the nature and extension and the fact that it is an adjustable subsequent event, we understand that we should classify this matter as of the greatest relevance for our audit.</p>	<p>Our audit approach included the execution of various procedures in order to mitigate the risks of material distortion, highlighting the following:</p> <ul style="list-style-type: none"> <li>• Analysis of the information provided by the Board of Directors regarding the context in which the activity was carried out by the Groupings, in which the subsidiary participated;</li> <li>• Analysis of a report produced by the Algerian lawyers confirming the legal proceedings and describing the fundamental elements of the case and the respective outcome;</li> <li>• Verification that the accounting records made are adequately supported and approved by the management body;</li> <li>• Evaluation of the judgements and assumptions that were the basis for the decision to derecognise the assets and liabilities of the subsidiary related to the activity of the six construction contracts; and</li> <li>• Validation of the disclosures included in the notes to the financial statements.</li> </ul>



## **Responsibilities of management and the supervisory board for the financial statements**

Management is responsible for:

- the preparation of financial statements that give a true and fair view of the Entity's financial position, financial performance and cash flows in accordance with Accounting and Financial Reporting Standards adopted in Portugal under the Portuguese Accounting System;
- the preparation of the management report, the corporate governance report, the non-financial information statement and the remunerations report in accordance with applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and,
- assessing the Entity's ability to continue as a going concern, and disclosing, as applicable, matters that may cast significant doubt about the Entity's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Entity's financial reporting process.

## **Auditor's responsibilities for the audit of the financial statements**

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- from the matters communicated with those charged with governance, including the supervisory body, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes their public disclosure; and
- provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Our responsibility also includes the verification that the information contained in the management report is consistent with the financial statements, and the verifications under nr. 4 and nr. 5 of article 451 of the Portuguese Companies' Code in matters of corporate governance, as well as the verification that the non-financial statement and the remunerations report have been presented.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **On the management report**

Pursuant to article 451, nr. 3, al. e) of the Portuguese Companies' Code, it is our opinion that the management report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited financial statements and, having regard to our knowledge and assessment over the Entity, we have not identified any material misstatements. However, we should point out that the Entity did not prepare an independent management report on the individual activity since, as usual, all relevant information will be included in the consolidated management report. As referred to in article 451, nr. 7 of the Portuguese Companies' Code this opinion is not applicable to the non-financial statement included in the management report.

### **On the Corporate Governance Report**

Pursuant to article 451, nr. 4, of the Portuguese Companies' Code, it is our opinion that the corporate governance report includes the information required to the Entity to provide as per article 29-H of the Securities Code, and we have not identified material misstatements on the information provided therein in compliance with paragraphs c), d), f), h), i) and l) of nr. 1 of that article.

### **On non-financial statement**

In compliance with paragraph 6 of article 451 of the Portuguese Companies' Code, we hereby inform that the Entity has included in its management report the non-financial statement, as provided for in article 66-B of the Portuguese Companies' Code.

### **On the remunerations report**

Pursuant to article 26-G, nr. 6 of the Securities Code, we inform that the Entity has included in the Corporate Governance Report, in a separate chapter, the information provided in nr. 2 of that article.

**On the additional matters provided in article 10 of Regulation (EU) nr. 537/2014**

Pursuant to article 10 of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and in addition to the key audit matters mentioned above, we also report the following:

- We were appointed as auditors of the Entity for the first time in the shareholders' general meeting held 30 May 2015 for a mandate from 2015 to 2018. We have been reelected in the shareholders' general meeting held 27 May 2019 for a mandate from 2019 to 2022;
- Management has confirmed to us that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISAs we maintained professional scepticism and we designed audit procedures to respond to the possibility of material misstatement in the financial statements due to fraud. As a result of our work, we have not identified any material misstatement to the financial statements due to fraud;
- We confirm that our audit opinion is consistent with the additional report we have prepared and delivered to the supervisory body of the Entity on 28 April 2022; and
- We declare that we have not provided any prohibited services as described in Article 5 of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and we have remained independent of the Entity in conducting the audit.

Lisbon, 29 April 2022

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MOORE STEPHENS & ASSOCIADOS, SROC, S.A.  
Represented by António Gonçalves Monteiro  
ROC N° 382, CMVM Registration N° 20160109

**STATUTORY AUDITORS' REPORT and AUDITORS' REPORT**

*(Free translation from a report originally issued in Portuguese language.*

*In case of doubt, the Portuguese version will always prevail.)*

**REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS****Opinion**

We have audited the accompanying consolidated financial statements of Teixeira Duarte, S.A. (the Group), which comprise the consolidated statement of financial position as at 31 December 2021 (showing a total of 1,647,705 thousand euros and a total equity of 189,205 thousand euros, including a net loss for the year of 119,140 thousand euros), the consolidated income statement by nature, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Teixeira Duarte, S.A. as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards as endorsed by the European Union.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section below. We are independent of the entities comprising the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Portuguese Institute of Statutory Auditors' code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS	SUMMARY OF OUR RESPONSE
<b>1. International Exposure</b>	
<p>As disclosed in Note 7 to the consolidated financial statements, the Group's activity is spread over 6 business areas, with operations in 7 countries, with different economic contexts and operational risks.</p> <p>The Group's activity outside Portugal represents 63.5% of its turnover. As mentioned in Note 41 to the consolidated financial statements, several territories where the Group operates are subject to significant exchange rate fluctuations of their currencies against the Euro.</p> <p>The exposure to the currencies of those countries and the worsening of the global economic environment bring increased risks to the Group, namely</p> <ol style="list-style-type: none"> <li>Foreign Exchange Risk, arising from the strong fluctuation of local functional currencies against the euro;</li> <li>Liquidity Risk, resulting from difficulties in repatriating currency from those territories; and</li> <li>Credit Risk, resulting from the reduction in the purchasing power of customers in various geographical areas and insufficient response capacity and support to local economies.</li> </ol> <p>Due to their significance and unpredictability, we consider these issues as relevant matters on our audit.</p>	<p>Our audit approach included the execution of several procedures in order to mitigate the risks of material misstatement, highlighting the following:</p> <ul style="list-style-type: none"> <li>Assessment of the types of risks to which the Group is exposed and validation of the adequacy of the Group's disclosures, in relation to the risk management policy;</li> <li>Evaluation of the Group's degree of exposure to geographies with high exchange and liquidity risks;</li> <li>Evaluation of the collectability risks and of the adequacy of the recognition of eventual impairments in accounts receivable;</li> <li>Analysis of the currency translation of the financial statements of subsidiaries in different geographies, by reference to International Financial Reporting Standards (IFRS);</li> <li>Follow-up of the actions developed in 2021 for the reduction of the Group's exposure in geographies with greater instability and business risk; and</li> <li>Validation of the disclosures included in the notes to the consolidated financial statements.</li> </ul>



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**KEY AUDIT MATTERS**

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**SUMMARY OF OUR RESPONSE**

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**2. Recognition of revenue from construction contracts**

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As explained in Note 7 to the consolidated financial statements, the Group's revenue comes from several business areas, being construction the most relevant segment, representing 55.8% of revenue (55.5% in 2020).

As referred to in Note 2.21 to the consolidated financial statements, revenue and expenses arising from the construction segment are recognised in accordance with IFRS 15 - "Revenue from Contracts with Customers", which establishes that revenue and margins associated with construction contracts in progress are recognised according to the percentage of completion, determined by the ratio between costs incurred and total estimated costs for each contract.

Given the uncertainty and complexity of the judgements associated to the estimates of the costs to be incurred until the conclusion of the works, we consider this matter relevant for the purposes of our audit.

We performed several audit procedures in order to mitigate the risks of material misstatement in this area, highlighting the following:

- Description and evaluation of the procedures adopted and the internal control environment related to the recognition of revenue from construction contracts and testing the effectiveness of existing controls;
- Verification of the compliance of the accounting policy adopted with IFRS 15 - "Revenue from Contracts with Customers";
- Obtaining and reconciling the construction contracts statements with the amounts stated in the accounting records;
- Identification and analysis of a sample of contracts that support the overall revenue of the projects;
- Sample selection of measurement reports and budgets that support the calculation of the percentages of completion and analysis of the costs incurred and the estimates of costs to be incurred to complete the work;
- Critical analysis of the judgements made by management concerning the estimates and recognition of the estimated margins, by reference to the historical information obtained;
- Review of the reasonableness and adequacy of provisions required to cover any expected losses on contracts and for construction guarantees; and
- Validation of the disclosures included in the notes to the consolidated financial statements.

## KEY AUDIT MATTERS

## SUMMARY OF OUR RESPONSE

### 3. Valuation and recognition of impairments in customers

As disclosed in Note 27 to the consolidated financial statements, the accumulated impairment losses on trade receivables represent 105,095 thousand euros, about 41.1% of the total (255,428 thousand euros), and were increased in the period by 24,667 thousand euros.

The Group recognises the expected impairment losses on trade receivables, in accordance with IFRS 9 - Financial Instruments, being the amount of accumulated impairment updated at each reporting date, in order to reflect the changes in credit risk occurred since the initial recognition of the respective assets.

The estimation of impairment losses is based on an uncollectibility matrix, based on the credit history of the Group's customers, adjusted by specific identifiable factors such as geography, business unit, type of debtor, level of solvency and the general worsening of the operational and financial conditions of customers from different geographies.

We consider this issue to be a relevant audit subject, mainly due to the fact that credit recovery, in some geographies, is particularly time consuming and the estimates used by management involve a high degree of judgement.

We performed several audit procedures in order to mitigate the risks of material misstatement in this area, highlighting the following:

- Understanding and evaluation of the internal control environment specifically associated with the valuation and recognition of impairments in customers, having identified the key controls and tested their effectiveness, with a view of reducing the risk of material distortion associated with this item of the financial statements;
- Analysis of the ageing of customer balances and identification of the accumulated amount of impairments in relation to overdue loans;
- Specific review of relevant balances with entities based in higher risk geographical areas, taking into consideration the age of the credits, the financial capacity of the debtors and the history of collections;
- Evaluation of the criteria and assumptions underlying the judgements used to recognise, or not, adjustments for impairment in customers credits;
- Review of the calculation of the discounted value of accounts receivable and evaluation of the assumptions used by management, namely the estimated time of receipt and the discount rate used;
- Analysis of the uncollectibility matrix prepared by management for the various entities of the Group, and validation of the following parameters: i) identification of the amounts considered by each entity regarding the impairments recognised in the accounts; ii) evaluation of the reliability and adequacy of the historic information used; iii) assessment of the adequate segmentation of the Group's entities, taking into consideration their geography, business segment and type of debtor; iv) evaluation of the assumptions and information base used by management to reflect the generalised worsening of credit risks;
- Performing substantive tests in relation to subsequent collections or events or negotiations that reinforce expectations of credit recovery;
- Conclusion on the reasonableness and adequacy of the amounts recognised as accumulated impairments; and
- Validation of the disclosures included in the corresponding notes to the consolidated financial statements.

## KEY AUDIT MATTERS

## SUMMARY OF OUR RESPONSE

### 4. Valuation of intangible assets

As described in Note 2.4 to the consolidated financial statements, the Group measures intangible assets at cost less accumulated amortization and impairment losses. Intangible assets are derecognized when it is no longer expected that future economic benefits will flow from them.

As mentioned in Note 19 to the consolidated financial statements, as a result of the termination of the exploitation concession of the Puerto de La Guaira, in Venezuela, the Group recognized an impairment loss of 28,947 thousand euros in 2021, equivalent to the net value at which the referred concession was recognized in the accounts.

Taking into consideration the expression of this asset and the impairment recognized, and also the fact that this is an extraordinary event, justifies that this matter be treated as a relevant matter in our audit.

We performed audit procedures in order to mitigate the risks of material misstatement in this area, highlighting the following:

- Assessment of Bolipuertos' decision to terminate the exploitation concession and the respective consequences;
- Analysis of correspondence exchanged with Venezuelan lawyers about the termination of the concession;
- Assessment of the criteria and assumptions underlying the judgments to derecognize the concession right to exploit the port;
- Validation of the estimated impairment losses recognition and their impact on the accounts; and
- Validation of the disclosures included in the notes to the consolidated financial statements.

### 5. Investment properties valuation

The investment properties held by the Group represent about 16% of the total assets.

The consolidated statement of financial position of the Group, at 31 December 2021, shows a total of 271,308 thousand euros referring to investment properties (234,235 thousand euros at 31 December 2020). As described in Notes 2.2, 2.8 and 21 to the consolidated financial statements, investment properties are measured at fair value, determined by valuations performed by specialised independent entities.

The investment properties are substantially located in Portugal, where they have a positive fair value net change of 18.616 thousand euros and in Angola, where they have a negative fair value net change of 9.552 thousand euros.

Taking into consideration the expression of these assets in the consolidated financial statements and the judgement involved in the determination of the fair value, justifies that this was treated as a relevant matter in our audit

We have performed audit procedures in order to mitigate the risks of material misstatement in this area, highlighting the following:

- Identification of the properties that were subject to valuation;
- Identification of the external appraisers and analysis of their credibility and independence;
- Evaluation of the reasonableness of the main assumptions used by the experts;
- Validation of the values recognised in the accounts, by reference to the values included in the valuations;
- Validation of the adequate currency translation of the fair value of the investment properties located abroad; and
- Validation of the disclosures included in the notes to the consolidated financial statements.

## KEY AUDIT MATTERS

## OVERVIEW OF THE AUDIT APPROACH

### 6. Recoverability of deferred tax assets

As described in Note 26 to the consolidated financial statements, at 31 December 2021, the balance of the deferred tax assets item amounts to 166,192 thousand euros and is made up as follows:

- 106,685 thousand euros relating to impairment losses on financial assets;
- 24,460 thousand euros resulting from tax losses carried forward;
- 12,169 thousand euros resulting from tax credit for international double taxation; and
- 22,878 thousand euros related to other situations.

Under the terms of IAS12 - "Income Taxes", deferred tax assets can only be recognised to the extent that it is probable that future taxable profits will be available against which such assets can be recovered.

The Group has prepared an estimate of taxable profits for future periods, based on its business plan and other assumptions made by management.

Taking into consideration the nature, extent and risk of recoverability of this class of assets, we believe that this matter is of particular relevance to our audit.

Our audit approach included the execution of various procedures in order to mitigate the risks of material distortion in this area, highlighting the following:

Analysis of the applicability of the legal regulations that recognise the right to deduct tax losses from future taxable profits;

Verification that the recognition of deferred tax assets was carried out in accordance with the applicable regulations;

Evaluation of the judgements and assumptions adopted by the management body that serve as a basis for the projections made, which led to the determination of future taxable profits;

Search for occurrences or situations that may indicate possible risks in the recovery of deferred tax assets, namely due to the expiration of the right to deduct; and

Validation of the disclosures included in the notes to the consolidated financial statements.

### 7. Subsequent events

As mentioned in Note 47 to the consolidated financial statements, the Board of Directors decided to recognise in the accounts, for the period ended 31 December 2021, the effects of a final court sentence, issued on 17 February 2022, by an Algerian court, which called into question the operational and financial conditions that would ensure the normal execution of six public contracts in Algeria.

The effects of the suspension of the activity of the referred works had a significant impact on the consolidated financial statements, which will result into a net reduction of assets and liabilities, in the total amount of 61,120 thousand euros, against an increase of the consolidated net loss, by the same amount.

Considering the nature and extension and the fact that it is an adjustable subsequent event, we understand that we should classify this matter as of the greatest relevance for our audit.

Our audit approach included the execution of various procedures in order to mitigate the risks of material distortion, highlighting the following:

- Analysis of the information provided by the Board of Directors regarding the context in which the activity was carried out by the Groupings, in which the Group participated;
- Analysis of a report produced by the Algerian lawyers confirming the legal proceedings and describing the fundamental elements of the case and the respective outcome;
- Verification that the accounting records booked are adequately supported and approved by the management body;
- Evaluation of the judgements and assumptions that were the basis for the decision to derecognise the assets and liabilities allocated to the activity of the six construction contracts; and
- - Validation of the disclosures included in the notes to the consolidated financial statements.



## **Responsibilities of management and the supervisory board for the consolidated financial statements**

Management is responsible for:

- the preparation of consolidated financial statements that give a true and fair view of the Group's financial position, financial performance and cash flows, in accordance with the International Financial Reporting Standards as endorsed by the European Union;
- the preparation of the management report, the corporate governance report, the non-financial information statement and the remunerations report in accordance with applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and,
- assessing the Group's ability to continue as a going concern, and disclosing, as applicable, matters that may cast significant doubt about the Group's ability to continue as a going concern.

The supervisory body is responsible for overseeing the Group's financial reporting process.

## **Auditor's responsibilities for the audit of the consolidated financial statements**

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;



- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- from the matters communicated with those charged with governance, including the supervisory body, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes their public disclosure; and
- provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Our responsibility also includes the verification that the information contained in the management report is consistent with the consolidated financial statements, and the verifications under nr. 4 and nr. 5 of article 451 of the Portuguese Companies' Code in matters of corporate governance, as well as the verification that the non-financial statement and the remunerations report have been presented.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **On the Consolidated Management Report**

Pursuant to article 451, nr. 3, al. e) of the Portuguese Companies' Code, it is our opinion that the consolidated management report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited consolidated financial statements and, having regard to our knowledge and assessment over the Group, we have not identified any material misstatements. As referred to in article 451, nr. 7 of the Portuguese Companies' Code this opinion is not applicable to the non-financial statement included in the consolidated management report.

### **On the Corporate Governance Report**

Pursuant to article 451, nr. 4, of the Portuguese Companies' Code, it is our opinion that the corporate governance report includes the information required to the Group to provide as per article 29-H of the Securities Code, and we have not identified material misstatements on the information provided therein in compliance with paragraphs c), d), f), h), i) and l) of nr. 1 of that article.

## **European single electronic format (ESEF)**

The consolidated financial statements of Teixeira Duarte, S.A. for the year ended 31 December 2021 have to comply with the applicable requirements established by the European Commission Delegated Regulation 2019/815 of 17 December 2018 (ESEF Regulation).

Management is responsible for the preparation and presentation of the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements, included in the annual report, have been prepared in accordance with the requirements of the ESEF Regulation.

Our procedures considered the OROC (Portuguese Institute of Statutory Auditors) technical application guide on ESEF reporting and included, amongst others:

- obtaining an understanding of the financial reporting process, including the presentation of the annual report in a valid XHTML format; and
- identifying and assessing the risk of material misstatement related to the tagging of information in the financial statements, in XBRL format using iXBRL technology. This assessment was based on an understanding of the information tagging process implemented by the Entity.

In our opinion, the consolidated financial statements, included in the annual report, are presented, in all material respects, in accordance with the requirements established by the ESEF Regulation.

## **On the non-financial statement**

In compliance with paragraph 6 of article 451 of the Portuguese Companies' Code, we hereby inform that the Group has included in its consolidated management report the non-financial statement, as provided for in article 66-B of the Portuguese Companies' Code.

## **On the remunerations report**

Pursuant to article 26-G, nr. 6 of the Securities Code, we inform that the Group has included in the Corporate Governance Report, in a separate chapter, the information provided in nr. 2 of that article.

## **On the additional matters provided in article 10 of Regulation (EU) nr. 537/2014**

Pursuant to article 10 of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and in addition to the key audit matters mentioned above, we also report the following:

- We were appointed as auditors of Teixeira Duarte, S.A. (Group's parent Entity) for the first time in the shareholders' general meeting held 30 May 2015 for a mandate from 2015 to 2018. We have been reelected in the shareholders' general meeting held 27 May 2019 for a mandate from 2019 to 2022;
- Management has confirmed to us that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISAs we maintained professional scepticism and we designed audit procedures to respond to the possibility of material misstatement in the consolidated financial statements due to fraud. As a result of our work, we have not identified any material misstatement of the consolidated financial statements due to fraud;

- We confirm that our audit opinion is consistent with the additional report we have prepared and delivered to the supervisory body of the Entity on 28 April 2022; and
- We declare that we have not provided any prohibited services as described in Article 5 of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and we have remained independent of the Group in conducting the audit.

Lisbon, 29 April 2022

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MOORE STEPHENS & ASSOCIADOS, SROC, S.A.  
Represented by António Gonçalves Monteiro  
ROC N° 382, CMVM Registration N° 20160109

# Contacts

## PORTUGAL

### Head Office

Lagoas Park, Edifício 2  
2740-265 Porto Salvo  
Tel: (+351) 217 912 300  
Fax: (+351) 217 941 120  
E-mail: [geral@teixeiraduarte.pt](mailto:geral@teixeiraduarte.pt)  
Website: [www.teixeiraduarte.com](http://www.teixeiraduarte.com)

### Teixeira Duarte Operating Centre

Av. da Indústria, 540 2870-635 Alto do Estanqueiro  
Jardã – Montijo  
Tel: (+351) 219 948 000  
Fax: (+351) 210 096 888  
Rua das Pretas, 4 - 4º Dto.  
9000-049 Funchal – Madeira  
Tel: (+351) 291 206 930

### Edifício Tower Plaza

Rotunda Engº Edgar Cardoso, nº 23 - Piso 8  
4400-676  
Vila Nova de Gaia  
Tel: (+351) 226 166 180  
Fax: (+351) 226 104 297

## SOUTH AFRICA

GLOBAL NET DISTRIBUTORS (PTY) LTD  
Office 08-09 15th Floor Sandton The Forum, Sandton  
Maude Street - Sandton 2196 – Johannesburg  
(+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

### Teixeira Duarte Operating Centre

Rua S/N, Zona Industrial Polo Operacional de Viana  
Edifício Central  
Viana – Luanda

## ALGERIA

08 Route Ben Aknoun - El Biar  
16030 Algiers  
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, 2º andar,  
cj. 201, Torre Norte – CENU  
Brooklin Novo – São Paulo – SP  
CEP 04578-910  
Tel: (+55) 113 585 08 00

Rua Iguatemi, 448 - 10º Andar  
Itaim Bibi - São Paulo – SP  
CEP 01451 – 010  
Tel: (+55) 112 144 57 00

### EMPA – Serviços de Engenharia, S.A.

Av. Paulo Ferreira da Costa, 553  
Vista Alegre - Lagoa Santa – MG CEP 33400-000  
Tel: (+55) 313 311 47 88

## 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, 3º 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**

Avenida Alberto Alcocer, nº 24 - 7º C  
28036 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  
Phone: +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  
Phone: (+241) 66 8 09 84

## **KUWAIT**

Mazaya Towers, Tower 2, 8th Floor  
Khalid Ibn Al Waleed St., Block 3, Mirqab  
Kuwait City  
Phone: (+965) 2228 2382

## **MOROCCO**

### **SOMAFEL, S.A (Branch)**

Angle BD Anfa et Rue Clos de Province,  
Nº 2, 6ème Étage, Nº 6B  
20040 Casablanca  
Tel: (+212) 223 62 890  
Fax: (+212) 223 62 647

## **MOZAMBIQUE**

Avenida 24 de Julho, número 11, 3º piso  
Polana Shopping  
Tel: (+258) 214 914 01  
Fax: (+258) 214 914 00

## **PERU**

Avenida Javier Prado Este Nº 560  
Int.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  
Tel: (+58) 212 951 2012  
Fax: (+58) 212 953 7409





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