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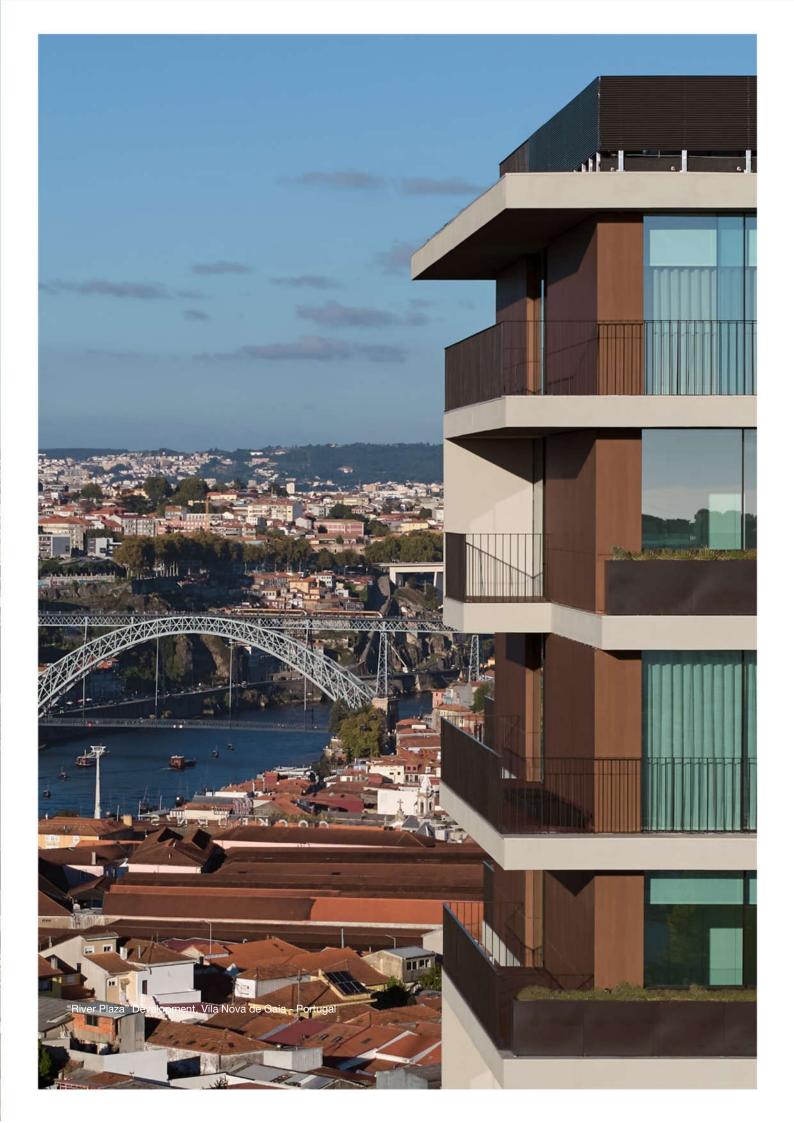
#### SECTION BETWEEN ÉVORA AND ELVAS / FRONTIER (SOUTH INTERNATIONAL CORRIDOR), PORTUGAL

Track and Overhead Contact Line works between Évora and Elvas- and construction of the Évora / Évora North section, for "IP, Infraestruturas de Portugal, S.A..

# REPORT AND ACCOUNTS 2023

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# **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

#### CONSOLIDATED MANAGEMENT REPORT

The Board of Directors of "Teixeira Duarte, S.A." (TD,SA), in compliance with the legal and regulatory provisions governing publicly traded companies open to public investment, presents its Management Report for the year 2023.

This Report will analyse in a consolidated manner the activities carried out by TD,SA's subsidiaries and will also address some aspects of the Company individually, particularly regarding the proposal for the allocation of profits, thus assuming the option provided for in Article 508.°-C, paragraph 6 of the Commercial Companies Code, to present a single report.

In this presentation, it will be taken into account that each of these subsidiaries has its own management bodies, which also provide the relevant information, so only some references will be made here with the purpose of configuring an overview.

Attached to this document, in accordance with applicable legislation, are tables with various information regarding the equity interests in TD,SA (namely in accordance with the provisions of Article 447.° of the Commercial Companies Code and CMVM Regulation No. 1/2023).

#### NON-FINANCIAL INFORMATION REPORT

In compliance with applicable legislation (Decree-Law 89/2017 of 28 July), a separate chapter has been included in the Management Report to provide a "Non-Financial Information" report. This report follows other voluntary reporting regulatory frameworks, namely the Global Reporting Initiative (GRI) standards, in its Essential 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 June 18th 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 of the 2023 financial year.

#### CORPORATE GOVERNANCE REPORT

It is also submitted in this set of documents a detailed report on the corporate governance structure and practices in 2022 (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 January 1st 2018 in its current 2020 version which includes the Remunerations Report in accordance with Article 20 of the Securities Market Code.

#### INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS 2023

Moreover, this report also includes the individual and consolidated financial statements with the respective appendixes, 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 are up against.

In addition to this statement, namely the one described in the last sentence, it should be mentioned that the development of the geopolitical situation in Europe and its impacts on the markets in which the Group operates directly and indirectly is being monitored, specially regarding access to currency, as well as the effects of the international geopolitical situation in Teixeira Duarte's activities, with a 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 December 17th 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.

## MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS



Manuel Maria Calainho Teixeira Duarte
The Chairperson of the Board of
Directors

Dear Shareholders and Stakeholders,

2023 was an especially challenging year for the Teixeira Duarte Group, as we continued our efforts to reorganize structures to enhance operational efficiency in a context of rising interest rates, as well as difficulties in accessing foreign exchange and currency devaluation in markets significantly impacting the Group's activity.

To continue the effort to reorganise was our way of "Doing" with the purpose of **contributing** in different ways "**to the construction of a better world**" for each of you: shareholders, employees, banks, clients, suppliers, authorities, and the communities in which we are integrated.

Indeed, among the measures taken, we highlight as particularly relevant the optimisation of resources in the construction sector, which through the unification of structures allows for cost

reduction and better alignment of actions under the coordination of a new Operational Executive Committee aimed at a better Teixeira Duarte.

It was a year of consolidating positions in our strategic markets - Portugal, Angola, Brazil, and Mozambique - as well as strengthening our presence in other geographies where we have been successful, such as Gabon, Peru, or Spain.

We continue to evolve in the management of our activities and nourish relationships with our clients based on mutual sustainability, particularly in sectors such as Construction and Facilities Management.

In the Real Estate sector, in Portugal and Brazil, the projects we promote have had a significant impact and recognised success, contributing to the Group's cash flow.

In the Hospitality sector, we have been able to provide quality service to our clients, leading to improved results.

In Distribution, we highlight the success of our operational model, which, without expanding the store network and in an especially adverse context, has allowed for sales and results growth.

The Automotive sector is experiencing a downturn in activity due to the lack of foreign exchange in Angola. However, our management has enabled us to maintain good results and positive commercial expectations.

Simultaneously, in various areas and markets, we remain aligned with the United Nations' 2030 Agenda, to which we contribute diligently to the Sustainable Development Goals we prioritise in our actions in this area.

In terms of Operating Revenues, we achieved 873 million euros, maintaining the level of 2022, although with a significant improvement in EBITDA – from 60 million euros to 77 million euros – and an improvement in EBIT from 19 million euros to 38 million euros. The EBT also improved by 34 million euros, reaching 24 million euros.

As a negative aspect, we highlight the level of taxes accrued, which reached the significant amount of 26 million euros, leading the Group to record negative net results of 3 million euros. Nonetheless, this represents an improvement of 12 million euros compared to 2022.

We are also affected by the evolution of the Financial Position, where equity decreased by 82 million euros, mainly due to effects resulting from the devaluation of the Kwanza.

As a very positive highlight, we emphasize the evolution of Net Financial Debt, which decreased by 51 million euros compared to last year, reaching 647 million euros at the end of 2023. This continues a trajectory of significant responsibility by the Group, which has already allowed for the reduction of bank liabilities by more than 1.475 million euros since the subprime crisis.

We reaffirm our ability to work with INGENUITY, committed to TRUTH, and efficiently to honoUr the COMMITMENT we have with our stakeholders to achieve a better 2024, including sustainability, profitability recovery, and improvement of Teixeira Duarte's balance sheet.

## I. TEIXEIRA DUARTE GROUP

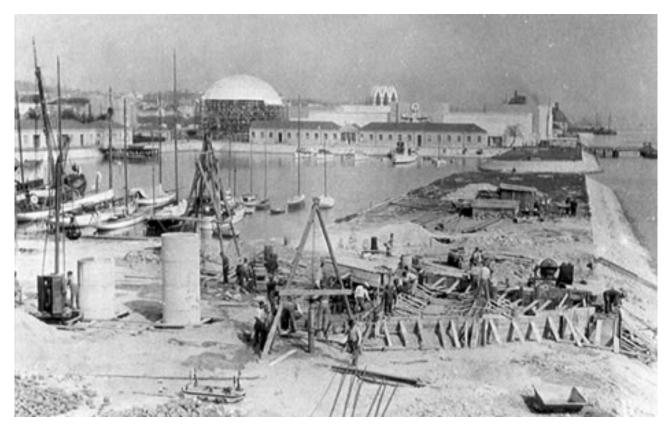
# A CENTENARIAN PORTUGUESE GROUP FOUNDED IN AN ENGINEERING COMPANY

Teixeira Duarte is the identity of a Corporate Group that presents itself through its trade mark: a Portuguese Group founded in a House of Engineering – something inherent to its genesis and to its founder – who, with spirit of enterprise and the support of its human and technical resources, expanded, for a century, its activity to other sectors and markets with an identity lived and upheld by all over one hundred years of activity.

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 and Foundations, Buildings and, later on, to Infrastructures and all other areas of Construction, including a few decades later the sectors of Concessions and Services, Real Estate, Hospitality, Distribution and Automotive.

Today, 100 years on, this Portuguese economic group comprises 161 entities operating in 21 countries with the commitment and dedication of 8.689 employees.

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



Foundations of the Padrão dos Descobrimentos (Monument to the Discoveries), Lisboa (1934)

# I.1 Profile

8.689

**EMPLOYEES ENTITIES** 

#### **ACTIVITY SECTORS**

CONSTRUCTION CONCESSIONS REAL ESTATE

SINCE 1921 AND SERVICES SINCE 1973

SINCE 1984

HOSPITALITY DISTRIBUTION AUTOMOTIVE

SINCE 1992 SINCE 1996 SINCE 1991

# 21 COUNTRIES

# **4 CONTINENTS**

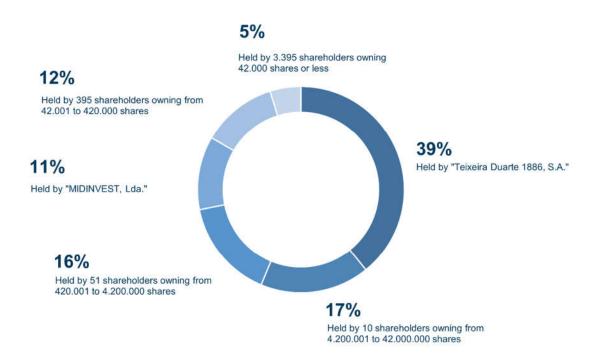




Rehabilitation and seismic reinforcement of the viaduct Duarte Pacheco, Lisboa - Portugal

#### **SHAREHOLDERS**

"Teixeira Duarte, S.A." is the top listed company of Grupo Teixeira Duarte, whose share capital, on December 31st 2022, was distributed among 3.853 shareholders as follows:



Distribution of the share capital of Teixeira Duarte, S.A. by shareholders at the end of 2023

#### **CORPORATE MODEL**

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

#### General Meeting Board:

Chairperson José Luciano Vaz Marcos

Vice-Chairperson António José André Martins

Secretary José Pedro Poiares Cobra Ferreira

#### **Board of Directors:**

Chairperson

Manuel Maria Calainho de Azevedo Teixeira Duarte

Members of the Board: Maria da Conceição Maia Teixeira Duarte Isabel Maria Nunes Correia Teixeira Duarte Sérgio Paulo Reis Pereira Paulo Alfredo de Carvalho Serradas

#### Supervisory Board:

Chairperson

Ana Cristina Louro Ribeiro Doutor Simões

Members

João Salvador dos Santos Matias Carlos Manuel Bastos Rodrigues

Alternate

Pedro Miguel Amador Fonseca

#### Statutory Auditor:

"Moore Stephens & Associados, SROC S.A." represented by Ana Patrícia Correia Monteiro Varela

**Chief Compliance Officer** 

Carlos Jorge Cavaca Ferraz

Secretary of the Company

Permanent

José Pedro Poiares Cobra Ferreira

Alternate

Sofia Gomes de Sousa Fernandes

Representative for Market Relations

José Pedro Poiares Cobra Ferreira

#### ORGANISATIONAL MODEL

Without prejudice to the disclosures made in the Company Governance Report integrated in this set of financial statements, it is worth highlighting that within the Board of Directors of Teixeira Duarte, S.A., it was resolved – without implying any delegation of powers under the Law, nor excluding the normal competence and responsibility of the other members of this Board, who are all executives – that the Chairperson of the Board of Directors, Manuel Maria Calainho de Azevedo Teixeira Duarte, shall be specially tasked with coordinating and reporting on the activities carried out by the Group's companies operating in the Concessions and Services, Real Estate, Hospitality, Distribution, and Automotive sectors; the director Paulo Alfredo de Carvalho Serradas shall be specially tasked with coordinating and reporting on the activities carried out by the Group's companies operating in the Construction sector; and the director Sérgio Paulo Reis Pereira shall be specially tasked with coordinating and reporting on the activities of the corporate area structures, with the exception of Internal Audit, Compliance, and Sustainability, whose supervision within the Group's sub-holdings is the responsibility of the Chairperson of the Board of Directors of those entities, Manuel Maria Calainho de Azevedo Teixeira Duarte.

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.

It is also worth noting that the Board of Directors of "Teixeira Duarte - Engenharia e Construções, S.A." decided to establish an Operational Executive Committee - chaired by Paulo Alfredo de Carvalho Serradas and also including Gustavo Nuno Banazol Capelo Cariano de Villas-Boas Lebreiro and Rogério Esteves da Fonseca - which has overall coordination and supervision of Production, Commercial Area, and Support Structures.

Following are the management bodies of the other entities within the Teixeira Duarte Group and the organisational structure of "Teixeira Duarte - Engenharia e Construções, S.A.", which, being the originating company of the Group, operates in different Business Areas within the Construction Sector: Geotechnics and Foundations, Buildings, Infrastructures (including Maritime Works), Metalworking, Underground Works, and Railway Works, in various geographical locations.

All the aforementioned operational areas divide production and commercial skills into structures that are essential in the formation of managerial staff and in the monitoring of their careers. These structures include Exploitation Centres and Directorates, and also encompass a set of specific Support Structures for this Construction sector, particularly in the areas of Procurement; Formwork, Reinforcement, and Concrete; Commercial; Equipment Management; Innovation; Proposal Logistics; Planning and Cost Control; Human Resources; and Management Systems.

In this Sector, the Group also has an important Design Department, through which are carried out technical engineering studies and designs, for the whole Teixeira Duarte Group, which has proven to be of the utmost importance in the submittal of bids and designs with solid technical grounds. This structure is also in charge of the coordination and the implementation of the BIM (*Building Information Modelling*), in the whole Teixeira Duarte Group, with the consolidation of internal and external training, development of designs using this technology and implementation of internal procedures.

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 cross-sectional support responsibilities, which constitute the so-called Corporate Area.

Therefore, highlighted within the various entities that make up the Teixeira Duarte Group, there are several employees classified as Senior Management who are responsible for different companies, sectors, business areas, or other organizational structures; these employees are identified in the organisational chart that follows:

#### TEIXEIRA DUARTE ORGANISATIONAL CHART

#### Teixeira Duarte, S.A.

#### Board of Directors

Manuel Maria Teixeira Duarte Maria da Conceição Teixeira Duarte Isabel Teixeira Duarte Sérgio Pereira Paulo Serradas

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

#### **Board of Directors**

Manuel Maria Teixeira Duarte Paulo Serradas Pedro Costa Sérgio Pereira Gustavo Lebreiro

#### CORPORATE AREA

#### **ACTIVITY SECTOR**

#### Internal Audit

Mário Faria

#### Compliance

Carlos Ferraz

#### Accounting

Alexandre de Jesus Sérgio Castro

#### Finances

Sérgio Pereira Pedro Cruz

#### Legal

Ricardo Teixeira

#### Shared Processes

André Henriques

#### Human Resources

José Ferreira da Costa

#### Corporate Affairs

Carlos Ferraz

#### Sustainability

Erica Beauvalet

#### Information Technologies

Rui Pedroso Rui Miranda

#### CONSTRUCTION

#### Operational Executive Comittee

Paulo Serradas Pedro Costa Gustavo Lebreiro

## Rogério Fonseca Metalworking

Henrique Nicolau Underground Works Carlos Russo

Miguel Rocha

Geotechnics and Foundations

Activity Sectors

#### Railway Works

Rui Costa

#### Buildings and Infrastructures Portugal

Luís Mendonça Luís Santos Hélder Matos Carlos Guedes Luís Carreira Pedro Ferreira Miguel Talone Gonçalo Fialho

#### Angola

Luis Santos Paulo Ganhão

#### Brazil

Fernando Martins Bruno Paisana Jorge Barata

#### Mozambique

Luís Santos

#### Other Markets

Gustavo Lebreiro Carlos Timóteo

#### Support Structures

## Supplies

Rosa Almeida

#### Formwork, Rebar and Concrete

Caetano Machado

#### Commercial

Rogério Fonseca Paulo Pinto Guedes

#### **Equipment Management**

Rodrigo Ouro

#### Innovation

Rita Moura

#### Proposals' Logistics

João Pedro Lopes Pedro Nunes Mário Baptista

#### Planning and Costs' Control

João Santos

#### Project Design Laura Esteves

Human Resources Rui Palma

#### Management Systems

Cláudia Tavares

Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.	Teixeira	Duarte -	- Gestão de	Participações	e Investimentos	Imobiliários.	S.A
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#### Board of Directors

Manuel Maria Teixeira Duarte Luís Vicente Sérgio Pereira Rogério Fonseca Alfredo Silva Guilherme Silva João Cordeiro

#### **ACTIVITY SECTORS**

#### CONCESSIONS AND SERVICES

#### Facilities Management

Rodolfo Valentim Mariana Coimbra

#### Education

Helena Teixeira Duarte

#### REAL ESTATE

Alfredo Silva Guilherme Silva

#### HOSPITALITY

Cláudia Bazílio

#### DISTRIBUTION

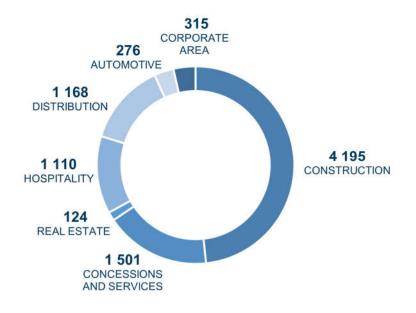
João Cordeiro

#### AUTOMOTIVE

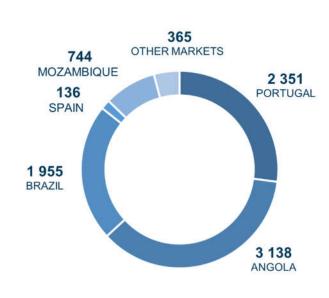
Pedro Medo

#### **EMPLOYEES**

Employees are the core of the activity of all Teixeira Duarte Group companies and their greatest asset. As of December 31st 2023, 8.689 employees were distributed across the following sectors and markets:



Employees Distribution by Sector of Activity



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 off such Ethics is grounded on its mission and values, which are set out below:

THE MISSION

# EXECUTE, CONTRIBUTING TOWARDS THE CONSTRUCTION OF A BETTER WORLD

Defines what drives our employees on a day-to-day basis is a shared objective regardless of their area of activity, geography, or team.

"To Do" because the intention is always to make it happen.

"Contributing" because we must understand that no one does anything alone.

For the "Construction" of which we are all a part of.

Of "a better world" which is the goal we all share within and outside Teixeira Duarte.

#### THE VALUES

The Values are the way one must act to achieve this goal and characterise the Group's involvement with all related parties. They are:

# **INGENUITY**

Value based on Teixeira Duarte's origin: "An Engineering House", where, from the research and mastering of the principles of science, one innovates and develops knowledge and techniques to apply, with efficiency and minimum waste, in the resolution of practical issues, forming, encouraging and trusting the in-house people.

# TRUTH

It consists in the clear appreciation of the facts, exposing things as they are, with good faith and rigour, assuming errors and limitations such as successes and capabilities and always reporting in a transparent and appropriate way according to the Company's scope of action and responsibilities.

# COMMITMENT

Corresponds to the responsible and committed manner in which challenges and responsibilities are accepted, based on the importance of the "Word given" and the fulfilment of all obligations, as much towards third parties as to loyalty and complicity towards own colleagues and to the Company itself, with respect for others, for the dignity of all mankind and for the sustainability of the community.

#### CODE OF ETHICS AND CONDUCT OF THE TEIXEIRA DUARTE GROUP

The "Code of Ethics and Conduct of the Teixeira Duarte Group" enshrines and develops the values and mission of Teixeira Duarte, defining ethics and conduct, determining the scope of the document and establishing, with the aforementioned mandatory nature (I) the General Rules of Conduct aimed at compliance with the law, respect for the human person and the community, respect for the environment and compliance with internal rules; (II) the rules of conduct applicable in the relationship between employees and the company; and (III) the rules of conduct between employees and third parties, in particular public authorities, clients and suppliers and the competition, including, in this latter chapter, topics such as independence and collaboration with public authorities, measures to prevent money laundering, terrorist financing, conflicts of interest and corruption.

It is set forth in the said Code that, with regard to the monitoring of the implementation of its regulations, it is the duty of the Employees - and Indirect Recipients, in accordance with the terms and scopes mentioned above - to watch over the fulfilment of the Code of Ethics

and Conduct, by divulging it, by invoking it in their defence, by applying it and by demanding its application to their hierarchies, including these hierarchies, and to communicate eventual irregularities identified by the means and procedures implemented by each company for that purpose, which tend to be defined as Ethics Channel.

Also, it is in force a General Procedure for the Prevention and Combat of Harassment in the Workplace which establishes the action principles and the procedures considered adequate to the prevention and combat of harassment in the workplace within the Teixeira Duarte Group, to be observed by all its employees, thus making this Procedure a self-regulating instrument and the expression of an active policy intended to prevent, identify, eradicate and / or punish situations that are susceptible of constituting practice of sexual harassment in the workplace. The General Procedure for the Prevention and Combat of Harassment in the Workplace is complementary to the Teixeira Duarte Group's Code of Ethics and Conduct.

Without prejudice to the provisions of the Code of Ethics and Conduct, on August 17th 2022, the Board of Directors of TD,SA approved the "Policy on the Reporting of Irregularities of the Teixeira Duarte Group", which aims to implement the provisions set out on the matter in the Code of Ethics and Conduct in force within the Teixeira Duarte Group and is drafted in line with Decree-Law 109-E/2021, Law 93/2021 and the recommendations of the Corporate Governance Code of the Portuguese Institute of Corporate Governance.

In compliance with its Policy on the Reporting of Irregularities and its Code of Ethics and Conduct, the Teixeira Duarte Group has implemented a channel for whistleblowing, the Ethics Channel, which allows the reporting of facts related to corruption, as well as any other non-compliance that may involve the practice of illegal acts, a procedure is in place establishing the manner of reporting, monitoring and processing of complaints received within the corporate structure as a measure to prevent and combat improper practices which, if they so wish, guarantees the anonymity of whistle-blowers.

Besides the monitoring system of the abidance by the aforementioned Code itself, there is a system of compliance within the Group to ensure the safeguard of the fulfilment of the standards applicable to the activity carried out by the company, including the following corporate control areas which provide support to the company:

- The Internal Audit Department, whose functions are the assessment and improvement of the effectiveness of the risk management procedures and internal control systems, as well as carrying out the evaluation of the activities of the Group;
- The Chief Compliance Officer, tasked with implementing the Compliance Programme approved by Teixeira Duarte, S.A. 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 person in charge of the normative compliance, designated in accordance with article 5 of the Decree-Law no. 109-E/2021, of the 9th of December, being responsible for the adoption and implementation (i) of the normative compliance program, (ii) of the Risks of Corruption and Similar Infractions Prevention Plan, (iii) of the Code of Ethics and Conduct, (iv) of the training program regarding these matters, and (v) of the whistleblowing channel, in order to prevent, detect and sanction acts of corruption and similar infractions, lead against or through the Teixeira Duarte Group.
- The Department of Compliance, which acts in a permanent and effective manner, being namely in charge of (i) the follow up and periodical assessment of the appropriateness and effectiveness of the measures and procedures adopted to detect any risk of non-fulfilment of the legal obligations and duties the Teixeira Duarte Group is subject to, as well as the measures taken to correct eventual fulfilment default situations, (ii) of the counselling rendered to the management and administration bodies, for the purposes of compliance with the legal obligations and duties the Teixeira Duarte Group is subject to, and (iii) of the immediate supply to the administration bodies of the information regarding any signs of non-compliance with legal obligations, rules of ethics and conduct of customer relation and of other duties which might lead Teixeira Duarte Group or its employees to incur in an infraction of administrative or criminal nature;
- The Management Systems teams, which include in their functions to ensure that the Group Policies are complied with, in this
  context, also implementing supervisory criteria, carrying out the corresponding training, respective internal auditing and
  presenting suggestions for improvements.

# 1.2 Main Financial Indicators

OPERATING INCOME	873 M€
SALES AND SERVICES RENDERED	767 M€
EBITDA	77 M€
OPERATING RESULTS (EBIT)	38 M€
EARNINGS BEFORE TAXES (EBT)	24 M€
NET INCOME Attributable to equity holders	(11.8) M€
NET DEBT	647 M€
FINANCIAL AUTONOMY	9.8%
ORDERS PORTFOLIO For the construction sector	1,080 M€

	2023	2022	Variation %
Operating income	872.944	903.691	(3,4)%
Operating costs	(796.100)	(843.633)	(5,6)%
EBITDA	76.844	60.058	27.9%
Depreciations and Amortisations	(32.785)	(40.057)	(18,2)%
Provisions and impairments of depreciable / amortisable assets and Goodwill	(5.644)	(1.275)	342.7%
Operating results (EBIT)	38.415	18.726	105.1%
Financial results	(14.501)	(28.876)	(49,8)%
Results before taxes	23.914	(10.150)	-
Income tax	(26.903)	(4.747)	466.7%
Consolidated net result of the period	(2.989)	(14.897)	(79,9)%
Attributable to:			
Equity holders	(11.750)	(13.267)	(11,4)%
Non-controlling interests	8.761	(1.630)	

(Amounts in thousands of euros)

## 1.3 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 the Group to which belongs Teixeira Duarte S.A., incorporates several risk assessments with different levels and complexity, taking into consideration the issues to process and following the identification of the type of risks 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 following up 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 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 areas and dimensions depending on the countries and sectors concerned – to the following main economic, financial and legal risks:

- Changes 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, Brazil and Mozambique;
- 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
- Changes 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.

In addition, Point III. of the Corporate Governance Report for the 2023 period – entitled 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 is exposed in the exercise of its activity, as well as the explanation of the monitoring model and existing risk mitigation measures.

# I.4 Corporate Events

#### **ANNUAL GENERAL MEETING - MAY 24TH 2023**

The annual meeting took place in person on May 24, 2023, at the Congress Center of Lagoas Park, with the exercise of postal voting being allowed.

The presence of shareholders from the Teixeira Duarte family and shareholder employees and former employees strengthened the unity around the Company.

The Annual General Meeting was chaired by José Luciano Vaz Marcos, with the secretary of the Board and also Secretary of the Company, as well as the members of the Board of Directors and supervisory bodies, also present.

At this meeting, the following resolutions were passed, as disclosed by the press released to the market published on the same day as the General Meeting:

- 1. The documents of the financial statements for the year 2022 were approved by 99,75% of the votes, including the consolidated management report, which includes a chapter on non-financial information, the individual and consolidated accounts, the report and opinion of the supervisory board, the legal certification of the accounts and audit report, as well as the report on the company's governance and the report on the remuneration of the members of the management and supervisory bodies of the Company, the latter being included, under the law, in the aforementioned report on the company's governance.
- The proposal for the allocation of Results presented by the Board of Directors was unanimously approved, according to which
  it was proposed that the net results of TEIXEIRA DUARTE, S.A. for the year 2023, negative in the amount of €23.825.798,16,
  be carried forward.
- 3. A vote of confidence was unanimously approved in the Board of Directors, in the Supervisory Board, in all their Members, and in the Statutory Audit Firm.
- 4. An amendment to Article 10 of the Company's By-laws was unanimously approved, reducing the term of office of the Statutory Auditor or Statutory Audit Firm to *biennia*, while maintaining the duration of the term for the other members of the corporate bodies, and adjusting, in accordance with this amendment, the text of Article 11, paragraph 1, of the By-laws.
- 5. It was approved, with 99,74% of the votes, to elect, for the quadrennium 2023 / 2026, the members of the General Meeting Board, Board of Directors and Supervisory Board, as well as the members of the Remuneration Committee referred to in Article 11 of the Social Pact.
- 6. It was approved, with 99,75% of the votes, to elect for the biennium 2023 / 2024 the of Statutory Auditor or Statutory Audit Firm:

#### CHANGE IN THE COMPOSITION OF THE BOARD OF DIRECTORS - SEPTEMBER 28TH 2023

Following the election decisions made at the Annual General Meeting, the members of the corporate bodies until this date have been as stated in this management report, with the exception of the Board of Directors. On September 28th 2023, in accordance with Article 393 of the Commercial Companies Code, the Board of Directors accepted the resignation of Miguel Calainho de Azevedo Teixeira Duarte – who had been elected at the General Meeting on May 24th 2023 – and appointed, by co-option, Paulo Alfredo de Carvalho Serradas to replace him as an Administrator until the end of the current term (2023/2026).

### II. ECONOMIC AND FINANCIAL ANALYSIS

In order to allow for 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 2023.

In **Portugal**, despite a financial environment more restrictive given the rise of Euribor, (i) public and private investment, supported by European funds, (ii) exports, though to a lower extent, and (iii) private consumption contributed to a GDP growth of 2,3 %. The inflation dropped to 4,3% reflecting the decline of raw materials and energy prices. The reduction of inflation is expected to continue throughout 2024 and 2025.

With regard to foreign markets, it should be noted that the exchange rate changes the Group is exposed may have a different impact on the Balance Sheet and Income Statements, 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.

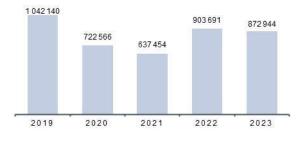
Regarding Angola, 2023 was a period of moderate growth of the Angolan economy, estimated at around 0,4% Angola foresees a GDP growth of approximately 3% next year. The inflation rate remains at high levels, being expected to reach 20% at the end of the year. National currency registered an annual depreciation of 70% against euro at the end of the year, mainly on the months of May and June, maintaining minor variations until the end of the year. The average exchange rate decreased by 48,2%.

In **Brazil**, GDP at constant prices grew by 2,9%, with average inflation reaching 4,62%. The Real appreciated 3,9 % and the average exchange rate increased by 1.1%.

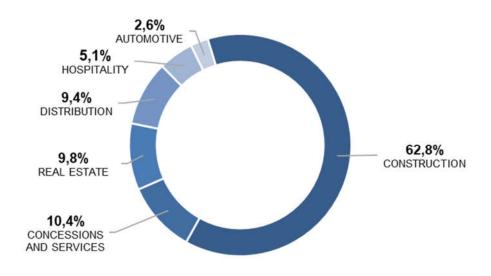
Mozambique, GDP had a growth of 5,9%, according to the most recent estimates, but of only 3,3% if excluded the LNG effect. In a successful attempt to contain inflation, the Bank of Mozambique increased rather considerably the mandatory and non-remunerated reserves of the banks, having the inflation reached 5,3 % at the end of the year. Metical remained rather stable throughout 2023, with a devaluation of 3,6% against euro, and without variation against US dollar, as in 2022. The average exchange rate decreased by 2%.

Operating Income decreased by 3,4% when compared to 2022, reaching 872.944 thousand euros, which correspond to a fall of 30.747 thousand euros.

Portugal registered an increase of 22,8% and the foreign markets, as a whole, a decrease of 18,9%, when comparing to the same period in 2022; thus, Portugal represents now 47,3% of the global operating income of the Group in 2023.



Evolution of operating income (Amounts in thousands of euros)



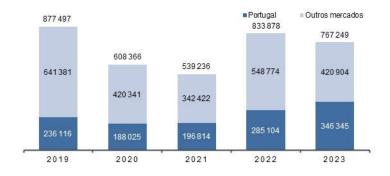
Operating income by activity sector

The **Sales and services rendered** reached 767.249 thousand euros, corresponding to an decrease of 8% when compared to 2022, *id est*, less 66.630 thousand euros.

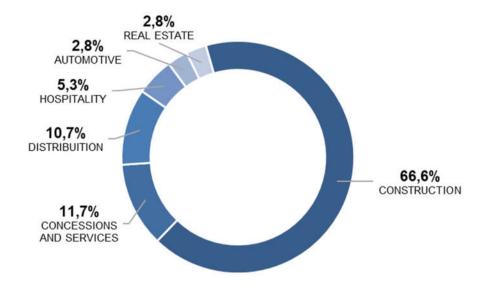
Portugal registered an increase of 21.5% when compared to 2022, driven by the Construction and Real Estate sectors. It should be noted that this indicator does not state the good performance of the Group's Real Estate sector in this period - proven by the Operating income results detailed above - 55.536 thousand euros, also driven by income which is not included in the Sales and services rendered.

Foreign markets registered a decrease of 23,3 % of the Sales and services rendered, which corresponds to a decrease of 127.871 thousand euros.

In this context, foreign markets which represented 65,8 % of the Group, in 2022, evolved to represent 54,9% in 2023.

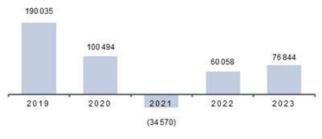


Evolution of the Sales and services rendered (Amounts in thousands of euros)



Sales and services rendered by activity sector

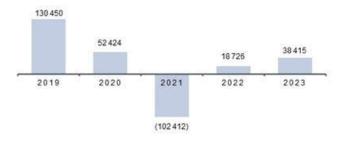
EBITDA reached 76.844 thousand euros, registering an improvement of 17.786 thousand euros compared to the previous year, that represents an increase of 27,9% when compared to 2022.



EBITDA Progress (Amounts in thousands of euros)

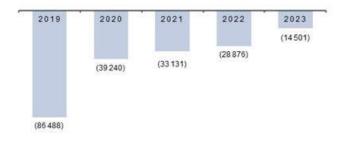
EBITDA by activity sector	2023	2022	Variation (%)
Construction	7.303	7.475	(2,3)%
Concessions and Services	8.456	7.452	13.5%
Real Estate	34.703	30.505	13.8%
Hospitality	20.505	9.444	117.1%
Distribution	8.237	4.828	70.6%
Automotive	4.312	5.256	(18,0)%
Not included in the segments	(6.672)	(4.902)	(36,1)%
	76.844	60.058	27.9%

The **Operating results (EBIT)** reached an amount of 38.415 thousand euros, which correspond to an increase of 19.689 thousand euros compared to the same period in 2022.



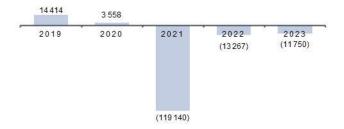
Evolution of the Operating Results (EBIT)
(Amounts in thousands of euros)

**Financial Results** stood at a negative 14.501 thousand euros which compare to the negative 28.876 thousand euros in 2022, corresponding to an improvement of 14.375 thousand euros.



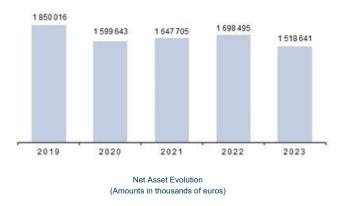
Financial Results Evolution (Amounts in thousands of euros)

The **Net Results Attributable to Equity Holders** were negative of 11.750 thousand euros, which compare to negative results of 13.267 thousand euros ins 2022.



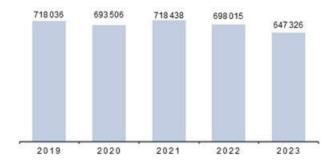
Net Income Evolution (Amounts in thousands of euros)

**Total Assets** recorded a decrease of 10,6% compared to December 31<sup>st</sup> 2022 and stood at 1.518.641 thousand euros, negatively impacted by 260.559 thousand euros of exchange rate effect in the year, resulting mainly from the depreciation of the Angolan Kwanza.



The **Net Financial Debt** stood at 647.326 thousand euros, at the end of 2023, which represents a reduction of 50.689 thousand euros when compared to 2022.

It is worth mentioning that the Group expended 63.581 thousand euros on fixed capital, which corresponds to a diminution of 22%, compared to 2022, an amount which is 30.796 thousand euros higher than the expenditures with depreciation and amortisation.



Net Financial Debt Evolution
(Amounts in thousands of euros)
Net Financial Debt = Financing Obtained + Leasing Liabilities – Cash and Cash Equivalents

The **Net Financial Debt** was influenced by currency depreciations of 1.173 thousand euros (the availability decreased 7.352 thousand euros and the financing 8.525 thousand euros); to be noted that, without such effect, the decrease in the net financial debt would have been of 49.516 thousand euros.

The Gross Bank Financing reduced 39.984 thousand euros compared to December 2022, being that, influenced by 8.525 thousand euros which result, as mentioned, from currency depreciation.

The **Maturity** of the Group's **Financial Debt** as at December 31st 2023 is as follows:



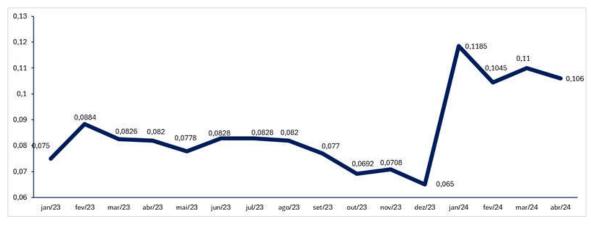
Equity registered a decrease of 35,5% when compared to December 31st 2022, and stood at 149.317 thousand euros.

The reduction in Equity in the amount of 82.230 thousand euros results mainly from the negative Net Result of 2.989 thousand euros and the effects of the Exchange Conversion Adjustments resulting mostly from the depreciation of the Angolan Kwanza.



Financial Autonomy stood at 9,8%, on December 31st 2023, a decrease of 3.8 p.p. when compared to December 31st 2023.

During 2023, the shares representing the share capital of Teixeira Duarte, S.A. suffered a 1.81% devaluation from €0,0662 on December 31st 2022, to €0.065 on December 31st 2023. Regarding the liquidity and volume of transactions executed in this year, 49.754.053 shares were traded on the stock exchange, with a turnover of 3.954.324 euros, whereas in 2022, 48.312.179 shares had been traded, with a turnover of 4.379.724 euros. The graph shows the evolution of the stock market share prices during 2023 and in the period following the end of the fiscal year up to today's date, April 24th 2024, where the price was €0,106.



Teixeira Duarte, S.A. Share Price Evolution

## III. NON-FINANCIAL INFORMATION

#### INTRODUCTION

Since 2017, Teixeira Duarte has been reporting to its stakeholders on the consolidated non-financial performance of the companies it controls, particularly in the dimensions of human resources, socio-economic aspects including community relations, and environmental management.

The information provided here focuses on the activity of the subsidiaries between January 1st and December 31st 2023. Whenever relevant, information from previous years is included to allow for a comparative assessment of performance.

In addition to meeting the requirements of the Commercial Companies Code, Decree-Law No. 89/2017 of July 28th, and Regulation (EU) 2020/852 of June 22nd 2020 - Taxonomy Regulation -, this report follows other voluntary regulatory frameworks for reporting, notably the Global Reporting Initiative (GRI) standards, in their Core option, and the Non-Financial Information Reporting Template issued by the Portuguese Securities Market Commission (CMVM). The correspondence tables with these two references are attached.

#### **Double Materiality Analysis**

The European Commission introduced the concept of double materiality in the Non-Financial Reporting Directive (NFRD), transposed in Portugal through the aforementioned Decree-Law No. 89/2017, dated July 28<sup>th</sup>, and recently in the new Corporate Sustainability Reporting Directive (CSRD), which replaces the former. The dual perspective of materiality establishes that companies must report on sustainability issues affecting their business, on one hand, and on the other, how their business and activities impact society and the environment.

During the year 2023, Teixeira Duarte Group conducted, for each of its main businesses, a materiality analysis process aimed at identifying the most relevant Environmental, Social, and Governance (ESG) topics within its activities.

After identifying potentially material topics in each business, based on sustainability trends and previous benchmarking, stakeholders were consulted to assess the most material topics from the perspective of the business activity's impact on them - impact materiality. Top Management was also consulted to evaluate the most material topics from the perspective of financial impact on the business area - financial materiality.

Based on the results of the businesses' materiality analyses, Teixeira Duarte Group approved a consolidated matrix in January 2024, using as a weighting criterion the contribution of each business sector to consolidated operating revenues. This matrix will be used to comply with the new sustainability information reporting standards (ESRS) whose implementation is underway in European countries.

#### 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 stance reflects in the relationship of its employees with all stakeholders.

As a matter of fact, the Mission of the Group – Execute, contributing towards the construction of a better world - and its structuring Values - Ingenuity, Truth and Commitment - reflect an acting way deeply rooted throughout several generations which contributes decisively for the global sustainability of its companies, economically, socially and environmentally.

Since there is a wide variety of sectors of activity in this universe of companies, operating in several countries, sustainable business development is ensured by each area of activity, given the proximity to operations and greater effectiveness of actions.

Each company thus responds to the sustainability challenges of its activities, with guidance from the Group regarding cross-cutting guidelines and local objectives for each country.

#### REVISION OF THE CORPORATE CONDUCT POLICY TO STRENGTHEN COMMITMENTS

The Board of Directors of Teixeira Duarte, S.A. approved the revision of its Corporate Conduct Policy in 2023, reinforcing its commitments regarding responsible corporate conduct, with a particular focus on commitments to Human Rights and the Environment in its operations and value chains.

The revision and approval of this Policy were based on Article 18 of Regulation (EU) 2020/852 of June 18th 2020, which provides that minimum safeguards consist of procedures applied by the company conducting an economic activity with the aim of ensuring alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights established in the eight core conventions identified in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.



To manage Sustainability in an organised and cohesive manner, ensuring that its companies are aligned in compliance with the cross-cutting principles defined by the Group, a Sustainable Development Committee was created in 2019.

With functions of strategic management of sustainability for the Teixeira Duarte Group, the Sustainable Development Commission depends, in functional terms, on the Chairperson of the Board of Directors, and operationally is composed of representatives of all business areas of the most representative markets for the Group, under general coordination of the Corporate Sustainability Area; This Committee includes representatives from Portugal, Angola, Brazil and Mozambique.

The Committee's mission is to support the agenda related to the Sustainable Development of Teixeira Duarte Group's businesses, recommending guidelines and ensuring information management. Its main attributions are:

- Analysing Sustainable Development principles and how businesses can act more sustainably;
- Developing proposals for Sustainable Development guidelines for evaluation by the Board of Directors of Teixeira Duarte, S.A.;
- Monitoring the implementation of Sustainable Development guidelines issued by the Board of Directors of Teixeira Duarte within the businesses;
- Promoting the adoption by the Businesses of the fundamental principles of non-financial reporting as provided for in national and European law, including the selection of coherent methodologies that allow Teixeira Duarte, S.A. to carry out consolidated analyses, particularly regarding:
  - o environmental, social, and worker-related issues, including diversity issues;
  - o respect for Human Rights;
  - fight against corruption and bribery attempts;
- Promoting literacy and adoption by the businesses of new legal requirements applicable to sustainability;
- Adhering to a minimum calendar of 4 meetings per year for the analysis of Sustainable Development-related matters, with a focus on:
  - Assessment of the execution of action plans/initiatives in each market, including common key performance indicators and perspectives until the end of the year;
  - Identification of opportunities (innovation);
  - Sharing best practices;
  - Monitoring of legal requirements.



#### "IMPACT.TD": MORE SUSTAINABILITY LITERACY

In March 2023, the Sustainable Development Commission launched a communication channel on the Teixeira Duarte Group's intranet exclusively dedicated to knowledge about ESG (Environmental, Social, and Governance).

Through the IMPAC.TD website, news about initiatives carried out by the Group's companies, simplified summaries of standards and legislation, examples of best practices, among other topics, are published monthly with the aim of promoting employees' literacy in these areas and assisting subsidiary companies in their sustainability journey.

#### 2. COMMUNICATION WITH STAKEHOLDERS

Teixeira Duarte Group encourages regular and systematic dialogue with a wide range of interested parties, including the stakeholders that the controlled companies identify.

To better understand their expectations and to communicate more efficiently with these different groups, the Group's companies use several instruments, among which the following stand out:



#### 3. ALIGNMENT WITH THE SUSTAINABLE DEVELOPMENT GOALS

In 2018, Teixeira Duarte adopted the United Nations Sustainable Development Goals as a global framework to guide the performance of the Group's companies in the context of Sustainable Development and their respective reporting to interested parties, since it identified significant similarities between these objectives and its mission, values and vision.

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

**OUR MISSION** 

# EXECUTE, CONTRIBUTING TOWARDS THE CONSTRUCTION OF A BETTER WORLD

HOW WE DO IT

#### WITH INGENUITY, TRUTH AND COMMITMENT

TO WHAT WE CONTRIBUTE



**OUR LOCAL PRIORITIES** 











#### Sustainability Model of Teixeira Duarte Group on December 31st 2023

Teixeira Duarte Group has identified and assesses, on a continuous basis, the impacts of the activities developed by its affiliates 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 sustainable development topics proposed in the SDGs, the sectors/business areas that operate in Angola, Brazil, Portugal and Mozambique were consulted, markets that on December 31st 2023 accounted for 90% of the Group's operating income, and based on this analysis, the material SDGs were determined.

Thus, despite contributing to all SDGs, Teixeira Duarte assumed 5 SDGs as priorities, at a local level, to which believes to be able to contribute in a more active and more effective way.



Priority SDGs for the Teixeira Duarte Group in the main operating markets as of December 31st 2023



#### **OBSERVATORY OF SDGS IN PORTUGUESE COMPANIES**

In 2023, Teixeira Duarte once again participated in the annual study conducted by the Observatory of Sustainable Development Goals (SDGs) in Portuguese companies. The objective of this study is to monitor the implementation of the United Nations' Agenda 2030 by tracking a representative group of Portuguese companies, in order to understand their context and the challenges they face.

In the report of the study, the Católica-Lisbon - Centre for Responsible Business & Leadership, the entity promoting the Observatory, once again highlighted Teixeira Duarte for its best practices illustrating the incorporation and communication of the SDGs by companies. The highlighted practice is the prioritization of SDGs according to the markets in which the company operates, positioning Teixeira Duarte Group "as an example of how companies with global scale can be active agents in promoting Sustainable Development at a local level and incorporate these actions into their materiality analysis."

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



- Policies promoting health, safety, and hygiene in the workplace of controlled companies;
- Implementation of occupational health and safety management systems in various Group companies;
- Employee health monitoring policies, including medical and pharmaceutical assistance;
- Access to health insurance, protocols, and partnerships in the health field in several companies;
- Disease prevention initiatives, offering screenings and health training to employees and communities;
- Support for social institutions that assist individuals in the health field.

#### **EXAMPLES**

"Give Life" programme in Angola and Mozambique;

Annual flu vaccination campaign in Brazil;

"Stay Well" Programme in Brazil;

"We All Give" Programme in Portugal, Angola, Brazil, Spain, and Mozambique.



- Group Policy for the Development of Competencies of employees of the controlled companies;
- Continuous training programmes aimed at updating skills and advancing the career of employees of the Group's companies;
- Programmes for the attraction and development of young talent;
- 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;

"We All Give" Programme in Portugal, Angola, Brazil and Mozambique.



- Job creation and generation of economic wealth in the markets where controlled companies operate;
- Specific programmes to promote youth employment in various companies in the Group;
- 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, equal opportunities and the reconciliation between the professional, personal and family life of employees;
- Participation in strategic initiatives at the level of the industries in which its subsidiaries operate;
- Programmes to support entrepreneurship and development of local producers, especially in developing countries:

#### **EXAMPLES**

Equality Plan at Group level;

Appointment of Human Rights Officer;

"Go Fishing" programme in Angola;

"Fazenda Maxi" programme in Angola;

Project "FoC - Future of Construction" in Portugal.



- 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 affiliates and Educational Institutions and Scientific and Technological Systems

  Entities:
- Programmes to support the development of local producers, especially in developing countries.

#### **EXAMPLES**

Investment in the "Building Information Modelling" (BIM) methodology;

Mobilising project - Digital Construction Revolution Project - REV@CONSTRUCTION;

"OMICRON" Project;

"Fazenda Maxi" programme in Angola.



- Implementation of environmental management systems in several of the controlled companies;
- Provision of specialised energy efficiency services by some of the Group's companies;
- Implementation of energy rationalisation measures at company facilities;
- Programmes to encourage sustainable consumption among employees;
- 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.

Agreement for the installation of photovoltaic panels at the Teixeira Duarte Operational Centre in Montijo, Portugal;

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 cross-cutting principles of the action of all employees of the Group's companies and, thus, the involvement of Teixeira Duarte, S.A. with related parties, thus contributing to the development of its Mission.

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 its non-application is subject to disciplinary procedures and sanctions.

In short, in accordance with this Code, all employees of Group companies are committed to complying with, upholding and ensuring compliance with the legislation and regulations in force in the countries where they operate, including any global or sectoral agreements and ethical rules specific to each professional, as well as any and all contractually assumed commitments.

Sent to all employees transversally, the current Code of Ethics and Conduct is available at the site www.teixeiraduarte.com.

#### 6. MANAGEMENT AND DEVELOPMENT OF HUMAN RESOURCES

The well-being of employees, including the promotion of good health and safety conditions, the development of skills and conciliation of professional life with personal and family life, are of great importance in the management of human resources of the companies of the Teixeira Duarte Group, and are duly founded on a culture of dignified treatment, equal opportunities and respect for human and labour rights.

#### 6.1. Human Resources in 2023

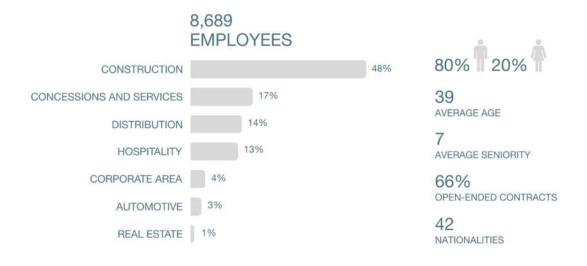
On December 31st 2023, the Group had 8.689 employees, a decrease of approximately 800 employees (8% less) compared to December 31st 2022, mainly due to the reduction of the number of employees in the Construction sector in Brazil, as a result of the activity reduction throughout 2023. In fact, overall among the Group's employees, Construction increased its weight by 6 p.p. and Brazil by 8 p.p. when compared to December 31st 2021.

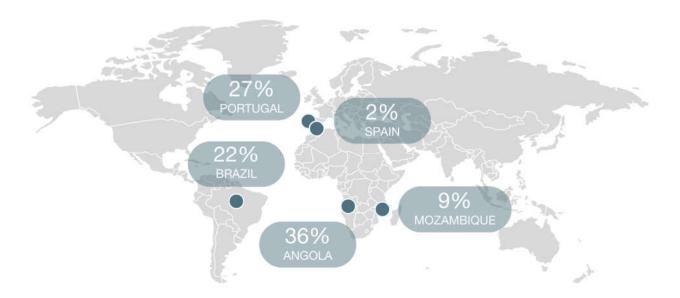
On the other hand, in the markets of Angola and Portugal, the Group increased the number of employees, with Angola, Brazil, and Portugal remaining the main markets of operation for Teixeira Duarte, accounting for 86% of the total number of employees (+1 p.p. compared to 2022).

In line with previous years, the majority of employees in 2023 were male, a fact not unfamiliar to the business areas of many Group companies, particularly in Construction and Facilities Management (Concessions and Services sector), where the vast majority of candidates

are

male.





Characterisation and distribution of employees by area of activity and geographies as of December 31st 2023

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 2023, the company published its new Plan for Equality, which presented the set of objectives and measures to be developed by the controlled companies in 2024, adequately adapted to their operating realities, both geographical and sectoral.

The dimensions of action advocated in the annual Equality Plan are:

- a) Equal access to employment;
- b) Remuneration model;
- c) Equal working conditions;
- d) Protection in parenthood;
- e) Conciliation of the professional activity and family and personal life;
- f) Prevention of sexual harassment at work.

This plan is available at www.teixeiraduarte.com.

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 of December 31st 2023, 66% of the employees of the Group's companies were in an open-ended contract situation. The Corporate Area and the Construction sector held, respectively, 88% and 76% of employees in this situation. Only the Distribution sector had more employees on fixed-term contracts (51% versus 49% open-ended).

As an employer brand, Teixeira Duarte is recognised in the markets where it operates for investing in its "in-house" persons, giving them autonomy and corresponding responsibility to develop their careers within the Group's companies.



#### OPEN DIALOGUE BETWEEN MANAGEMENT AND EMPLOYEES

In 2023, Teixeira Duarte's Construction sector launched a new initiative in the markets of Portugal and Brazil aimed at further strengthening the bonds between business administrators and other employees. Periodically, breakfast meetings are organized where they gather in small groups to discuss experiences, ideas, stories, career paths, challenges, and achievements. In 2023, more than 100 employees participated in this informal experience, which fosters greater integration and closeness. The initiative has been very well received by employees, and its continuation in 2024 is expected.

Also as a result of this approach, various areas of the Group stand out for being able to retain employees for several years and have high average lengths of service. Across all its activities, in 2023, the Group recorded an average length of service of 7 years.

The different cultures, habits, and ways of working tend to create greater openness and growth for companies that seek to ensure a working environment characterised by mutual respect and equal opportunities. As of December 31st 2023, the Group employed workers of 42 different nationalities, with a higher degree of diversity observed in the Portuguese market.



Celebration of African Women's Day 2023 at Teixeira Duarte Group's offices in Angola.

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

Many of the Group's companies 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 youth employment, with potential talent, and strong professional qualification policies have been particularly important for the Group's expansion into various markets, in which the controlled companies consistently demonstrate a strong capacity to retain national employees in their operations.



# MOST ATTRACTIVE COMPANY TO WORK FOR IN THE CONSTRUCTION SECTOR

Employer Brand Research 2022, conducted by Randstad in Portugal, revealed that Teixeira Duarte – Engenharia e Construções, S.A. is the most attractive company to work for in the Construction and Infrastructure sector.

This independent study identifies Portuguese companies known by at least 10% of the population and analyses their attractiveness as employers, seeking to understand the most relevant criteria in employment decisions and the best strategies for employer branding management.

In the context of recruitment, it also mentions the role of internal recruitment, which, supported by recognised performance, has provided opportunities for various employees to develop their careers within the Teixeira Duarte Group.

The Group monitors the evolution of the percentage of men and women in senior management positions responsible for different companies, sectors, business areas, or other organisational structures. The respective organisational chart as of December 31st 2023, can be found in the "Profile" subsection of this report. In 2023, the number of men and women represented 85% and 15%, respectively.

Regarding absenteeism, the different companies within the Group present varying rates depending on the business areas and countries where they operate. In 2023, the overall absenteeism rate for these companies decreased to 2,9% (-0.9 p.p. compared to 2022). This decrease was contributed by the decrease recorded in the Construction sector, from 4,6% in 2022 to 2,6% in 2023.



# "BE WELL" PROGRAMME

In Brazil, the company continued the internal program "Fique Bem" (be well), which had been launched in 2021.

Working on the aspects of health, environment, communities, nutrition, sports and leisure, this programme assists the Group's companies in the development of actions that are beneficial to the organisational climate and relevant to the quality of life of employees, in any of their fixed and temporary units, in an aligned and coordinated manner.

As of December 31st 2023, Teixeira Duarte's affiliated companies employed 45 people with disabilities or impairments. In Portugal and in 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 companies to recognise the right to associations and collective bargaining. Its business practices protect labour rights and promote safe and healthy work environments for all employees.

In this context, Teixeira Duarte Group's management conducted an organisational climate survey in various markets of operation in 2023, aimed at improving human resources management.

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 contracts, collective agreements and company agreements.

In 2023, in Teixeira Duarte's main markets of operation, 99% of employees were covered by some type of collective labour agreement. Although it is not possible for affiliated companies to identify all unionised employees, companies operating in the Brazilian and Mozambican markets, in particular, have a higher percentage of unionised employees, approximately 60% in both countries In Brazil, it should be noted that the union contribution was mandatory until 2017.

#### 6.3. Health and safety protection and promotion

The corporate vision of the Teixeira Duarte Group has always incorporated a strong human resources management strategy into measures aimed at improving the quality of life of all those who collaborate with its subsidiaries/branches companies and that promote employee loyalty, regardless of the activity of the companies and the markets in which they operate.

This view is reflected in the socially responsible stance of the controlled companies when it comes to the promotion of health, safety and hygiene at work.

#### PROMOTION OF SAFETY AND HEALTH AT WORK

On the occasion of World Day for Safety and Health at Work, observed on April 28th, Teixeira Duarte Group's companies once again promoted multiple initiatives aimed at raising awareness among employees and strengthening the resilience of their operations in the face of respective occupational risks.



Teixeira Duarte - Engenharia e Construções, Portugal



Teixeira Duarte - Engenharia e Construções, Brazil



Teixeira Duarte - Engenharia e Construções, Brazil



Offices of Teixeira Duarte, Brazil



Teixeira Duarte - Engenharia e Construções, Mozambiqu



EMPA, Brazil



EPOS, Peru



SOMAFEL, Brazil



TDGI, Brazil

Regarding occupational health, it is worth noting the policy of monitoring employees' health, which is implemented through widespread health exams, workplace visits, and monitoring of illness situations. In its main markets of operation, the Group's companies ensure coverage rates of employees with periodic medical exams ranging from 50% to 90%.

Employees are provided with access to medical services and medications, which are essential for clinical monitoring and access to primary healthcare in some of the countries where the Group's companies operate. In some situations, this access is provided through partnerships with private clinics, aiming to make healthcare more effective and less costly.

For example, in Angola and Mozambique, the Group's companies have defined a medical and pharmaceutical assistance policy that includes access to medical consultations for all employees and first-degree relatives. Throughout 2023, the Group's companies provided their employees with 1.660 curative medicine consultations (-39% compared to 2022).

When it comes to complementary diagnostic exams, the values increased compared to the previous year due to the Construction operation in Brazil, where such exams are conducted whenever a project is completed. Thus, in 2023, the Group promoted the performance of 45.392 complementary diagnostic exams, representing a 33% increase compared to 2022.

With its origin and core business in the Construction sector, Teixeira Duarte Group and its affiliated companies have a corporate culture deeply rooted in safety investment and risk mitigation. This commitment is reflected in rigorous prevention policies aimed at safeguarding the health and lives of all employees and service providers in all facilities.

In cases such as Portugal, Brazil, and Mozambique, the best practices of affiliated companies in the Construction sector, where risks are higher concerning the health and safety of employees, are reinforced by certification in occupational health and safety management systems under ISO 45001 standards. This provides a more comprehensive and effective management of operational risks and contributes to the protection of employees and better performance. In 2023, 47% of the Group's employees were covered by health and safety management systems.

In 2023, Teixeira Duarte Group's companies across various business areas recorded more accidents resulting in medical leave than in previous years. However, it is important to highlight that, according to the reference values of the World Health Organisation, the frequency and severity of the recorded accidents are consistently at "Very Good" and "Good" levels.

# PROMOTION OF MENTAL HEALTH

In 2023, Teixeira Duarte Group's companies once again marked the "Yellow September" campaign to raise awareness among employees about the importance of mental health. Actions were developed at both fixed and temporary company facilities, as well as activities outside of company spaces and other initiatives, to reinforce among employees the importance of prevention and treatment of illnesses such as depression.





"Walk for Life", several companies of Teixeira Duarte Group in Mozambique

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.

#### **CANCER PREVENTION**

During the months of October and November, the companies of the Teixeira Duarte Group promote initiatives to make employees aware of the importance of early diagnosis of cancer. The 'Pink October' and 'Blue November' campaigns are opportunities used to hold lectures, conversations, screenings, team activities, and other engagement actions.



"Pink October" companies of Teixeira Duarte Group in Angol



"Pink October",companies of Teixeira Duarte Group, Brazil



"Pink October".companies of Teixeira Duarte Group, Brazil



"Blue November", companies of Teixeira Duarte Group



"Blue November", Teixeira Duarte - Engenharia e Construçõo Angola



"Blue November", companies of Teixeira Duarte Group Mozambique

In line with the provisions of the laws of the countries where the Group companies operate, all employees are entitled to Parental protection. 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.



#### MATERNITY SUPPORT

The "Mother - First Steps" and "Welcome Baby" programs, implemented by Teixeira Duarte - Engenharia e Construções, S.A., in Brazil since 2022, aim to support the health of pregnant employees during pre and post-partum phases.

Employees receive support from clinical teams who provide guidance and clarification throughout the gestational period, development, and the first days of the baby's life. During the child's first year, support is provided in adhering to the schedule of paediatric consultations and vaccinations, addressing difficulties related to baby care, serving as a support point for preventive guidance, providing a network of childcare services, and offering clinical support for the return to work.

# Other benefits for employees

Companies which belong to 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 addition to health insurance, life insurance is also available in some companies that guarantees protection in situations of personal accident, death and disability. These insurances are meant to supplement the mandatory protections that apply in each country to social security and labour legislation matters.



#### "ALWAYS WELL": MONITORING OF CHRONIC DISEASES

The "Always Well" programme was implemented in 2022 by Teixeira Duarte - Engenharia e Construções, S.A. in Brazil to accompany and guide employees and dependants over 18 years old who are active in the corporate health plan and who have cardiovascular diseases, hypertension, and/or diabetes, or who have two or more risk factors such as smoking, obesity, dyslipidemia, sedentary lifestyle, or stress identified by the health questionnaire.

The follow-up is carried out through phone calls, WhatsApp, and email by a clinical team, with specific frequency for each risk classification, which can be monthly, quarterly, or half-yearly.

#### 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.

In Portugal, the Group provides employees of its companies with a complementary solution within the framework of partnerships, substantially expanding the network of discounts accessible to employees and their families – the "Compras.td" website.

### c) Flexible Benefits Programme

In January 2023, Teixeira Duarte Group made available to all permanent employees of controlled companies in Portugal a new edition of the "FlexPlus" Programme. This voluntary programme offers employees the opportunity to access a range of benefits for themselves and their families according to their preferences, including health expense reimbursement, childcare vouchers, professional training, technology acquisition, and vehicle acquisition.

# 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 talent expression: development and training

All companies within the Group are aware of the importance of their Persons in the ability to adapt and resilience of the business, with the development and qualification of employees being priority management aspects, enabling them to achieve new growth models and overcome the constant challenges in this increasingly non-linear world.

Within the scope of the development of Persons, Teixeira Duarte Group seeks to maintain consistency despite the diversity of activities and geographical dispersion. The subsidiaries of the Group are required to work on 4 main axes:

#### ENHANCE TALENT WITHIN THE ORGANISATION

Attract the most qualified people, developing them and promoting their evolution by merit and performance.

#### FOSTER STRONG LEADERSHIP

Improve the ability to promote People's performance and alignment with the strategy of the company.





# COMMUNICATE EFFECTIVELY Consistently spreading, internally and externally,

# strong value propositions.





#### **BUILD LEARNING CULTURES**

Nurturing opportunities fo all, separated into different areas of knowlege (technical and nontechnical), at different levels (operational, tactical and strategic) and in different learning formats.

In 2023, the Teixeira Duarte Group's Competence Development Policy remained in force, representing a robust model for the effective transmission of values and practices that constitute its corporate vision regarding the development and training of employees.

This policy is based on a matrix that integrates a common/transversal component across all business areas and a specific component, thus being adaptable to any sector, market, and professional category where the employee is located.

The business areas, in turn, define, implement, and evaluate the Competence Development Plans (CDP) of their employees. These are continuous training programs that allow for the perspective of each employee's training over time, particularly with regard to skill updating and career progression.

With the aim of continuing to follow best practices in professional training regarding technological trends and usability, the Teixeira Duarte Group developed, during the year 2023, new versions of the "OK - Online Knowledge | Powered by Grupo Teixeira Duarte" platform. This is a globalised e-learning solution, with local versions, which has been used by subsidiary companies since 2021 and allows for the personal and professional development of employees regardless of their physical location and the operation in which they are involved.

In the mentioned period, the average number of training hours per employee was 33 hours (+27% compared to 2022), with particularly positive performance noted in the markets of Portugal and Angola, with an average of 36 and 41 training hours per employee respectively.

Qualifying activities in 2023 covered 49.280 trainees (employees who attended a qualifying activity multiplied by qualifying activities) and totalled 297.847 hours of training volume (training hours attended by all trainees), representing a growth of 18% and 32% respectively compared to 2022.

These increases reflect the culture of continuous learning that characterizes most sectors of the Group. In Portugal, for example, Teixeira Duarte - Engenharia e Construções, S.A. is a certified training entity by DGERT - Direção Geral do Emprego e das Relações de Trabalho (General Directorate for Employment and Labour Relations), which enables the company to provide certified training in various areas, including Occupational Health and Safety, Civil Construction and Engineering, Metallurgy and Metalworking, Informatics, among others. Also in 2023, TDGI began a certification process by the same entity, which will further enhance the focus on professional qualification.

It is also worth highlighting the continuous investment by the Human Resources Departments of the Teixeira Duarte Group's businesses in raising awareness among team managers and employees about the importance of training.

For the accounting of these indicators from a geographical perspective, the Teixeira Duarte Group considers the market of the company to which the employee is assigned, although in specific situations, the employee may be temporarily relocated from it.



# TDGI STRENGTHENS COMMITMENT TO (RE)QUALIFICATION TO COMBAT UNEMPLOYMENT

In 2023, TDGI signed an agreement with the promoters of the "PRO\_MOV by Reskilling 4 Employment" Program in Portugal. This is a national program, part of the European initiative R4E, aimed at contributing to the employability of those at risk through requalification programs in various areas of activity and regions of the country. The Program aims to requalify 20.000 Portuguese citizens by 2025. TDGI's participation in this initiative began in 2022 when the company joined the Industry Laboratory, one of the focus areas/training themes of PRO\_MOV.

In Angola, the qualifying activities carried out throughout 2023 covered 17.890 trainees (+12% compared to 2022) and totalled a training volume of 127.251 hours (+10% compared to 2022).



### **CONTINUOUS TRAINING - CHALLENGES AND OPPORTUNITIES**

With the constant improvement of pedagogical performance as one of its main commitments, the Teixeira Duarte Professional Development Centre (CDP) in Angola held a seminar dedicated to Continuous Training in 2023. The initiative brought together over 30 participants, including training staff from the Teixeira Duarte Group, training managers, and representatives from the National Institute of Employment and Vocational Training (INEFOP) and the Centre for Employment and Vocational Training. The "Continuous Training - Challenges and Opportunities" Seminar was part of a series of activities developed by the CDP in 2023 to bring together companies and official entities linked to Employment and Vocational Training in the country.

The Teixeira Duarte Professional Development Centre (CDP) in Angola continues to be a structuring pillar for Teixeira Duarte Group companies in building a lifelong learning ecosystem for employees, as it concentrates a large portion of qualifying activities developed in this market.

# TEIXEIRA DUARTE PROFESSIONAL DEVELOPMENT CENTRE

- 1.500 m² of total building area (approximately).
- 6 rooms for theoretical training sessions.
- 1 IT room.
- 2 laboratories (electricity and electronics and civil engineering)
- 2 workshops for practical training in the Automotive and Distribution sectors.
- 1 auditorium and one dining hall with a capacity for more than 100 persons.

#### Highlights:

- 7 businesses with training activities: Construction, Facilities Management, Education, Real Estate, Hospitality, Distribution and Automotive.
- Over 100 training courses certified by INEFOP.
- 1st Centre Certified by Renault in sub-Saharan Africa.



In the areas of employability, professional qualification and Social Accountability of the Group in Angola, the "Go Fishing" Programme, in operation since 2013. In 2023, two more editions of the Program were held, totalling 10 classes promoted by the various business areas of the Group, which trained 115 young persons. Throughout its 10 years of operation, Go Fishing has trained and integrated 632 individuals into the Group's companies.

# FAZER PESCAR (GO FISHING)

#### Main Sustainable Development Goals









#### Scope(s)

Employability Professional qualification Social Accountability

#### **Target Group**

Young people living in an underprivileged social situation.

#### Challenge

Take advantage of the means and instruments focused on the training and professional development of employees of the various companies of the Teixeira Duarte Group to train the recipients, also giving them the opportunity to enter the labour market.

# Description

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

"Fazer Pescar (Go Fishing)" is an initiative 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.

The programme consists of 3,5 months of training, which includes components of social integration, integration in the company and integration at work. At the end of the course, trainees with positive assessments join companies Group companies.

Attendance is free and trainees benefit from meals, transport allowance, personal accident insurance, uniforms, school supplies and medical monitoring.



The "Go Fishing" programme is one of the Social Accountability initiatives that the Teixeira Duarte Group has been heavily investing in and will continue to invest in, with significant positive impacts for its companies, its people, and the communities it engages with.

The 20th edition of "Go Fishing" is scheduled to begin in the first term of 2024.

# Sectors / Companies of the Group involved

All sectors operating in Angola.

### **Impacts**

- 56 classes trained over 19 editions held since 2013 (2 editions with 10 classes in 2023);
- 673 young persons graduated since 2013, being 632 integrated into the Group's companies;
- On December 31<sup>st</sup> 2023, of the total number of young people integrated since the beginning of the programme, 186 were working in the Group's companies.



Graduates from the "Go Fishing" Programme at the diploma award ceremony of the 19th Edition in November 2023.

In Brazil, in 2023, activities were developed that involved 16.040 trainees (-10% compared to 2022), totalling 82.434 hours of training volume (+29% compared to 2022). The average number of training hours per employee was 31 hours in 2023.



# LEADERSHIPS DEVELOPMENT

After a year in 2022 focused on process improvement, including skills mapping, profiling, and tailoring training processes, managers in Brazil participated in a workshop on Strategic Reflection and Applied Assessment in 2023, aimed at developing leadership competencies and aspects. The work done allowed participants to individually construct a "Self-Development Commitment" with competencies to be worked on.

Additionally, two programmes stand out in Brazil regarding professional qualification and youth employment. Teixeira Duarte – Engenharia e Construções, S.A. has, ongoing for several years, a training program for newly graduated professionals, with a minimum duration of 12 months and whose objective is to develop youngsters through *on the job* training, aiming at their subsequent integration in the Company. In 2023, were integrated 46 trainees, having 7 youngsters been promoted following a period of traineeship and 14 youngsters been integrated in a follow-up phase of 1 to 2 years. In addition, the "Young Apprentice", a programme aimed at high school students, allowed the Group to integrate 30 young people in 2023, 3 of whom were absorbed by Teixeira Duarte – Engenharia e Construções, S.A. This initiative has a duration of 16 months and intends to provide youngsters with an experience in a work environment.

# 7. SOCIO-ECONOMIC PERFORMANCE

### 7.1. Tackling corruption and bribery, money laundering and terrorist financing

The compliance system of Teixeira Duarte Group includes the following mechanisms:

• Establishment of a Risks of Corruption and Similar Infractions Prevention Plan (PPR), approved in the Board of Directors meeting

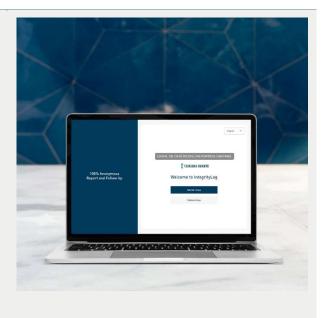
held on August 21st 2023, which comprehends the whole organisation and its activities, including the areas of administration, direction, operation and support, containing (i) the identification, analysis and classification of the risks and of the situations which might expose Teixeira Duarte Group to acts of corruption and similar infractions, including those associated to the functions of the members of the administration and management bodies, considering the reality of the sector and the geographical areas where the company operates, (ii) preventive and corrective measures which enable the reduction of the probability of occurrence and the impact of the identified risks and situations.

- Monitoring of sanction regimes, both individual and collective, under legal regulations related to Compliance matters;
- Provision of Training Programs regarding Corruption Prevention and the Ethics Channel;
- Risk assessment processes and financial and non-financial internal control procedures, which include due diligence of third
  parties and high-responsibility staff, relationship with competitors, confidentiality, among others;
- Monitoring of the system's performance, by means of internal and external audits, investigation of complaints and other compliance violations and; and
- Establishment of a Whistleblowing Policy through the implementation of an Ethics Channel, which includes a Reporting Channel and allows for the reporting of corruption-related incidents as well as any other misconduct that may involve the commission of an illegal act, such as harassment or discrimination issues, in a completely anonymous manner.

#### **ETHICS CHANNEL**

Reports concerning infringements and violations of applicable external and internal rules can be submitted through the Teixeira Duarte Group's Ethics Channel (https://www.teixeiraduarte.pt/grupo/canal-de-etica/) and also through the following channels:

- Mail addressed to the Company using the respective addresses;
- Mail addressed to the Board of Directors or to the Supervisory Board of Teixeira Duarte, S.A.;
- Electronic mail sent to the address conselhofiscal@teixeiraduarte.com, with exclusive access granted to the members of the Supervisory Board;
- Electronic mail sent to the address compliance@teixeiraduarte.com, with exclusive access granted to the members of the Ethics Team;
- Message sent through the Reporting Channel from the Teixeira Duarte website(<u>www.teixeiraduarte.com</u>) or the Teixeira Duarte Employee Portal.



The compliance system also ensures the implementation and evaluation of the Code of Ethics and Conduct's effectiveness, according to which employees must act in order to evaluate and avoid any situations of conflicts of interest, as well as prevent any corrupting behaviour, in an active or passive form, including facilitation payments or receipts, or the creation, maintenance or promise of irregular or biased situations.

The employees have an obligation to report information on any actions that constitute incorrect behaviour, including those that constitute possible illegal or unlawful practices in financial and accounting matters, fraud, corruption and money laundering, as well as any actions directly or indirectly related to terrorist entities or that may target or support terrorism practices.

They are also responsible for promoting the same attitude on the part of indirect recipients of this Code.

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 companies of the Teixeira Duarte Group in the various markets have accompanied the respective legislative evolution. In the specific case of real estate activity, this evolution has been reflected in the strengthening of risk assessment and increased pre-contractual diligence.

Teixeira Duarte – Engenharia e Construções, S.A., in compliance with the provisions of Decree-Law No. 109-E/2021, of December 9<sup>th</sup>, approved its Plan for the Prevention of Corruption Risks and Related Infractions on May 9<sup>th</sup> 2022, in a meeting of the Board of Directors. This Plan covers the entire organisation and activity, including administrative, management, operational or support areas, containing (i) the identification, analysis and classification of risks and situations that may expose Teixeira Duarte - Engenharia e Construções, S.A. to acts of corruption and related infractions, including those associated with the exercise of duties by the members of the management and management bodies, considering the reality of the sector and the geographical areas in which the entity operates, (ii) preventive and corrective measures to reduce the probability of occurrence and impact of the risks and situations identified.

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

The activities of the companies controlled by Teixeira Duarte, S.A., regardless of the sector of activity, have impacts on the socioeconomic development of the places where they operate.

To enhance its positive impacts and, on the other hand, mitigate the negative ones, the Group promotes, together with the companies it controls, a culture of ethics, of quality, of investment in local contracting and in the development of subcontractors and local suppliers, of strengthening their technological capacities and Social Accountability, especially in developing countries, which contribute to the sustainable development of communities.

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

In this regard, the responsibility of the so-called Corporate Area of the Group should be highlighted, which, as part of Teixeira Duarte – Engenharia e Construções, S.A., transversally supports and guides the activities of other affiliated companies in matters such as Social Accountability.

### a) Clients

The focus on quality, on continuously improving overall performance and the intention to satisfy the needs and expectations of their clients, have led several companies in the Teixeira Duarte Group to invest in the implementation and certification of Quality Management Systems in accordance with the ISO 9001 standard, as a factor of strengthening and sustainability of the business, contributing to the economic pillar, which in turn allows them to have the capacity and the means for other sustainability initiatives.

Sectors and markets where the Teixeira Duarte Group companies had Quality Management Systems (ISO 9001) implemented as of December 31st 2023:

- Construction: Portugal, Brazil and Mozambique;
- Concessions and Services: Portugal, Angola, Brazil, Spain 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

Aware of the importance of third parties in the development of the Teixeira Duarte Group's activities, the principles underlying its Compliance Policy must always be present in the relationship between the companies of the Teixeira Duarte Group and their business partners, as well as in relation to interactions with public officials.

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.

Teixeira Duarte – Engenharia e Construções, S.A., supported by the SA 8000 Standard that it implemented in Portugal, promotes respect for Human Rights, including labour rights and safe and healthy work environments for all workers together among suppliers and subcontractors, demanding compliance with social accountability requirements, in particular:

- Not using or supporting the resort to child, forced or compulsory labour;
- Providing a safe and healthy environment for the provision of work;
- Not hindering freedom of association and the right to collective bargaining;
- Not engaging or supporting discriminatory acts in any form;
- Not exercising or supporting harsh or inhumane disciplinary practices;
- · Acting in accordance with applicable laws and the standards of the respective area of activity, in matters related to working hours;
- · Practise remuneration considered adequate for the work actually performed, always respecting what is legally stipulated.

In 2023, 100% of the contracts signed by Teixeira Duarte - Engenharia e Construções, S.A. with its suppliers included specific clauses on the conditions to meet with regard to matters such as social accountability, ethics, integrity and transparency, in alignment with Teixeira Duarte's Code of Ethics and Conduct, thus ensuring these principles are spread through its chain of.

In the specific case of subcontractors, the Group's companies that operate in Construction have established specific mandatory contractual provisions, in addition to the legal ones, regarding safety, hygiene and health at work, including insurance for occupational accidents, personal protective equipment, accidents, training and information, prevention and control of alcoholism, among others.

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 2023, 10 supplier inspections were carried out in Portugal, within the universe of companies which the Company has a supply relationship with.

#### **DUE DILIGENCE**

Within the framework of compliance with the Minimum Safeguards of the Taxonomy Regulation (Article 18 of Regulation 2020/852), in 2023, the Teixeira Duarte Group continued the process of strengthening the due diligence processes implemented in controlled companies in the areas of Compliance, Human Rights, and Environment.

It should be noted that on February 23<sup>rd</sup> 2022, the European Commission released the Proposal for a Directive on the Duty of Due Diligence of Companies in Sustainability Matters (CSDD - "Corporate Sustainability Due Diligence"), which significantly overlaps with Article 18 of the Taxonomy Regulation, helping to comply with it, and which will be applicable to companies covered by Decree-Law No. 89/2017 of July 28<sup>th</sup> (Non-Financial Information Reporting) and its revisions (Corporate Sustainability Reporting Directive - CSRD).

Each business area of the Teixeira Duarte Group should, in the short term and according to its sectoral and geographical realities, consolidate, and when necessary, evolve its respective supplier qualification and risk assessment processes, in order to strengthen sustainability criteria in supplier selection, particularly in the areas of Environment, Human Rights and Social Accountability, Health and Safety at Work, and Compliance management.

In addition to the processes carried out by the business areas themselves, the Teixeira Duarte Group has created a corporate Working Group, which brings together Compliance and Sustainability areas. The Working Group met monthly in 2023 to conduct a gap analysis of the business areas' due diligence plans and develop improvement plans.

In the Distribution sector, in Angola, the subsidiary CND has been implementing a program since 2012 aimed at supporting agricultural and livestock production activities, job creation, and entrepreneurship among suppliers, as well as encouraging the formalization and growth of micro, small, and medium-sized enterprises. Through the "Fazenda Maxi Program," CND establishes partnerships with national producers, providing them with technical support and ensuring the purchase and distribution of their products, while also offering safe and quality national products in its stores for the population.

In a process initiated in 2022, CND obtained, in May 2023, the first "GlobalG.A.P certification for Producer Groups" awarded in Angola, allowing it to export tropical fruits to the most demanding international markets. The aim of the initiative, which received support from the IFC - World Bank in training and specialized technical know-how, was to promote the growth and sustainability of the Angolan agribusiness sector and help it access new markets.

In December 2023, the first export of fruits from Angola to Portugal was carried out.

In 2023, the number of members in the "Fazenda Maxi" programme remained at 40 producers from 11 provinces of Angola. The strong devaluation of the currency, and consequent shortage of foreign exchange, led to failures in the supply of agricultural inputs (imported seeds and agrochemicals), affecting national production in a widespread manner. 2023 was also marked by heavy rains that resulted in

the total loss of many crops. For that reason, the quantity of products purchased by CND from the "Fazenda Maxi" network of producers decreased by 16% from 2022 to 2023.



Plantation of plantains on a farm associated with the "Fazenda Maxi" programme, in Angola.

# FAZENDA MAXI

#### Main Objectives of Sustainable Development













### Scope(s)

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

#### **Target Group**

Agricultural producers, with an emphasis on small and mediumsized 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.

#### Characterisation

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.

Through this programme, the CND provides producers with technical advice throughout the production process and specialised training with a view to improving the quality and regularity of their production. On the other hand, it guarantees the delivery of the products to the Maxi stores, collecting and transporting them.

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



The CND's support for producers includes technical support, supply, logistics and Food Quality and Safety of the products, with a fleet of refrigerated vehicles, specially developed shipping boxes and operational support for their central structure.

In 2023, CND began exporting tropical fruits produced by "Fazenda Maxi" producers after obtaining the necessary GlobalG.A.P certifications, in partnership with the IFC – World Bank.

# Sectors / Companies of the Group involved

Distribution Sector in Angola.

# **Impacts**

- 4.430 tonnes purchased in 2023 (- 16% than 2022);
- In 2022 it represented 75% of the volume of the Fruit & Vegetable category of the "Maxi" stores, continuing to contribute to the reduction of the import rate in the category;
- 4.000 permanent and seasonal jobs on average per year;
- Transfer of knowledge and know-how;
- Strengthening the technical capacities of producers to move towards more competitive and sustainable production standards;
- Professional development of small agricultural entrepreneurs;
- Revitalisation of local economies and subsequent promotion of the settlement of people in rural areas;
- More diversified and high-quality domestic product offer

#### 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 with this purpose that the "We All Give" Programme was promoted for the first time in 2015, a project aimed at employees that allows companies in this Group to reinforce the donations they intend to make to projects and social solidarity institutions that support people. Until 2022, these supports were limited to financial donations. However, in 2023, the Teixeira Duarte Group approved and added to the Programme the modality of time donation (volunteering).

Regarding the modality of financial donations, during that year, the Teixeira Duarte Group approved 50 applications from employees from 5 countries: Portugal, Angola, Brazil, Spain and Mozambique. Employees selected 34 institutions, which received a total of 48.600 donated euros by employees and their respective companies.

As for the option of donating time, i.e., volunteering, the Group approved 6 applications in Portugal. The participating employees donated 13 days of their personal time for volunteering, and the companies provided 25 days of work leave for the same purpose. The supported institutions thus benefited from 38 days of volunteering through the "We All Give" Programme.

# TODOS DAMOS (WE ALL GIVE)

#### Main Objectives of Sustainable Development









#### Scope(s)

Social Accountability

### Target Group / Beneficiaries

#### **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 "We All Give" Programme is an annual Social Accountability programme implemented by the Teixeira Duarte Group in 2015, which allows the Group's companies to reinforce the donations that their employees intend to make to social solidarity projects and institutions that support people. Thus, the employees who choose the institutions to support.

In 2023, the Programme began to include not only the modality of financial donation but also the possibility of donating time (volunteering).

The Group's companies donate double the amount donated by employees and/or grant the employee two days of work leave for volunteering activities, for each day of vacation, weekly rest, or holiday used for the same purpose. In other words, the institutions benefit from triple the support - financial and/or time - that the employee made available on a personal basis.

Any employee can apply for the Programme, indicating a social institution based in a country where the Group operates.



The "We All Give" Programme for 2023 was in effect between January  $1^{\rm st}$  and December  $25^{\rm th}$  2023.

### Sectors / Companies of the Group involved

All companies included in the consolidation perimeter of Teixeira Duarte can join the Programme.

#### **Impacts**

- 50 applications in 2023 (+12 than in 2022);
- Taking into account donations from employees and donations from Teixeira Duarte Group companies, 48.600 euros were raised in 2023 (+12.777 euros compared to 2022).
- In the first year of the time donation (volunteering) modality, 6 applications were approved.
- Between volunteer days donated by employees (personal time) and work leave days granted by their respective companies (equivalent to approximately 4,000.00 euros in salaries), institutions benefited from 38 days of volunteering.
- 35 institutions were supported through both modalities in Portugal, Angola, Brazil, Spain, and Mozambique in 2023 (+4 compared to 2022).

Besides the financial support that the employees give through the applications to the program "Todos Damos" (we all give), these institutions are, in some cases, supported also by the employees by means of volunteer and goods gathering actions.

#### SOCIAL ACTION OF THE DISTRIBUTION SECTOR IN ANGOLA

Identified by employees in the Distribution sector in 2020 through the "We All Give" Programme, the Association of the Sisters of Our Lady Mamã Muxima, which shelters orphaned children and youth in Luanda, was supported by CND in 2023 through the donation of goods, including food items.

Also, in the province of Benguela, through the efforts of the Maxi stores in Benguela and Lobito, CND employees visited the Childhood Shelter Association, interacting with the children and gifting them with food items and toys for the Christmas season.





Donation of Goods at the Childhood Shelter Association, in December 2023

# ASSOCIATION EPIS (PORTUGAL)

In 2023, the Teixeira Duarte Group renewed its partnership with EPIS (Entrepreneurs for Social Inclusion), with the participation of employees in the volunteer programme "Mediators for School Success." These employees provided educational support, on a voluntary basis, in Mathematics, English, and Portuguese subjects to four students in Middle School. Throughout the period, approximately 60 tutoring sessions were conducted, all held online. EPIS is a Portuguese association aimed at increasing educational success, improving the quality of education and training systems, and promoting the professional integration of young people in Portugal.



Created by the Construction sector of the Group in Angola in 2019, after identifying that the shortage of blood in hospital institutions directly or indirectly affected many employees, the "Giving Life" Programme aims to promote regular voluntary blood donation, particularly among employees, contributing to increasing the blood supply of healthcare institutions. In 2022, the Group's companies in Mozambique also adopted this Programme.

In 2023, through various technical partnerships that the Group maintains in both countries, 148 blood collections were made. Considering that each donation can help save up to 3 lives, these donations can potentially help save the lives of more than 440 people.

# DAR VIDA (GIVE LIFE)

#### Main Objectives of Sustainable Development





#### Scope(s)

- Public Health
- Information
- Social Accountability

# Target Group / Beneficiaries

**Employees** 

Health Care 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.

#### Characterisation

Social accountability 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 promote the regular voluntary blood donation of employees. 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 / Companies of the Group involved

Various sectors in Angola and Mozambique.

#### **Impacts**

- 40 collection actions carried out in Angola since 2019 (8 in 2023) that totalled 412 donations from employees;
- 6 collection actions carried out in Mozambique since 2021 (2 in 2023) that totalled 215 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, in these two countries, 627 blood collections have been carried out that have made it possible to help save the lives of more than 1.400 persons;
- Promotion of partnerships and closer relations with health institutions.

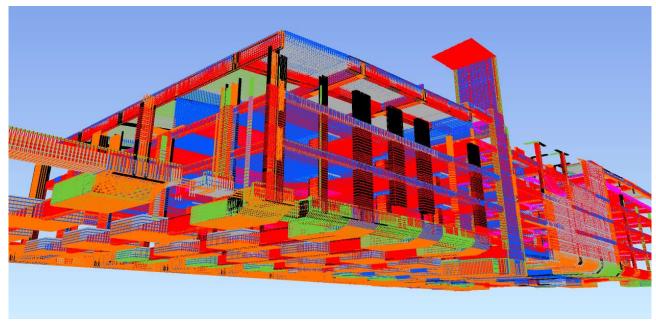
# 7.3. Research, Development and Innovation (RDI)

In order to promote the creation of innovative solutions, promote synergies and stimulate employees as innovation agents, the Teixeira Duarte Group constituted, in 2022, an Innovation Committee involving the Management and representatives of its business areas and corporate areas.

#### **BACK-TO-MARKET PROGRAMME**

The Back-To-Market programme, conducted in partnership with the Catholic University, had the main objective of diagnosing the maturity and specific needs of the Teixeira Duarte Group regarding Innovation. Based on interviews and questionnaires conducted with business areas, a holistic understanding of the Group's innovation ecosystem was obtained, including how ideas are generated, the current governance structure, and existing innovation practices. Furthermore, important information was collected about past innovations, which helps support future strategies.

In the Construction sector, the Teixeira Duarte Group is investing significantly in digitalization, implementing an ambitious plan led by Teixeira Duarte - Engineering and Construction, S.A. to consolidate the "Building Information Modelling" (BIM) methodology. The objective is to achieve a level of competence in all dimensions of BIM that is a reference in the market. In 2023, there was an exponential increase in the number of projects managed using the BIM methodology. Moreover, the company maintained a strong commitment to employee training, the production of BIM standards and templates adapted to the reality of Teixeira Duarte, and the development of applications that allow process optimization.



Expansion of the Centro Comercial Colombo in Lisboa - Parking Lot (3D modelling of reinforcements)

Highlighting the federated BIM implementation model that involves creating a central base, subsequently enriched with specific information from the business area. In this context, issues related to the country where the project will be executed can be addressed, such as work procedures, standardisation, and legal requirements, among others.

Teixeira Duarte's BIM is based on the development of its documentation and processes in international standardisation standards, ensuring compliance with the best market practices. This approach not only confirms the Group's commitment to excellence but also positions it advantageously to tackle new challenges anywhere in the world, demonstrating its readiness to act globally with effectiveness and innovation.

In 2023, the innovation projects OMICRON, SHELTER, REV@CONSTRUCTION, and METABUILDING, initiated in previous years and in which Teixeira Duarte - Engineering and Construction, S.A. participates, continued.

In the particular case of the REV@CONSTRUCTION Mobilizing Project, which ended at the end of 2023, Teixeira Duarte - Engineering and Construction, S.A., as the leading entity, dynamically assumed, through open and constant communication with the stakeholders, that the project results remained aligned with the pre-established objectives.

#### PREDICTIVE ANALYSIS IN MAINTENANCE MANAGEMENT

TDGI, in partnership with ISEL, completed the proof of concept of a Machine Learning platform that performs cross-analysis of data produced by monitoring systems and maintenance management. The system analyses the tasks performed in corrective Work Orders and creates a dynamic catalogue of services. Through the service catalogue, the system feeds a history of the various types of corrective actions performed for each piece of equipment. The history allows identifying the frequency of actions for each piece of equipment and consequently anticipating corrective actions. In terms of information received through the monitoring software, the system reacts to alarms or anomaly trends by suggesting corrective actions to resolve the alarm or predicted anomaly. The suggested actions result from the history of interventions performed on the equipment under similar conditions.

#### a) Information Security Management

In today's interconnected world, where information is a valuable asset and cyber threats are constantly evolving, compromising the integrity, confidentiality, and availability of information, the Teixeira Duarte Group recognises that information security is a fundamental pillar for the stability and reliability of the organisation with its stakeholders and to ensure business continuity.

To manage this pillar, Teixeira Duarte has established information security as a strategic priority in recent years, developing and strengthening systems to address the protection of personal data (GDPR), security of classified materials (SEGNAC), and cybersecurity.

Concerns regarding confidentiality, integrity, availability, intellectual property, copyright, among others, are also integral parts of the formal relationship with the suppliers of Teixeira Duarte Group companies.



#### CERTIFICATION OF THE INFORMATION SECURITY SYSTEM

In 2023, in order to establish an effective information security management structure, Teixeira Duarte - Engineering and Construction, S.A. was tasked with elevating the maturity of the information security management system, which, considering the resources and future objectives, could be incremental and eventually encompass the entire Teixeira Duarte Group.

The company thus initiated a certification process for the management system in accordance with the international standard ISO/IEC 27001:2022, which will be completed in 2024. Initially, certification will cover the Datacentr, followed by the Helpdesk.

In addition to information security measures and controls, awareness among Teixeira Duarte Group employees regarding information security is regularly emphasised, and internal cybersecurity training is mandatory. In 2023, over 10 initiatives were developed to ensure that employees understand and adopt behaviours in line with the security policies defined by the Company.

People, Processes, and Technologies are thus the pillars of the information security management system of the Teixeira Duarte Group, whose foundations include compliance with requirements, risk management, awareness and training, accountability, continuous improvement, and ensuring the confidentiality, integrity, and availability of information and supporting assets.

#### b) Intellectual Property

To ensure the protection of all intellectual property rights generated in the scope of Research, Development and Innovation, Teixeira Duarte - Engenharia e Construções, S.A. has granted several patents in Portugal, with emphasis on the following pioneering systems and methods:

- Assembly system for bridge and/or viaduct decks by incremental advancement, with reaction on the temporary support beams at the abutment and sliding on plastic material;
- · Method for protecting the fixation of the rubber water stop in bridge / viaduct expansion joints and its assembly;
- Suspended cradle on the funicular cables of a suspension bridge equipped with means that allow its movement and the crossing of
  the existing clamps on the hanger cables of said bridge.

In the 2023 financial year, no new invention patents were submitted for registration.

Regarding trademarks, within the universe of Teixeira Duarte Group companies, there is a vast number of protected trademarks for exclusive use in various countries. The total of trademarks protected by these companies has been over 500 since 2017.

#### c) Contribution to the Construction sector's normative activity

The contribution to the normalization of the activity sectors establishes, for companies, a means of competitive differentiation, as it privileges activity development in line with rules of the trade and national and international standards.

In 2023, Teixeira Duarte - Engenharia e Construções kept its participation in the *Technical Working Group* of the *European Federation* of Foundation Contractors (EFFC) which aims at the cooperation and development of guides and standards for the execution of geotechnical.

The company actively participated in the annual meeting of this working group, held in Brussels on May 11<sup>th</sup> and 12<sup>th</sup> 2023, addressing, among others, the following topics:

- Special geotechnical works standards
- DFI-EFFC Working Platform guide
- Watertightness of Retaining Walls
- Sustainability
- Pile Integrity Testing

Teixeira Duarte - Engineering and Construction, S.A. is part of the working group WG11 of the Technical Committee TC182 of ISO, responsible for drafting the standard ISO 22477-2 Geotechnical investigation and testing - Testing of geotechnical structures - Part 2: Testing of piles: Static tension load testing e ISO 22477-6 Geotechnical investigation and testing - Testing of geotechnical structures - Part 6: Testing of soil nails and rock bolts.

Teixeira Duarte also participates in the standardisation activities of the Portuguese Technical Committee for Standardisation CT156 - Geotechnics in Civil Engineering.

In the field of BIM standardisation in Portugal, Teixeira Duarte is part of CT197, whose mission is to develop standardization in the scope of classification systems, information modelling, and processes throughout the life cycle of construction projects, and to monitor the developments of CEN/TC 442, the Technical Committee of CEN (European Committee for Standardisation) regarding BIM standardisation.

Teixeira Duarte, in collaboration with the *Instituto Superior Técnico* and the *Laboratório Nacional de Engenharia Civil* (National Laboratory of Civil Engineering), has initiated a working group titled "BIM Measurement and Quantification System". This group's main objective is to analyse the adaptation of the "Rules of Measurement in Construction" standard for the incorporation of modern methodologies that use BIM software.

In 2023, Teixeira Duarte - Engineering and Construction, S.A. also maintained its participation in the Portuguese Geotechnical Society, integrating the working groups GT2 - Port Geotechnics and GT4 - BIM and Information Management in Underground Works of the Portuguese Committee for Tunnels and Underground Space (CPT). These groups aim to organise and participate in training activities and technical-scientific dissemination events, promote visits to works, and develop and publish technical documentation in various aspects of transportation geotechnics, among others.

#### d) Partnerships with entities of the scientific and technological system of the Construction sector

Within the Construction sector, the Teixeira Duarte Group promotes innovation and technological development by engaging in R&D activities in partnership with institutions within the scientific and technological system, as well as with other companies in the industry.

#### Main Partnerships in Portugal:

#### Portuguese Construction Technology Platform



The PTPC brings together companies, designers, universities, public entities and other entities of the Scientific and Technological National System, with the mission of promoting reflection on the Construction sector, implementing initiatives and Research projects, Development and Innovation, contributing to increased competitiveness in the economy's general framework and promoting cooperation between stakeholders in the Construction and Public Works sector or related to it.

Teixeira Duarte - Engenharia e Construções, S.A. has held the PTPC Presidency since its establishment in 2011.

#### AEC Cluster - Architecture, Engineering and Construction



Established in 2016, the AEC Cluster is managed by PTPC. Operating in the economic sector of Architecture, Engineering and Construction and respective rank or value chain, favouring the achievement of high innovation, technological development and competitive capacity levels, cooperation and networking and the cluster's internationalization development through, namely, the participation in international networks.

### Built CoLAB - Collaborative Laboratory for the Environment Built from the Future



In 2020, PTPC approved the application for a Collaborative Laboratory for the provision of 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.

Under this Collaborative Laboratory, the following business skills development areas are eligible:

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

In 2023, Teixeira Duarte and BuiltCoLAB established an agreement allowing the team from this Collaborative Laboratory to use the company's facilities on a weekly basis, aiming to create synergies and provide integrated solutions for higher levels of innovation and coordination with the various business areas of the Teixeira Duarte Group.

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

# Portuguese Structures' Engineering Association which constitutes the Portuguese group of the International Association for Bridge & Structural Engineer (IABSE)



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

### Fund for the Development of the Sciences of Construction (FUNDCIC)



Teixeira Duarte - Engenharia e Construções, S.A. chairs the General Assembly of FUNDCIC, a scientific association governed by private law that brings together, as associates, among various entities, the National Civil Engineering Laboratory, and which,

for non-profit purposes, has as its purpose the support for engineering research and development.

#### Association for Training and Development in Civil Engineering and Architecture (FUNDEC)



A Teixeira Duarte - Engenharia e Construções, S.A. has been a member of the FUNDEC Advisory Board since its foundation. FUNDEC has defined as goals the institutionalisation of continuous training actions, add value and recycle persons and companies operating on the wide domain of Civil Engineering and Architecture. Simultaneously, FUNDEC supports companies through the provision of services of science and technology.

#### Association BuildingSMART



Teixeira Duarte - Engenharia e Construções, S.A. is associated of *BuildingSMART*, whose main objective is to promote the efficiency in the construction sector through the use of open standards of interoperability in BIM ("Building Information) to achieve new levels of cost reduction, execution time and quality.

#### Main International Partnerships:

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



Teixeira Duarte - Engenharia e Construções, S.A. was admitted to ENCORD in 2014. ENCORD is the European Commission's contact association in matters regarding innovation in construction and superintends the activity of the ECTP - *European Construction Technology Platform*. ENCORD receives the participation of the major construction companies in Europe in the promotion of innovation and competitiveness.

# ECTP - European Construction Technology Platform



B4P - Built4People





Teixeira Duarte, through the PTPC and the ECTP, has been participating in this partnership under Horizon Europe since 2021. The partnership aims to catalyse the transition to a people-centred, climate-neutral, sustainable and intelligent built environment.

# 8. ENVIRONMENTAL MANAGEMENT

The principles of action of the Teixeira Duarte Group's employees with regard to the environment, which are enshrined in the Code of Ethics and Conduct and also transmitted to the indirect addressees of this instrument, are based on an approach to environmental risk management that effectively minimises the impacts of the companies' activities and improves the environmental performance of the buildings and infrastructures that they build and, often maintain, for their clients, particularly in the areas of Construction, Facilities Management and Real Estate.

Indeed, the Group's companies operating in the AEC industry, whose activities have a significant environmental impact, are particularly committed to innovating processes, raw materials and operations, which not only allow them to modernise and increase their productivity, but also contribute to a greater alignment of the industry with global environmental goals. In the management of environmental issues, the Teixeira Duarte Group considers the main global macrotrends, the regulatory and regulatory context (United Nations 2030 Agenda, European Ecological Pact, European Climate Law), the main economic and financial frameworks (Next Generation EU, Taxonomy), ESG requirements for investors, and other instruments.

Given the great diversity of activities of these companies, as well as the fact that their most representative activity – Construction – is subject to strong fluctuations in the impacts caused according to the works in progress (type, quantity and stage) – which limits the annual comparability of data – the choice of an indicator panel and of an adequate reporting approach to reflect the performance of the Group's various activities is conditioned. It is also difficult to apply the same mechanisms for managing environmental aspects to all markets, due to the heterogeneity of existing socio-economic contexts. Nevertheless, the Teixeira Duarte Group is developing processes based on the current available methodologies that allow it to manage information and create environmental performance indicators in a balanced and consolidated manner.

#### 8.1. Environmental management systems

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.

In 2023, several companies in the Construction and Facilities Management sector had environmental management systems certified according to this 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 and Spain (TDGI).

As of December 31st 2023, the activity certified by ISO 14001 was equivalent to 50% of the Group's total operating income.

In the other realities of the Group's companies, the parametrised and safeguarded environmental risks are indexed to legal aspects, to contractual requirements, when applicable, and to operational efficiency itself, insofar as measures and investments are also implemented that are reflected in gains, namely with regard to the consumption of energy, water, materials, waste management, among others.

# WORLD ENVIRONMENT DAY

When of the World Environment Day, celebrated on June 5<sup>th</sup>, companies within the Teixeira Duarte Group annually promote multiple initiatives to raise awareness among employees about their role in environmental action.

The theme of the 2023 campaign was "Solutions for Plastic Pollution" and aimed to highlight the ubiquitous presence of litter in the sea and the adverse impacts of plastic pollution – from environmental degradation to economic losses for communities and industries, to risks to human health – and to emphasise the need to urgently implement solutions – both large and small – with innovation, commitment, and responsibility.



Teixeira Duarte - Engenharia e Construções, Portugal





Teixeira Duarte - Engenharia e Construções, Portugal





Teixeira Duarte - Engenharia e Construções, Angola



TDGI Angola



#### 8.2. Provisions and financial guarantees on 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 in the context of liability for environmental damages, resulting from Decree-Law no. 147/2008 and subsequent amendments, the companies of the Teixeira Duarte Group covered by this legislation chose, in Portugal, to constitute financial guarantees that totalled 97.000 euros as of December 31st 2023, an amount that remained the same compared to 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

Teixeira Duarte Group and the companies it controls have worked to minimise energy consumption at their facilities, seeking to improve its environmental performance and greater operational efficiency also. This action involves increasing investment in "clean" technologies and raising employee awareness.

In 2023, TDGI replaced the lighting at the Technical Training Centre of the company in Portugal with LED technology, resulting in an energy saving of around 70%.

Additionally, in the projects being developed within the real estate activity of the Group's companies, increasingly efficient energy solutions are being chosen to optimise consumption during the operation stages of the developments.

In the field of Facilities Management, TDGI, a company within the Teixeira Duarte Group, offers its clients services for analysing and diagnosing energy solutions that enable them to optimise and reduce energy consumption in their facilities. It is important to note that the evolution of auditing technologies and energy efficiency solutions, coupled with a growing demand, have been providing TDGI with increasing opportunities in this field.

# 8.4. Water resources

Within the scope of environmental management systems, several companies in the Teixeira Duarte Group assess the environmental impacts resulting from the use of water resources, seeking to act to reduce consumption and minimise the pollutant load discharged to soil or water environment.

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 on-site. Still, the water consumed is mostly supplied by the water supply network.



Awareness-raising campaign led by Teixeira Duarte – Engenharia e Construções, Mozambique

The activities that usually take place along water lines are the target of monitoring of surface water resources for the purpose of identifying any change quantitative or qualitative change. At the same time, monitoring of water captures and discharges into soil or water is carried out whenever there are potential impacts on the surrounding environment.

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.

### 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 IPQ - Portuguese Quality Institute since 1996, and having been one of the first laboratories to obtain this Accreditation in the field of concrete and aggregates in the country, the Materials Laboratory maintained, in 2022, its accreditation under the NP EN ISO/IEC17025 Standard.

In 2023, the Teixeira Duarte Group continued its strategy of digital process transformation, consolidating several projects it has been implementing over the past three years and developing new tools that not only enhance processes but also reduce the reliance on paper across its companies.

# CERTIFIED PRODUCTION OF METALLIC STRUCTURES

In 2023, 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. The Company holds Execution Class EXC4, which constitutes the highest level of Factory Production Control Certification under that standard

#### 8.6. Noise

In the Construction activity, noise can be an environmental and social risk factor, in some phases and types of work. Thus, the noisiest activities that are carried out in the vicinity of sensitive receivers are planned in order to minimise their impact - whenever possible noisy

activities are planned for during the day and excluding Saturdays, Sundays and holidays. If this is not at all possible, a special noise license is requested for the execution of the works.

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 CO₂e emissions and inherent to their activities.

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.



# REDUCTION OF THE EMISSION OF GREENHOUSE EFFECT GASES IN PORTUGAL

In 2023, the installation of the Self-Consumption Production Unit (UPAC) continued at the Operational Hub of the Construction Sector of Teixeira Duarte Group in Portugal. As a result of an agreement with Greenvolt Next Portugal, this UPAC features over 2.100 photovoltaic solar panels, which will reduce the energy bill of the facilities by 62% and prevent the emission of 823 tons of CO2e per year.

Production is scheduled to begin in the first half of 2024, and the UPAC at the Operational Hub has an installed capacity of 1.174 kWp. The emissions which were avoided through the implementation of this measure are the equivalent to the CO2 captured per year by 5.700 trees.

In the Facilities Management sector, TDGI offers its clients technical services for the installation and maintenance of renewable energy sources, a business segment that has experienced growth in demand.

Through the installation of photovoltaic panels at client facilities, TDGI has contributed to the production of 845 MWh through renewable energy, thus avoiding the emission of 304,18 tons of  $CO_2e$  into the atmosphere.

Regarding CO<sub>2</sub>e emissions from travel related to real

estate operations, Teixeira Duarte Group companies have been investing in innovative mobility solutions, including partnerships and dialogue with local authorities.

# 8.8. Waste

Waste production is one of the most relevant environmental aspects in the Construction sector. In addition to complying with the applicable national legislation in each market, companies of the Teixeira Duarte Group in this area have developed awareness-raising and training campaigns in recent years, with the objective of promoting the segregation of waste and, consequently, its valuation.



Awareness-raising campaign led by Teixeira Duarte - Engenharia e Construções, in Brazil

These campaigns are aimed not only at the Group's employees, but also at all interested parties and actors in waste management, namely subcontractors and suppliers.

When it is not possible to guarantee recycling and/or recovery solutions, waste is sent to duly authorised and licensed locations within the framework of each geography.

#### 8.9. Environmental research partnerships

Teixeira Duarte - Engineering and Construction, S.A. is part of the GreeNexUS Consortium, included in the Marie Skłodowska-Curie Actions program, the European Union's reference for doctoral and post-doctoral studies, leading the "Green-BIM" theme.

GreeNexUS is supported by "Horizon Europe" and enables 20 institutions from nine European countries to develop 10 specific topics to make European cities greener, healthier, and safer.

Teixeira Duarte, together with six European universities, benefits from this fully funded project by the European Commission, being the only company with this status in the consortium.

Launched in February 2023 and concluding in December 2026, this collaborative program guides a doctoral program with the aim of: 1) creating a framework to promote green buildings as drivers for improving urban quality and environmental health in future low-carbon societies; 2) establishing a BIM workflow for designing high-performance green buildings; 3) defining guidelines for new professional requirements and future platforms to accelerate BIM development.

The doctoral program "DC6-BIM workflow for green high-performance building: design to construction (GREEN-BIM)" will be developed at the Project Management Department of Teixeira Duarte - Engineering and Construction, S.A.

The doctoral program focuses on developing a BIM workflow based on Life Cycle Assessment (LCA), combining sustainable design principles and integration of green infrastructure in the building envelope. The incorporation of this scientific research into building projects and envelope design, using BIM methodology, aims to decarbonise and improve the quality of the urban environment, focusing on optimizing the efficiency of the design-construction-maintenance chain.

#### 8.10. European Taxonomy

With the approval of the Regulation (EU) 2020/852 on June 22<sup>nd</sup> 2020 - Taxonomy Regulation - the companies under the obligation of publishing a consolidated non-financial statement, in accordance with the Decree-Law no. 89/2017, of July 28<sup>th</sup>, must divulge the proportion of the turnover, capital expenses (CapEx) and operating expenses (OpEx) which results 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 to be considered aligned within the scope of Taxonomy, it must: i) be eligible, that is, it must be listed in the Delegated Climate Act (Delegated Regulation (EU) 2021/2139) or in the Supplementary Delegated Act (Delegated Regulation (EU) 2022/1214) relating to certain activities in the energy sector; ii) contribute to at least one of the environmental objectives (mitigation of climate change; adaptation to climate change; protection of water and water resources; transition to a circular economy; prevention and control of pollution; protection and restoration of biodiversity and ecosystems); iii) not harm any of the other environmental objectives and; iv) be aligned with the minimum safeguards requirements.

The technical assessment criteria, contained in the Delegated Acts, specify the environmental performance requirements that guarantee that the activity contributes substantially to the environmental objective in question and that, at the same time, it does not significantly impair any of the other environmental objectives. The technical assessment criteria for two of the six environmental objectives - mitigation of climate change and adaptation to climate change - were published as of December 2021, in Annexes I and II of Delegated Regulation (EU) 2021/2139, and have been applicable since January 2022. In 2023, new activities were introduced to these objectives, and some existing ones were altered, through the Delegated Regulation (EU) 2023/2485. Technical criteria relating to the remaining environmental objectives were published in the Climate Delegated Act in 2023.

The requirement for organisations to disclose the Taxonomy is gradual. During 2022 - in relation to fiscal year 2021 - organisations began by disclosing the eligibility of their activities in relation to the two climate objectives. In 2023 - in relation to fiscal year 2022 - in addition to eligibility, disclosure of alignment of activities with the Taxonomy is required for the first two objectives. In 2024, besides eligibility and alignment for the adaptation and mitigation objectives, it is also necessary to disclose the eligibility of activities for the new objectives and the new activities added to the first two.

#### 8.10.1. Eligibility

For the analysis of eligibility of the activities of the companies within the Group, Teixeira Duarte relied on the Climate Delegated Act of the Taxonomy (Delegated Regulation (EU) 2021/2139), particularly in Annexes I (Climate Change Mitigation) and II (Climate Change Adaptation), as well as the Environmental Delegated Act (Delegated Regulation (EU) 2023/2486). In this context, it is important to highlight that, due to the dynamic characteristics of the European Taxonomy, the assessment carried out by the company in future years may be subject to variations, in accordance with the guidelines of the Regulations.

In methodological terms, Teixeira Duarte began the exercise of implementing the Taxonomy by mapping the eligible and ineligible economic activities of the companies included in its consolidation perimeter, in the different sectors of activity in which it operates (Construction, Concessions and Services, Real Estate, Hospitality, Distribution and Automotive). From this mapping, the following eligible activities were identified:

#### Objectives

Activity sector *	Activity code	Eligible activities	Mitigation of climate change	Adaptation to climate change	Circular economy
С	MAC 5.1	Construction, expansion and operation of water collection, treatment and supply systems	•		
С	MAC 5.2	Renewal of water collection, treatment and supply systems	•		
С	MAC 5.3	Construction, expansion and operation of wastewater collection and treatment systems	•		
С	MAC 6.14	Rail transport infrastructure	•		
С	AAC 6.15	Infrastructure for road transport and public transport		•	
C, I	MAC 7.1 / EC 3.1	Construction of new buildings	•		•
C, CS, I	MAC 7.2 / EC 3.2	Renovation of existing buildings	•		•
CS	MAC 7.3	Installation, maintenance, and repair of energy-efficiency equipment	•		
CS	MAC 7.4	Installation, maintenance, and repair of electric vehicle charging stations fitted in buildings (and parking spaces associated with buildings)	•		
C, CS	MAC 7.6	Installation, maintenance and repair of renewable energy technologies	•		
I	MAC 7.7	Acquisition and ownership of buildings	•		
CS	MAC 9.3	Professional services related to the energy performance of buildings	•		
CS	AAC 11	Teaching		•	
С	AAC 14.2	Infrastructures for prevention and protection against flood risks		•	
С	EC 3.4	Maintenance of roads and motorways			•
С	EC 3.5	Use of concrete in civil engineering			•

<sup>\*</sup>Teixeira Duarte Group Activity Sector: Construction (C), Concessions and Services (CS), Real Estate (I), Hospitality (H), Distribution (D);

\*\* MAC – Mitigation of climate change; AAC – Adaptation to climate change; EC – Circular economy

The eligibility analysis took into account the activities identified in the taxonomy that, during the financial year 2023, contributed to the Group's turnover, as well as to capital expenditures (CapEx) and operating expenses (OpEx), in accordance with Article 8 of the Delegated Act of the Taxonomy. Regarding the assessment carried out, the following stands out:

- i. In 2023, the Distribution and Automotive sectors of the Group did not engage in any eligible activities.
- ii. Regarding the Environmental Delegated Act, the activity BIO 2.1 "Hotels, holiday homes, campsites, and similar accommodation" was analysed, considering Teixeira Duarte's operation in the Hospitality sector. The Company's activity focuses on operating hotels in urban contexts (oriented towards business tourism), which do not align with the technical evaluation criteria outlined in the regulation. Therefore, the Company considers the activity ineligible.
- iii. Not all properties controlled by the Group fall within the MAC 7.1 / EC 3.1 and MAC 7.7 activities of the Taxonomy, as the CapEx and OpEx indicators do not apply to properties recognised as inventories in the consolidated financial statements. Only expenses attributable to fixed assets held by the Group, including tangible fixed assets, intangible assets, investment properties, and lease rights, should be included.
- iv. Some of the new activities included in the taxonomy by the Climate Delegated Act (AAC 14.2) and the Environmental Delegated Act (EC 3.1, EC 3.2, EC 3.4, and EC 3.5) were included in the eligibility analysis for this exercise.
- v. For activities contributing to the objective of mitigating climate change (MAC) and the circular economy objective, the Company established the criterion of allocating these activities to the objective of mitigating climate change (MAC).
- vi. The internal process for analysing eligible activities within the Group was strengthened, incorporating classification measures into its information systems.

#### 8.10.2. Alignment

After identifying the eligible activities, it is necessary to validate, for each of these, the compliance with the technical criteria of "substantial contribution" (hereinafter "CS") and the technical criteria of "do no significant harm" (hereinafter "NPS") identified in the Delegated Climate Act. During this assessment, several constraints were found, namely:

- i. <u>Application of technical criteria.</u> The companies in the construction sector of the Teixeira Duarte Group carry out activities downstream of the design phases and upstream of the operation phases, which include most of the CS alignment criteria required by the Delegated Acts. Thus, in the vast majority of cases, companies have no control over the application of technical criteria, nor access to information for evaluation.
- ii. Granularity and complexity of information. The verification of technical criteria for each of the eligible activities requires the existence of a detailed level of technical-environmental information. The Group still has no way of verifying alignment due to lack of information and/or high complexity in the application of the technical criteria and, thus, a more conservative approach was chosen when considering their non-alignment.
- iii. Activities carried out outside the European space. A significant part of activities of the Teixeira Duarte Group companies are carried out in countries outside Europe (Angola, Brazil, Mozambique, among others). Due to the lack of guidance from the European Commission regarding the transposition of technical requirements associated with the European Regulations for these geographies, Teixeira Duarte considered that the activities carried out in these countries are not aligned with the Taxonomy.

Some of the key elements in the approach followed by the Teixeira Duarte Group to assess technical alignment in each of its sectors of activity are described below.

#### CONSTRUCTION

This is the genesis and reference activity of the Teixeira Duarte Group. This sector includes the areas of Geotechnics and Foundations, Buildings, Infrastructure (including Maritime Works), Metalworks, Underground Works, and Railway Works. In these areas, are identified eligible activities associated with water supply and wastewater treatment (MAC activities 5.1, 5.2, and 5.3), railway and road transport (MAC activities 6.14 and AAC 6.15), building construction and renovation activities (MAC activities 7.1 / EC 3.1 and MAC 7.2 / EC 3.2), flood prevention and protection infrastructure (AAC activity 14.2), road and motorway maintenance (EC activity 3.4), and the use of concrete in civil engineering (EC activity 3.5).

To highlight, in 2023, the alignment of the following activities:

i. MAC Activity 6.14: The companies Teixeira Duarte – Engenharia e Construções, S.A. and SOMAFEL- Engenharia e Obras Ferroviárias, S.A., integrated in a consortium, continued the execution of the Railway Track and Catenary project between Évora and Elvas / Frontier for IP, Infraestruturas de Portugal, S.A., a project that the Group considers to meet the technical criteria for substantial contribution to climate change mitigation while not significantly harming other environmental objectives. The infrastructure and facilities of the project are dedicated to passenger and freight transshipment operations, and the project underwent environmental impact assessment complying with the criteria required by the taxonomy (biodiversity protection, sustainable use and protection of water resources, circular economy, and pollution control). Specific details regarding the application and compliance with Appendix A are further addressed in this section.

# **CONCESSIONS AND SERVICES**

This is a sector where the Group is engaged in distinct business areas such as Facilities Management and Facilities Services, Environment, Educational Activities in Angola, and Small Hydroelectric Power Plants (SHPs) in Brazil. In this sector of activity, the Group identified as eligible, in 2023, the MAC 7.2 / EC 3.2, MAC 7.4, and MAC 7.6 activities (construction and real estate), the MAC 9.3 activity (professional services related to building energy performance), and the AAC 11 activity (education). MAC 7.4, MAC 7.6, and MAC 9.3 activities were considered aligned with the taxonomy as they comply with the CS and NPS criteria (on the latter, see the justification below regarding Appendix A). MAC 7.2 / EC 3.2 and AAC 11 activities were deemed eligible but not aligned due to the constraints mentioned above.

#### **REAL ESTATE**

In this sector, the Teixeira Duarte Group controls various companies dedicated to real estate promotion and asset management in markets such as Portugal, Angola, Brazil, and Mozambique. During the year 2023, among the eligible activities in this sector, the following stands out:

- i. MAC 7.1 / EC 3.1 Activity: Investment in completing the construction of the "One Living" Development in Cascais, where it was not possible to verify alignment with all CS and NPS criteria due to the inability to obtain the necessary granularity in the available information.
- ii. MAC 7.2 / EC 3.2 Activity: Investment in completing the renovation project carried out at the "Fábrica 1921" Development in Benfica, where, although alignment with CS criteria was possible, alignment with all NPS criteria was not possible (especially those required by Appendix C). Therefore, Teixeira Duarte considers this activity as eligible but not aligned.

#### Application of Appendix A - Adaptation to climate change

Compliance with the NPS (Do No Significant Harm) technical criteria implies that each activity identified as eligible under Annex I of the Climate Delegated Act (Mitigation of Climate Change) complies with the requirements identified in Appendix A of said Annex.

Throughout the year 2023, Teixeira Duarte conducted a pilot project to analyse physical climate risks related to a set of projects with relevance – in terms of turnover and/or duration - for the Construction and Real Estate sectors. The study considered the methodological guidelines of Appendix A of the Taxonomy and the recommendations of the Taxk Force on Climate-related Financial Disclosures (TCFD). The analysis included 3 subsequent steps:

- 1. Identification of relevant climate risks based on section II of Appendix A: the main physical climate risks for the selected projects in Portugal and Brazil were identified.
- 2. Screening of current risks: assessment of the various identified risks to obtain their qualitative and current classification.
- 3. Climate scenario analysis: using various climate risk analysis tools, the risks considered most relevant were evaluated based on the results obtained in the screening phase. The assessment considered IPCC climate projections (RCP 4.5 and RCP 8.5) at different time horizons (2011-2040 and 2041-2070 for Portugal, and 2030 and 2050 for Brazil), analysing the variation obtained according to each scenario.

The physical climate risks were subsequently classified into low, moderate, or high-risk classes, according to the probability of their occurrence and their potential plausible consequences for Teixeira Duarte's activity. The most relevant risks are those considered moderate or high class and include, for example, the risk of fires, drought, extreme temperatures, floods, soil erosion, among others.

In construction projects of buildings and infrastructure, Teixeira Duarte companies carry out analysis and adaptation to physical climate risks based on mechanisms such as Environmental Impact Assessments, Environmental Monitoring Plans, Reports on Indicators for the Valorisation of Construction and Demolition Waste, plans for the management of flora and fauna, as well as plans for corrective measures to mitigate noise, dust, among others.

Currently, the possibility of implementing an Adaptation Plan for the considered relevant risks is under study, as well as the expansion of the analysis to other activities.

In the specific case of activities MAC 7.4 and MAC 7.6, classified as aligned according to the CS (Substantial Contribution) criteria, the Group considers that given the planned follow-up measures to minimise vulnerability, climate hazards will not have the potential to lead to significant deterioration of the economic performance of its companies under current conditions.

# 8.10.3. Minimum safeguards

To be considered environmentally sustainable, an activity must, among other criteria, comply with the Minimum Safeguards (Article 3 of the Taxonomy Regulation). In this regard, the European Commission's Sustainable Finance Platform published the Final Report on Minimum Safeguards in October 2022, identifying four themes in which companies must apply Minimum Safeguard procedures: Human Rights, Corruption, Taxation, and Fair Competition.

In 2023, the analysis of compliance with Minimum Safeguards in the Teixeira Duarte Group was led by the Corporate Compliance and Sustainability areas. The objective was to determine procedures that demonstrate that the activities of the controlled companies are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights established in the eight fundamental conventions identified in the International Labour Organisation Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

As a result of this analysis, several procedures have been updated and/or developed to expand commitments and strengthen the business conduct of the Group's companies. In 2023, the revision of <u>Teixeira Duarte</u>, <u>S.A.'s Corporate Code of Conduct</u> was noteworthy, including commitments to Human Rights and the Environment in its operations and value chains.

#### **Human Rights**

The main instrument of the companies within the Group regarding respect for Human Rights is the <u>Code of Ethics and Conduct</u>. Applicable to all companies within the Group, this Code is mandatory for all employees, and its non-compliance may result in disciplinary procedures and sanctions. In 2023, Teixeira Duarte began the process of updating its Code of Ethics and Conduct to incorporate responses to new regulations and principles of action regarding new risks, with completion expected in 2024.

The Group also has an <u>Equality Plan</u> and a Procedure for Preventing and Combating Harassment in the Workplace accessible on the intranet for all employees.

Teixeira Duarte - Engenharia e Construções, S.A., the company at the core of the Teixeira Duarte Group and home to the Corporate Areas, includes Directorates responsible for establishing and conveying guidelines and processes regarding Human Rights to the other business areas of the Group. It's worth noting that, in Portugal, this Company holds the voluntary certification of the International Standard for Social Accountability SA 8000, which reinforces the Group's commitment to developing, maintaining, and applying responsible social practices for employees, suppliers, and subcontractors as reported in "7.2." "Relations with individuals and organisations impacted by the activities of the Group's companies". Compliance with the standard requires the organisation to conduct periodic risk assessments, evaluating and prioritising social non-conformance risks, and implementing preventive, corrective, and remedial actions as necessary. The performance in relation to the Social Accountability system in the year 2023 can be consulted here.

#### Corruption, Taxation, and Fair Competition

The Teixeira Duarte Group has implemented a <u>Compliance Programme</u> applicable to all its companies that includes, among other mechanisms, risk assessment, control and due diligence processes and an <u>Irregularities Reporting Policy</u>. More details in "7.1 <u>Tackling corruption and bribery, money laundering and terrorist financing</u>".

In 2023, Teixeira Duarte, S.A. implemented a <u>Plan for the Prevention of Risks of Corruption and Related Infractions</u> (PPR) aimed at identifying and classifying risks and situations that could expose the Teixeira Duarte Group to acts of corruption and related infractions; it also established and implemented a set of measures and procedures to reduce the likelihood and impact of the identified risks and situations. The implementation of the PPR is subject to monitoring, and its execution can be tracked through Evaluation Reports (<u>refer to the October 2023 report</u>): In 2023, new training courses were developed for all employees regarding the Plan for the Prevention of Risks of Corruption and Related Infractions and the Irregularities Communication Policy; these were also included in the training plan for new employees from a preventive perspective.

Regarding taxation, it should be noted that the Teixeira Duarte Supervisory Board safeguards compliance with current legal and regulatory regulations and transparency in the dissemination of information to the market and shareholders. In terms of competition, in addition to the provisions of the Group's Compliance Programme, the Code of Conduct and Ethics establishes rules of action for its employees. The Teixeira Duarte Group also has available procedures that aim to establish parameters for the Group's relationship with competitors, in order to ensure compliance with its values and with the applicable competition rules.

#### Complaint mechanisms

The Teixeira Duarte Group has implemented an <u>Ethics Channel</u> that allows interested parties to report, in a completely anonymous manner, facts related to any non-compliance that may involve the commission of an unlawful act: corruption, issues of harassment or discrimination, among others. More details in "7.1 <u>Tackling corruption and bribery, money laundering and terrorist financing</u>".

During 2023, there were no material convictions in the above-mentioned matters.

# 8.10.4. Key Performance Indicators (KPI)

In accordance with Delegated Act Article 8, key performance indicators (KPI) must be presented through three tables, one for each KPI (Turnover, CapEx and OpEx). Below, a summary of the indicators:

#### **KPI Turnover**

Financial year 2023		2023			Substantial Contribution Criteria							DNSH criteria ('Does Not Significantly Harm')(h)							
Economic activities (1)	Code (a) (2)	Tumover (3)	Proportion of Turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1, or eligible (A.2,) Tumover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
text		shousand euros	×	S;N; NEL (b) e (c)	S; N; NEL (b) a (c)	S; N; NEL (b) e (d)	S; N; NEL (b) e (b)	S; N; NEL (b) ∈ (c)	S; N; NEL (b) e (c)	SN	SAN	SN	SAI	SM	SN	SAN	×	G	7
A. TAXONOMY-ELIGIBLE A CTIVITIES				D 0	20 0		6 8	20 0		16	<i>0</i>	0	- A	12		20	() ()		
A.1. Environmentally sustainable activiti																			
Railwaytransport infrastructures	CCM 6.14	75 758	11%	S	N/EL	NEL	N/EL	NEL	N/EL	S	S	S	S	S	S	S	0,0%	С	
Installation, maintenance and repair of energyefficient equipment	CCM 7.3	3 732	0%	s	N/EL	NEL	NEL	NEL	NEL	S	s	S	S	s	S	s	0.0%	С	
Installation, maintenance and repair of electrical vehicles charging stations mounted on buildings (and buildings parking lots)	CCM 7.4	114	0%	s	N/EL	NEL	NEL	NEL	N/EL	s	s	s	s	s	s	s	0,0%	С	
Installation, maintenance and repair of	CCM 7.6	389	0%	s	N/EL	NEL	NEL	NEL	NEL	s	s	s	s	s	s	s	0,1%	С	
renewable energytechnologies Professional services related to buildings energetic performance	CCM 9.3	32	0%	s	N/EL	NEL	NEL	NEL	NEL	s	s	s	s	s	s	s	0,0%	С	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		80 025	11%	11%	0%	0%	0%	0%	0%	s	s	s	s	s	s	s	0,1%		
Of which enabling		80 025	11%	11%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	0,1%	С	سيسا
A.2. Taxonomy-Eligible but not environm	transitional	0	0%	0%	u stance	d medicalis	1601			S	S	S	S	S	S	S	0,0%		
Construction, expansion and exploitation of water capture, treatment and supply systems	CCM 5.1	7 095	1%	EL	N/EL	NEL	NEL	NEL	N/EL								0%		
Renewal of water capture, treatment and supply systems	CCM 5.2	16 219	2%	EL	NEL	NEL	NEL	NEL	NEL								4%		
Construction, expansion and exploitation of stormwater harvesting and treatment systems	CCM 5.3	0	0%	EL	N/EL	NEL	NEL	NEL	NEL								11%		
Railway transport in fastructures	CCM 6.14	0	0%	EL	N/EL	NEL	N/EL	NEL	NEL								5%		
Road and public transport in fast ructures  Construction of new buildings	CCM 6.15 CCM 7.1 /	6 922 99 584	1%	NEL EL	EL N/EL	NEL	NEL	NEL EL	NEL								8% 18%		
Refurbishing ofexisting buildings	CE 3.1	27 417	4%	EL	NEL	NEL	NEL	EL	NEL								2%		
Teaching	CE32 CCM11	6 247	1%	NEL	EL	NEL	NEL	NEL	NEL								1%		
Infrastructures for the prevention of and	CCM 14.2	64 167	8%	NEL	EL	NEL	NEL	NEL	NEL								0%		
protection against food risks	CE 3.4	9 055	1%	NEL	N/EL	NEL	NEL	EL	NEL								0%		
Maintenance of roads and motorways Use of concrete in civil engineering	CE 3.5	12 629	2%	NEL	N/EL	NEL	NEL	EL	NEL								0%		
Tumover of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		249 335	32%	20%	10%	0%	0%	3%	0%								49%		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		329 359	43%	31%	10%	0%	0%	3%	0%								49%		
B. TAX ONOMY-NON-ELIGIBLE ACTIVITI		1022310	8																
Tumover of Taxonomy-noneligible activ	ities (B)	437 890	57%																
Total (A + B)	767 249	100%	1																

The proportion of turnover is calculated as the part of the annual net turnover resulting from products or services, including intangible ones, associated with economic activities aligned with the taxonomy (numerator) divided by the net turnover (denominator), within the meaning of Article 2, point 5, of Directive 2013/34/EU. Net turnover includes income recognised under International Accounting Standard (IAS) 1, paragraph 82, a), as adopted by Commission Regulation (EC) No. 1126/2008.

In 2023, the denominator of the proportion of turnover corresponds to the total sales and service provision presented in the consolidated income statement. Sales and service provision are detailed in Note 7 attached to the consolidated financial statements, and the respective accounting policy is detailed in Note 2.21. The numerator corresponds to the amount of the denominator resulting from economic activities aligned with the taxonomy.

#### **KPI CapEx**

Financial year 2023		2023			Substa	ntial Con	tribution	Criteria				l criteri ificant		es Not m')(h)	1				
Economic activities (1)	Code (a) (2)	Сар Ех (3)	Proportion of CapEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)	Category  enabling activity (19)	Category — transitional activity (20)
text		thousand euros	%	S; N; N/EL (b) e (c)	S; N; N/EL (b) e (c)	S; N; N/EL (b) e (c)	S; N; N/EL (b) e (c)	S; N; N/EL (b) e (c)	S; N; N/EL (b) e (c)	S/N	S/N	S/N	S/N	S/N	S/N	S/N	%	С	Т
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities	<u> </u>		4.40/		NI/EI	NI/EI	NI/EI	NI/E1	N/EI				0		0	0	00/		
Railway transport infrastructures Installation, maintenance and repair of	CCM 6.14	8 851	14%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	0%	С	
energy efficient equipment	CCM 7.3	33	0%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	s	S	S	S	S	0%	С	
Installation, maintenance and repair of electrical vehicles charging stations mounted on buildings (and buildings parking lots)	CCM 7.4	1	0%	Ø	N/EL	N/EL	N/EL	N/EL	N/EL	S	s	s	s	s	Ø	S	0%	С	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	3	0%	s	N/EL	N/EL	N/EL	N/EL	N/EL	s	s	s	s	s	s	s	0%	С	
Professional services related to buildings energetic performance	CCM 9.3	0	0%	s	N/EL	N/EL	N/EL	N/EL	N/EL	s	s	s	S	S	s	S	0%	С	
CapEx of environmentally sustainable at (Taxonomy-aligned) (A.1)		8 888	14%	14%	0%	0%	0%	0%	0%	s	s	s	S	S	s	S	0%		
	ch enabling transitional	8 888 0	14% 0%	14%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	0% 0%	С	Т
A.2. Taxonomy-Eligible but not environn		tainable activit			y-aligned	activitie	s) (g)			Ť				ŭ	ŭ		0 70		
Construction, expansion and exploitation of water capture, treatment and supply systems	CCM 5.1	107	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Renewal of water capture, treatment and supply systems  Construction, expansion and exploitation of	CCM 5.2	1 930	3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
stormwater harvesting and treatment systems Railway transport infrastructures	CCM 5.3 CCM 6.14	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3% 1%		
Road and public transport infrastructures	CCM 6.14	1 689	3%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								2%		
Construction of new buildings	CCM 7.1 /	1 987	3%	EL	N/EL	N/EL	N/EL	EL	N/EL								9%		
Refurbishing of existing buildings	CE 3.1 CCM 7.2 / CE 3.2	514	1%	EL	N/EL	N/EL	N/EL	EL	N/EL								24%		
Buildings purchase and ownership	CCM 7.7	11 447 301	18% 0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								52% 0%		
Teaching Infrastructures for the prevention of and protection against flood risks	CCA 14.2	11 030	17%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Maintenance of roads and motorways	CE 3.4	173	0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
Use of concrete in civil engineering	CE 3.5	529	1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
CapEx of Taxonomy eligible but not environmentally sustainable activities (n Taxonomy-aligned activities) (A.2)	ot	29 707	47%	25%	20%	0%	0%	1%	0%								92%		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		38 594	61%	39%	20%	0%	0%	1%	0%								92%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITI	ES																		
CapEx of Taxonomy-noneligible activities	es (B)	24 987	39%																
Total (A + B)		63 581	100%																

The KPI CapEx (capital expenditure) is defined as the CapEx aligned with the taxonomy (numerator) divided by the total CapEx (denominator). Under the terms of the Delegated Act of Article 8 of the Taxonomy, the total CapEx consists of the number of additions to tangible and intangible assets during the year (including those related to concentrations of business activities) before considering depreciation, amortisation and any remeasurements, namely those resulting from revaluations and impairments, and excluding changes in fair value. The additions of tangible fixed assets (IAS 16), intangible fixed assets (IAS 38), right-of-use assets (IFRS 16), investment property (IAS 40), and biological assets (IAS 41) are included. Goodwill additions are not included.

The numerator corresponds to the part of capital expenditure included in the denominator that:

a. is related to assets or processes associated with economic activities in line with the taxonomy;

b. is part of a plan to expand economic activities aligned with the taxonomy or to allow economic activities eligible for the taxonomy to become aligned with it; or

c. is related to the acquisition of the production of economic activities in line with the taxonomy and with individual measures that enable the transformation of the activities in question into low-carbon activities or that allow reductions in greenhouse gas emissions, provided that these measures are applied and are operational within 18 months.

In 2023, the denominator of the KPI CapEx consists of the annual total of acquisitions of intangible assets, tangible fixed assets, right-of-use assets, and investment properties. The denominator can be reconciled with the total of the acquisitions presented in Notes 19, 20, 22 attached to the consolidated financial statements and also to the increases in investment properties included in the Increases/Disposal heading in Note 21. The accounting policies for these assets are detailed in Notes 2.4, 2.5, 2.6 and 2.8, respectively. As mentioned in 1.1 above, CapEx does not include assets that are classified by the Group as inventories.

In 2023, the numerator corresponds to the part of the denominator associated with economic activities aligned with the taxonomy, including activities aimed at the Group's domestic consumption, and also with the acquisition of the production of economic activities aligned with the taxonomy. The allocation of the least significant amounts included in the CapEx to eligible activities was estimated based on the eligibility of the activities of the respective operating segments.

#### **KPI OpEx**

Total (A + B)

Financial year 2023		2023			Substa	ıntial Con	tribution	Criteria			DNSH				t	]			
-					-						Sign	ificant	ıy nar	II )(II)					
Economic activities (1)	Code (a) (2)	ОрЕх (3)	Proportion of OpEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year N-1 (18)	Category — enabling activity (19)	Category  transitional activity (20)
text		thousand euros	%	S; N; N/EL (b) e (c)	S; N; N/EL (b) e (c)	S; N; N/EL (b) e (c)	S; N; N/EL (b) e (c)	S; N; N/EL (b) e (c)	S; N; N/EL (b) e (c)	S/N	S/N	S/N	S/N	S/N	S/N	S/N	%	С	Т
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activiti	ies (Taxoı	nomy-aligned)																	
Railway transport infrastructures	CCM	2 309	13%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	0%	С	
Installation, maintenance and repair of energy efficient equipment	7.3	173	1%	S	N/EL	N/EL	N/EL	N/EL	N/EL	S	s	S	s	S	s	S	0%	С	
OpEx of environmentally sustainable ac (Taxonomy-aligned) (A.1)	tivities	2 482	14%	14%	0%	0%	0%	0%	0%	s	s	s	s	s	s	s	0%		
	n enabling	2 482	14%	14%	0%	0%	0%	0%	0%	S	S	S	S	S	S	S	0%	С	
Of which tr			0%	0%						S	S	S	S	S	S	S	0%		
A.2. Taxonomy-Eligible but not environr	nentally s	ustainable acti	vities (no	ot Taxono	omy-align	ed activit	ties) (g)												
Construction, expansion and exploitation of water capture, treatment and supply systems	CCM 5.1	436	2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Renewal of water capture, treatment and supply systems	CCM 5.2	396	2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								11%		
Construction, expansion and exploitation of stormwater harvesting and treatment systems	5.3	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								14%		
Railway transport infrastructures	6.14	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								8%		
Road and public transport infrastructures	CCA 6.15	50	0%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								15%		
Construction of new buildings	7.1 / CE 3.1	479	3%	EL	N/EL	N/EL	N/EL	EL	N/EL								9%		
Refurbishing of existing buildings	7.2 / CE 3.2	252	1%	EL	N/EL	N/EL	N/EL	EL	N/EL								1%		
Infrastructures for the prevention of and protection against flood risks	CCA 14.2	2 146	12%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								0%		
Maintenance of roads and motorways	CE 3.4	365	2%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
Use of concrete in civil engineering	CE 3.5	422	2%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0%		
OpEx of Taxonomy eligible but not environmentally sustainable activities (r Taxonomy-aligned activities) (A.2)	not	4 546	26%	9%	13%	0%	0%	4%	0%								58%		
A. OpEx of Taxonomy eligible activities	(A.1+A.2)	7 028	40%	23%	13%	0%	0%	4%	0%								58%		
B. TAXONOMY-NON-ELIGIBLE ACTIVIT	ES		•																
OpEx of Taxonomy-noneligible activities	s (B)	10 513	60%																
				4															

The KPI OpEx (operating expenses) is defined as the OpEx aligned with the taxonomy (numerator) divided by the total OpEx (denominator). Under the terms of the Delegated Act of Article 8 of the Taxonomy, the total OpEx consists of direct costs not capitalised during the year related to research and development, building renovation measures, short-term leases, maintenance and repair, and other direct expenses related to the daily maintenance of the tangible fixed assets necessary to ensure its operation.

The numerator corresponds to the part of operating expenses included in the denominator that:

- a. is related to assets or processes associated with economic activities aligned with the taxonomy, including training needs and other human resource adaptation needs;
- b. is part of a plan to expand economic activities aligned with the taxonomy or to allow economic activities eligible for the taxonomy to become aligned by the taxonomy; or
- c. is related to the acquisition of the production of economic activities aligned with the taxonomy and with individual measures that enable the transformation of the activities in question into low-carbon activities or that allow reductions in greenhouse gas emissions, provided that these measures are applied and are operational within 18 months.

In 2022, the KPI OpEx includes 15.420 thousand euros of rents and rental expenses and 2.121 thousand euros in conservation and repair costs recognised in accordance with the accounting policies detailed in Notes 2.5 and 2.6 attached to the consolidated financial statements, respectively. The above amounts are included in the consolidated income statement under the headings "External supplies and services".

In 2023, the numerator corresponds to the part of the denominator associated with economic activities aligned with the taxonomy, including activities aimed at the Group's domestic consumption, and also with the acquisition of the production of economic activities aligned with the taxonomy.

#### Standardised templates for disclosure in accordance with Delegated Regulation 2022/1214

In accordance with Delegated Regulation Article 8, non-financial entities must report the table templates associated with activities related to nuclear energy and fossil natural gas. Teixeira Duarte Group does not engage in activities related to these two sectors and, therefore, only publishes Template 1 of the applicable table set.

Activities related to nuclear energy	
The company engages in, finances, or has exposures to activities involving research, development, demonstration, and deployment of innovative electricity production facilities that generate energy from nuclear processes with minimal waste from the fuel cycle.	No
The company engages in, finances, or has exposures to the construction and safe operation of new nuclear facilities designed to produce electricity or industrial heat, including for urban heating purposes or industrial processes such as hydrogen production, as well as for improving their safety using the best available technologies.	No
The company engages in, finances, or has exposures to the safe operation of existing nuclear facilities that produce electricity or industrial heat, including for urban heating purposes or industrial processes such as hydrogen production from nuclear energy, as well as the improvement of their safety.	No
Activities related to fossil gas	
The company engages in, finances, or has exposures to the construction or operation of electricity production facilities that generate electricity from gaseous fossil fuels.	No
The company engages in, finances, or has exposures to the construction, renovation, or operation of combined heat/cold and electricity production facilities that utilise gaseous fossil fuels.	No
The company engages, finances, or has exposures to the construction, renovation, or operation of heat production facilities that produce heat/cold using gaseous fossil fuels.	No
	The company engages in, finances, or has exposures to activities involving research, development, demonstration, and deployment of innovative electricity production facilities that generate energy from nuclear processes with minimal waste from the fuel cycle.  The company engages in, finances, or has exposures to the construction and safe operation of new nuclear facilities designed to produce electricity or industrial heat, including for urban heating purposes or industrial processes such as hydrogen production, as well as for improving their safety using the best available technologies.  The company engages in, finances, or has exposures to the safe operation of existing nuclear facilities that produce electricity or industrial heat, including for urban heating purposes or industrial processes such as hydrogen production from nuclear energy, as well as the improvement of their safety.  **Activities related to fossil gas**  The company engages in, finances, or has exposures to the construction or operation of electricity production facilities that generate electricity from gaseous fossil fuels.  The company engages in, finances, or has exposures to the construction, renovation, or operation of combined heat/cold and electricity production facilities that utilise gaseous fossil fuels.  The company engages, finances, or has exposures to the construction, renovation, or operation of heat

# 8.10.5. Conclusion

The implementation of the Taxonomy Regulation represents a significant reporting challenge for companies, especially in terms of data collection and application of technical alignment criteria and minimum social safeguards.

During the year 2023, Teixeira Duarte Group sought to strengthen processes, including how taxonomy information is classified and organized in information systems and accounting systems. The analysis of eligibility was expanded to cover new activities included in the Regulation, and a pilot project supporting the management of physical climate risks was implemented.

In 2024, Teixeira Duarte Group will continue to implement measures for continuous improvement in taxonomy information management systems, aiming to achieve a higher level of technical alignment of activities. At the same time, developments in the application of the Regulation to current and future eligible activities will be monitored, along with the integration of environmental taxonomy with corporate sustainability directives (CSRD - Corporate Sustainability Reporting Directive and CS3D - Directive on Sustainability Due Diligence).

# CORRESPONDENCE TABLE WITH GRI STANDARDS

GRI standard	Answer/Location	Omissions/Comments	Priority SDGs
UNIVERSAL STANDARDS			
GRI 2: GENERAL CONTENTS 2021			
Page 7.   Chapter 1.1 of the Management Report of the Board of Directors.   Note 4 and 5 of the Consolidated Financial Statements.			
2-1 Organisation details	Chapter.I.1 of the Management Report of the Board of Directors.		
2-2 Entities included in the organisation's sustainability report	Note 4 and 5 of the Consolidated Financial Statements.	from financial	
2-3 Reporting period, frequency and contact point	2023. Frequency: annual. Date of publication: 30.04.2024 Contact: Contact: José Pedro Cobra Ferreira, Representative	from financial	
2-4 Information reformulations	-	Without reformulations.	
2-5 External verification			
2. Activities and Workers			
2-6 Activities, value chain, and other business relationships		managed at the level of the business areas. In 2023, the Group continued to develop processes for due diligence in the value chain, especially regarding risks identification. The expectation is to complete its implementation in	
2-7 Employees	Directors.  Cap.III.6.2 of the Management Report from the Board of Directors.  Employees by gender by area of activity as of December 31st	scope of the Group's activity sectors, the analysis of the number of employees by gender is carried out	8 Subgoals: 8.5
	91% 80% 67% 60% 64% 78%	There were no significant fluctuations in the number of employees during the reporting period and	

#### GRI standard

#### Answer/Location

Omissions/Comments

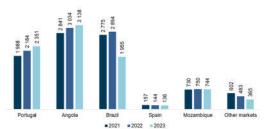
Priority SDGs

2-7 Employees

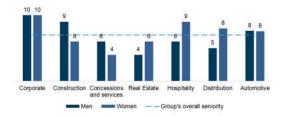
Evolution of the percentage of employees by contract type by gender :

	Total 2023	Total 2022	Total 2021
Long term contract	66%	66%	68%
Men	67%	67%	69%
Women	64%	63%	62%
Fixed term contract	34%	34%	32%
Men	33%	33%	31%
Women	36%	37%	38%
Total	8 689	9 489	9 093

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



Average seniority of the employees by activity sector as of December 31st 2023:



Number of employees with impairment ,by activity sector as of December 31st 2023.:



GRI standard	Answer/Location	Omissions/Comments	Priority SDGs
2-7 Employees	Absenteeism rate by sector of activity as of December 31st 2023:  4.6%  4.4%  3.5%  2.8%  2.4%  2.5%  2.4%  3.5%  2.5%  1.4%		
2-8 Workers who are not employees	-	Subject managed at the business area level, with no consolidated data.	8 Subgoals:
3. Governance			
2-9 Governance structure and its composition	Chap.I.1 of the Management Report from the Board of Directors. Section B of the Corporate Governance Report.		
2-10 Appointment and selection for the highest governance body	Section B II of the Corporate Governance Report.		
2-11 Chairperson of the highest governance body	Chap.I.1 of the Management Report from the Board of Directors.  Section B II of the Corporate Governance Report.		
2-12 Role played by the highest governance body in overseeing impact management	Chap.III.3 of the Management Report from the Board of Directors.  Section C III of the Corporate Governance Report.		
2-13 Delegation of responsibility for impact management	Section C III of the Corporate Governance Report.		
2-14 Role played by the highest governance body 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.		
2-15 Conflicts of Interest	Section B II and Section E I. of the Corporate Governance Report.		
2-16 Communication of critical concerns	Chap.III.7.1. of the Management Report from the Board of Directors. Section C II of the Corporate Governance Report. Teixeira Duarte – Engenharia e Construções, S.A. has implemented a Irregularities Reporting Policy and a Plan for Prevention of Risks of Corruption and Related Infractions, whose execution is subject to control and which can be consulted at teixeiraduarte.com		
2-17 Collective knowledge of the highest governance body	The Board of Directors is regularly informed of matters related to health, safety and environmental management. In addition, the Board of Directors is aware of a number of issues that it needs to evaluate in order to be able to decide directly or through the Sustainable Development Committee. This includes the approval of varied plans and policies.		
2-18 Evaluation of the performance of the highest governance body	Section B II. 24. and 25. of the Corporate Governance Report.		
2-19 Remuneration policies	Section D of the Corporate Governance Report.		

GRI standard	Answer/Location	Omissions/Comments	Priority SDGs
2-20 Process for determining remuneration	Section D of the Corporate Governance Report.		
2-21 Proportion of total annual remuneration	-	Information is not gathered.	
4. Strategy, Policies, and Practices			
2-22 Statement on sustainable development strategy	Message of the Chairperson of the Board of Directors. Chap.III.1 of the Management Report from the Board of Directors. Texeira Duarte, S.A. has implemented a Corporate Conduct Policy revised during the fiscal year of 2023 and that is available for consultation at teixeiraduarte.com.		
2-23 Policy Commitments	Code of Ethics and Conduct and Corporate Conduct Policy (https://www.teixeiraduarte.pt/grupo/sustentabilidade/). Irregularities Reporting Policy (https://www.teixeiraduarte.pt/grupo/canal-de-etica/). Chap.I.1 of the Management Report from the Board of Directors. Cap.III.5, 7.1 and 7.2 of the Management Report from the Board of Directors.		
2-24 Incorporation of policy commitments	Chap.I.1 of the Management Report from the Board of Directors. Cap.III.5, 7.1 and 7.2 of the Management Report from the Board of Directors.		
2-25 Processes to repair negative impacts	Code of Ethics and Conduct and Irregularities Reporting Policy (https://www.teixeiraduarte.pt/grupo/canal-de-etica/). Chap.I.1 of the Management Report from the Board of Directors. Cap.III.5, 7.1 and 7.2 of the Management Report from the Board of Directors.		
2-26 Mechanisms for counselling and raising concerns	Irregularities Reporting Policy (https://www.teixeiraduarte.pt/grupo/canal-de-etica/		
2-27 Compliance with laws and regulations	There were no significant cases of non-compliance with laws and regulations during the reporting period.		
2-28 Participation in associations	Chap.III.7.3 of the Management Report from the Board of Directors.	A selection of shares is reported.	
5. 5. Involvement with Stakeholders			
2-29 Approach to engaging with stakeholders	Chap.III.2 of the Management Report from the Board of Directors.		
2-30 Collective Bargaining Agreements	Chap.III.6.1 of the Management Report from the Board of Directors.  Percentage of unionised employees by market as of December 31st 2023 (Coverage 2023 = 96%):		8 Subgoals: 8.8
	Portugal 97%		
	Angola 100%		
	Brazil 99%		
	Spain 100%		
	Mozambique 100%		
	Total 99%		

# GRI standard

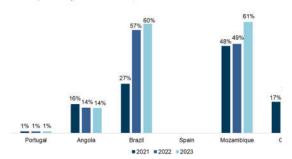
#### Answer/Location

#### **Omissions/Comments**

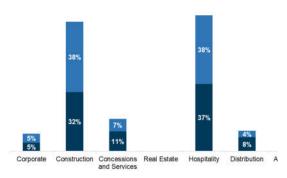
Priority SDGs

2-30 Collective Bargaining Agreements

Annual evolution of the percentage of unionised employees by market (Coverage 2023 = 96%):



Percentage of unionised employees by area of activity as of December 31st 2023:



■Men ■Women

GRI 3:	MATERIAL	TOPICS	2021

3-1 Process for defining material topics

Chap.III.Introduction: Double Materiality Analysis Chap.III.3 of the Management Report from the Board of Directors. Since 2018, Teixeira
Duarte uses the SDGs
as reporting framework
for material topics.
Furthermore, in the
year 2023, Teixeira
Duarte Group
conducted a dual
materiality analysis
process in accordance
with the requirements
of the Corporate
Sustainability
Reporting Directive
(CSRD)."

3-2 List of material topics

Chap.III.3 of the Management Report from the Board of Directors

Since 2018, Teixeira
Duarte uses the SDGs
as reporting framework
for material topics.
There were no changes
in the list of material
topics compared to the
previous reporting
period.

3-3 Management of material topics

Chap.III.3 of the Management Report from the Board of Directors.

Since 2018, Teixeira Duarte uses the SDGs as reporting framework for material topics.

Answer/Location

GRI standard **Priority SDGs** THEMATIC STANDARDS **GRI 202: MARKET PRESENCE 2016** 202-2 Proportion of Board members Percentage of national employees by market as of December Topic managed at the hired in the local community 31st 2023: level of the business Subgoals: 8.5 area, with no consolidated data on members of the Board of Directors ■Men ■Women **GRI 203: INDIRECT ECONOMIC IMPACTS 2016** 203-1 Investments in infrastructure Chap. III. 6.4 and 7.2 of the Management Report from the Board Subgoals: and service support of Directors. 9.1, 9.4 Chap. III. 6.4 and 7.2 of the Management Report from the Board 203-2 Significant indirect economic of Directors. impacts 8 Subgoals: 3.8, 8.2 , 8.3 , 8.5 **GRI 205: FIGHT AGAINST CORRUPTION 2016** Chap. III. 7.1 of the Management Report from the Board of 205-1 Operations assessed for risks Directors. related to corruption 205-2 Communication and training in Chap. III. 7.1 of the Management Report from the Board of In 2023, new mandatory anti-corruption policies and Directors. courses on combating procedures corruption and reporting violations were made available to employees across various professional profiles. 205-3 Confirmed cases of corruption During the reporting period, there were no confirmed cases of corruption. and measures taken **GRI 206: UNFAIR COMPETITION 2016** 206-1 Lawsuits imposed for unfair During the reporting period, no lawsuits were recorded. competition, "antitrust" practices, and monopoly **GRI 301: MATERIALS 2016** 301-1 Materials used, broken down by Chap. III. 8.5 of the Management Report from the Board of Subject managed at weight or volume Directors. the business area level, with no consolidated Subgoals: data. 8.4, 12.2

Omissions/Comments

GRI standard	Answer/Location	Omissions/Comments	Priority SDGs
GRI 302: ENERGY 2016			
302-4 Reduction of energy consumption	Chap. III. 8.3 of the Management Report from the Board of Directors.	Subject managed at the business area level, with no consolidated data.	8 12 Subgoals: 8.4 12.2
GRI 303: WATER AND EFFLUENTS 20	018		
303-1 Interactions with water as a shared resource	Chap. III. 8.4 of the Management Report from the Board of Directors.	Subject managed at the business area level, with no consolidated data.	12 Subgoals: 12.4
GRI 305: EMISSIONS 2016			
305-1 Direct (Scope 1) Greenhouse Gas (GHG) Emissions	Chap. III. 8.7 of the Management Report from the Board of Directors.	Subject managed at the business area level, with no consolidated data.	3 12 Subgoals: 3.9, 12.4
305-2 Indirect (Scope 2) greenhouse gas (GHG) emissions from energy purchases	Chap. III. 8.7 of the Management Report from the Board of Directors.	Subject managed at the business area level, with no consolidated data.	3 12 Subgoals: 3.9, 12.4
305-3 Other indirect emissions of (Scope 3) Greenhouse Gas (GHG)	Chap. III. 8.7 of the Management Report from the Board of Directors.	Subject managed at the business area level, with no consolidated data.	3 12 Subgoals: 3.9, 12.4
GRI 306: WASTE 2020			
306-1 Waste generation and significant waste-related impacts	Chap. III. 8.8 of the Management Report from the Board of Directors.	Subject managed at the business area level, with no consolidated data.	3 12 Subgoals: 3.9, 12.4, 12.5
306-2 Management of significant waste-related impacts	Chap. III. 8.1 of the Management Report from the Board of Directors.		3 8 12 Subgoals: 3.9, 8.4, 12.4, 12.5
306-3 Waste produced		Subject managed at the business area level, with no consolidated data.	3 12 Subgoals: 3.9, 12.4, 12.5
306-3 Significant spills (2016)	There were no spillages with significant environmental impacts during the reporting period.		3 12 Subgoals: 3.9, 12.4

GRI standard	Answer/Location	Omissions/Comments	Priority SDGs
306-5 Waste for final disposal	= 	Subject managed at the business area level, with no consolidated data.	3 12 Subgoals: 3.9, 12.4, 12.5
GRI 308: ENVIRONMENTAL ASSESSM	IENT OF SUPPLIERS 2016		
308-1 New suppliers selected based on environmental criteria	Chap. III. 7.2 of the Management Report from the Board of Directors.	Subject managed at the business area level, with no consolidated data.	
GRI 401: EMPLOYMENT 2016			
308-1 New suppliers selected based on environmental criteria	<del>-</del> -	Subject managed at the business area level, with no consolidated data.	8 Subgoals: 8.5, 8.6
401-2 Benefits offered to full-time employees that are not offered to temporary or part-time employees	Chap. III. 6.3 of the Management Report from the Board of Directors.		3 8 Subgoals: 3.2, 8.5
401-3 Maternity/Paternity Leave	Number of employees who took parental leave (Coverage 2023 = 96%):  2,4% employees  2,5% employees  130  132  84  100  83  93	In line with the provisions of the laws of the countries where the Group companies operate, all employees are entitled to Parental protection.	8 Subgoals:
402: WORK RELATIONS			
402-1 Minimum notice period for operational changes	The companies in the Teixeira Duarte Group comply with the minimum notice periods established in the legislation and, where applicable, in the collective bargaining agreements.		8 Subgoals:
GRI 403: OCCUPATIONAL HEALTH AI	ND SAFETY 2018		
403-1 Occupational health and safety management system	Chap. III. 6.3 of the Management Report from the Board of Directors.		3 8 Subgoals: 3.4, 3.7, 3.8, 3.9 8.8
403-2 Hazard identification, risk assessment, and incident investigation	Chap. III. 6.3 of the Management Report from the Board of Directors.		8 Subgoals:

GRI standard	Answer/Loca	ation			Omissio	ns/Co	mmer	nts	Priority SDGs			
403-3 Occupational health services	Chap. III. 6.3 Directors. Main activiti Group's cor 96 %)	es of th	e Occu	pational He	ealth Service	s of the						3 8 Subgoals: 3.4, 3.6, 3.7, 3.8
	30 70)		e dical									3.9 8.8
		Occupa		Appointment	Appointments	Comple	menta					0.0
				Occupational Nursing	Curative Medicine	ry	exams					
	Portugal	1-/-	1 641	1 531	397	Qia	7 826					
	Angola		1 649	906	1 095		759					
	Brazil		5 322				33 230					
	Spain		32									
	Mozambique		667	499	168		3 577					
	Total 2023		9 311	2 936	1 660		45 392					
	Total 2022 Total 2021		0 126	3 774	2 207		34 225					
	* - 2022 restated		8 762	3 621	1 391		31 832					
	EGEL TOOLGIO	· vaiaoo:										
	Coverage ra the Group's			overage 20	23 = 95%)	perforn	ned at		Valed	Tabel .	Votal	
	***	Corporate	Construct		rs Real Estate	Hospitality	Distribution	Automotive	Total 2023	Total 2022	Yotal 2021	
	Portugal Men	76% 77%		9% 91° 9% 91°		89% 84%	72% 73%	80% 67%	88%	93% 94%	93% 93%	
	Women	75%		1% 949		92%	73%	100%	88%	90%	93%	
	Angola	74%		0% 681		85%	83%	85%	79%	85%	82%	
02. 2 Occupational health convices	Men Women	68% 89%		1% 749 2% 539		84% 87%	84% 82%	85% 85%	79% 79%	85% 90%	82% 82%	
03-3 Occupational health services	Brazil	92%		8% 95			100		89%	95%	97%	
	Men Women	87%		1% 969 1% 939					88%	89% 90%	97% 97%	
	Spain	97%	10						90% 65%	96%	57%	
	Men		100						74%	95%	64%	
	Women Mozambique	100%	100	% 59 7% 419		31%			18% 52%	97% 90%	25% 67%	
	Men	100%	66	% 429	%	30%			52%	87%	62%	
	Women	100%	79	359	% 100%	34%			52%	97%	86%	
103-4 Workers participation, consultation, and communication to he workers regarding occupational lealth and safety	Chap. III. 6. Directors.	3 of the	Manag	ement Rep	oort from the	Board o	of					3 8 Subgoals: 3.4,3.6,3.8 8.8
103-5 Workers training in occupational nealth and safety	Chap. III. 6.	3 of the	Manag	ement Rep	ort from the	Board o	of					3 8
ioditi did odioty	Billootoro.											Subgoals: 3.9, 8.8
103-6 Occupational health promotion	Chap. III. 6.	3 of the	Manao	lement Ren	ort from the	Board (	of					3.9, 6.6
об о обобранова подан розполож	Directors.	0 01 1110	a.iag			200.0						3 8 Subgoals 3.3, 3.4, 3.5, 3.7 3.8, 8.8
103-7 Prevention and mitigation of occupational health and safety mpacts directly related to business elations	Chap. III. 6.	3 of the	Manag	ement Rep	oort from the	Board o	of					8 Subgoals
103-8 Workers covered by an occupational health and safety management system	Chap. III. 6.	3 of the	Manag	ement Rep	oort from the	Board o	of					3 8 Subgoals: 3.8, 8.8

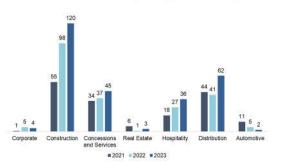
#### **GRI** standard

#### 403-9 Work accidents

#### Answer/Location

Chap. III. 6.3 of the Management Report from the Board of

Directors.
Evolution of accidents as of December 31st by sector of activity - number of accidents at work (Coverage 2023 = 96%):



#### Omissions/Comments

Information about workers who are not employees is managed at the level of the business areas and there is no consolidated information.

of fatal accidents during the reporting period.

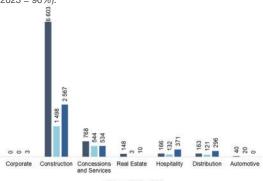
#### **Priority SDGs**

Subgoals: 3.6, 3.9, 8.8

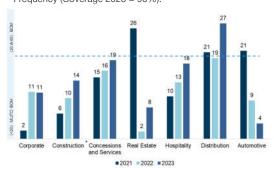
There were no reports

#### 403-9 Work accidents

Evolution of accidents as of December 31st by sector of activity - number of lost days resulting from work accidents (Coverage 2023 = 96%):



Evolution of accidents as of December 31st by sector of activity - Frequency (Coverage 2023 = 96%):



\* Values of the Construction sector of 2022 rectified

Classification of Claims Indices according to the World Health Organisation:

#### **GRI** standard

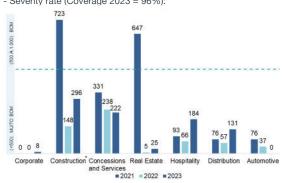
#### Answer/Location

#### Omissions/Comments

Priority SDGs

403-9 Work accidents

Evolution of accidents as of December  $31^{\rm st}$  by sector of activity - Severity rate (Coverage 2023 = 96%):



\* Values of the Construction sector of 2022 rectified

403-10 Occupational diseases

Chap. III. 6.3 of the Management Report from the Board of Directors.

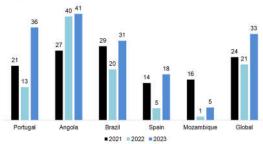
Number of employees with occupational diseases declared in 2023: 14 employees in the Construction sector, in Portugal.



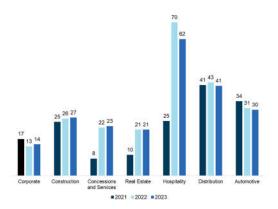
# GRI 404: QUALIFICATION AND EDUCATION 2016

404-1 Average qualifying hours per year, per employee

Evolution of the average number of training hours per employee per year by market and overall of the Group (Coverage 2023 = 96%):



Evolution of the average number of hours of training per employee by area of activity:



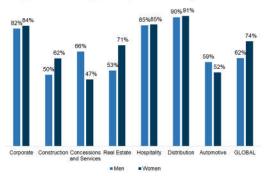


Subgoals: 4.3, 4.4, 4.5 8.2, 8.5

GRI standard Omissions/Comments Priority SDGs

404-1 Average qualifying hours per year, per employee

Number of trainees covered by qualification activities by market and by area of activity (Coverage 2023 = 96%):



Number of hours of training volume by market and by area of activity (Coverage 2023 = 96%):

Markets	Corporate	Construction	Concessions and Services	Real E state	Hospitality	Distribution	Automotive	Total 2023	Total 2022	Total 2021
Portugal	2 105	49 327	22 696	1 575	5 726	523	154	82 106	26 714	40 572
Men	977	48 326	18 016	1 032	1 547	341	153	70 392	18 994	35 896
women	1 128	1 001	4 680	543	4 179	182	1	11 714	7 720	4 676
Angola	703	3 995	2 880	602	65 923	45 047	8 101	127 251	114 451	76 376
Men	676	3 915	2 692	575	38 362	27 440	5 487	79 147	74 366	52 495
women	27	08	188	27	27 561	17 607	2614	48 104	40 085	23 881
Brazikli	1 472	74 005	6 621	336				82 434	58 740	90 367
Men	463	66 288	5 929	184				72 864	50 725	84 247
women	1 009	7 717	692	152				9 570	8 015	6 120
Spain		2 085	424					2 509	723	2 387
Men		2 035	400					2 435	351	2 360
women		50	24					74	372	27
Mozambique	273	804	944	2	1 526			3 549	1 037	11 204
Men	214	784	908		972			2 878	715	7 167
women	59	20	36	2	554			671	322	4 037
Total	4 553	130 216	33 565	2 515	73 175	45 570	8 255	297 848	201 664	222 205
Men	2 330	121 348	27 945	1 791	40 881	27 781	5 640	227 716	145 151	183 464
women	2 223	8 868	5 620	724	32 294	17 789	2 6 1 5	70 133	56 513	38 741

404-2 Programmes for the improvement of employee skills and assistance for career transition

Chap. III. 6.4 of the Management Report from the Board of Directors.

4 8 Subgoals:

4.3 , 4.5 , 4.6 8.2, 8.5

404-3 Percentage of employees receiving regular performance and career development evaluations

Subject managed at the business area level, with no consolidated data.



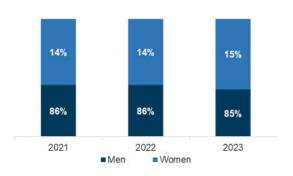
#### **GRI 405: DIVERSITY AND EQUAL OPPORTUNITIES 2016**

405-1 Diversity in governance bodies and employees

Section B II of the Corporate Governance Report. Chap. III. 6.1 of the Management Report from the Board of Directors.

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

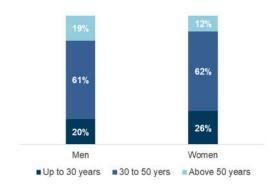




GRI standard Omissions/Comments Priority SDGs

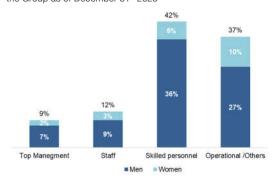
405-1 Diversity in governance bodies and employees

Percentage of employees by age group by gender by area of activity as of December 31st 2023:

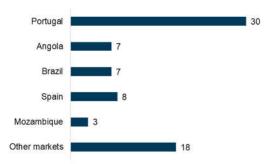


405-1 Diversity in governance bodies and employees

Percentage of employees by professional group by gender in the Group as of December 31st 2023



Number of nationalities of employees by market as of December 31st 2023:



#### **GRI 406: NON-DISCRIMINATION 2016**

406-1 Non-Discrimination 2016

During the reporting period, no discrimination complaints were reported within Teixeira Duarte Group



# GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016

407-1 Operations and suppliers where the right to freedom of association and collective bargaining may be at risk Chap. III. 6.2 and 7.2 of the Management Report from the Board of Directors.

During the reporting period, no operations and suppliers were identified in this situation.

8 Subgoals:

GRI standard	Answer/Location	Omissions/Comments	Priority SDGs
GRI 408: CHILD LABOUR 2016			
408-1 Operations and suppliers at significant risk of child labour cases	Chap. III. 6.2 and 7.2 of the Management Report from the Board of Directors.  During the reporting period, no operations and suppliers were identified in this situation.		8 Subgoals: 8.7
GRI 409: FORCED LABOUR OR ANAL	OGOUS TO SLAVERY 2016		
409-1 Operations and suppliers at significant risk of cases of forced or slave labour	Chap. III. 6.2 and 7.2 of the Management Report from the Board of Directors.  During the reporting period, no operations and suppliers were identified in this situation.		8 Subgoals:
GRI 410: SECURITY PRACTICES 2016	3		
410-1 Percentage of security personnel trained in human rights policies or procedures that are relevant to operations.	-	Subject managed at the business area level, with no consolidated data.	8 Subgoals:
GRI 411: INDIGENOUS PEOPLES' RIG	HTS 2016		
411-1 Cases of violation of indigenous peoples' rights	During the reporting period, no cases involving violations of indigenous peoples' rights were identified.		
GRI 413: LOCAL COMMUNITIES 2016	i		
413-1 Operations with involvement, impact assessments, and development programmes in local communities	Chap. III. 7.2 of the Management Report from the Board of Directors.		3 4 8 9 Subgoals: 3.3 , 3.6 , 3.9 , 4.4 8.2 , 8.3 , 9.2 , 9.3
413-2 Operations with significant real and potential negative impacts on local communities	During the reporting period, no real and potential situations of negative impacts caused by the operations of the Teixeira Duarte Group companies in local communities were identified.		
GRI 414: SOCIAL ASSESSMENT OF S	UPPLIERS 2016		
414-1 New suppliers selected based on social criteria	Chap. III. 7.2 of the Management Report from the Board of Directors.	Subject managed at the business area level, with no consolidated data.	8 Subgoals: 8.7, 8.8
GRI 418: CLIENT PRIVACY 2016			
418-1 Complaints regarding the violation of privacy and loss of customer data	During the reporting period, no complaints were recorded.		

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

Subject	Information to be provided	Answer/Location	Omissions/Comments
PART I - INFO	RMATION ON ADOPTED POLICIES		
A. Introduction	1		
	ion of the Company's general policy on sustainability issues, g any changes to the previously approved policy.	Chap. III 1. of the Management Report of the Board Of Directors.	
reporting	ion of the methodology and the reasons for its adoption in the g of non-financial information, as well as any changes made in to previous years and the reasons for such changes	Chap. III Introduction, Double Materiality Analysis and Chap. III 3. of the Management Report of the Board Of Directors.	
Business Mod	el		
form of o which it	description of the Company's/Group's business model and organisation, indicating the main business areas and markets in operates (if possible, using organisational charts, functional or tables).	Chap. I 1. of the Management Report of the Board Of Directors.	
C. Main Risk F	Factors		
and aris	ation of the main risks associated with the topics being reported sing from the Company's activities, products, services or a relationships, including, where appropriate and whenever the supply and subcontracting chains.	Chap. II 2. of the Management Report of the Board Of Directors.  Section C III. of the Corporate Governance Report.	
Indicatio Compan	on of how these risks are identified and managed by the by.	Section C III. of the Corporate Governance Report.	
governin	tion of the internal functional division of competencies, including ag bodies, commissions, committees or departments lible for risk identification and management/monitoring.	Section C III. of the Corporate Governance Report.	
	statement of the new risks identified by the Company in relation ts from previous years, as well as the risks that are no longer I.	Chap. I.3. of the Management Report of the Board Of Directors.	
	on and brief description of the main opportunities that are d by the Company in the context of the topics in the report.	Chap. IV of the Management Report of the Board Of Directors.	
D. Policies Im	plemented		
i. Enviro	nmental Policies		
	ion of the company's strategic objectives and the main actions are to achieve them.	Chap. III 8. of the Management Report of the Board Of Directors.	
Descript	ion of the main defined performance indicators.	Chap. III 8. of the Management Report of the Board Of Directors.	

ubject Information to be provided	Answer/Location	Omissions/Comments
Indication, in relation to the previous year, of the extent to which these objectives are achieved, at least by reference to:		
<ul> <li>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.</li> </ul>	Board Of Directors.	Subject managed at the business area leve if considered material, with no consolidated data.
<ul> <li>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 o remedy the aforementioned emissions.</li> </ul>	Board Of Directors.	Subject managed at the business area leve if considered material with no consolidated data.
<ul> <li>Circular economy and waste management: prevention, recycling and reuse measures and other means of waste recovery and disposal.</li> </ul>		Subject managed at the business area leve if considered material, with no consolidated data.
<ul> <li>Protection of biodiversity: impacts caused by activities of operations in protected areas and measures taken to preserve of restore biodiversity.</li> </ul>		Subject managed at the business area leve if considered material with no consolidated data.
ii. Social Policies		
Description of the company's strategic objectives and the main actions to be taken to achieve them.	Chap. III 7. of the Management Report of the Board Of Directors.	
Description of the main defined performance indicators.	Chap. III 7.2 of the Management Report of the Board Of Directors.	
Indication, in relation to the previous year, of the extent to which these objectives are achieved, at least by reference to:		
<ul> <li>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 on the territory; the relations maintained with the agents of the loca community and the respective means of dialogue; partnership of sponsorship actions.</li> </ul>	Management Report of the Board Of Directors.	
<ul> <li>Subcontracting and suppliers: the inclusion in the purchasing policy of social, gender equality and environmental issues; the consideration in relations with suppliers and subcontractors of thei social, environmental and governance responsibility; control and auditing systems and their respective results. Whenever possible include a reference to the fact that the Company's suppliers apply policies that are consistent with those established by the Company.</li> </ul>	Board Of Directors.	
<ul> <li>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 persor responsible for complaints.</li> </ul>		Subject managed at the business area leve if considered material with no consolidated data.
<ul> <li>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.</li> </ul>		Not applicable.

ubject	Information to be provided	Answer/Location	Omissions/Commen
	Stakeholders: information regarding possible ways of listening to stakeholders.	Chap. III 2. of the Management Report of the Board Of Directors.	
ir	Tax information: information on measures or acts with a fiscal mpact, including possible subsidies or any type of grant or property advantage granted by the State.	As part of the "We All Give" Programme, Teixeira Duarte Group companies allocate an annual amount to enhance the donations that their employees wish to make to social solidarity projects, donating twice the amount donated by the employees to the institutions they choose. 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.	
iii. Wo	orkers and Gender Equality and Non-Discrimination		
	ription of the company's strategic objectives and the main actions taken to achieve them.	Chap. III 6. of the Management Report of the Board Of Directors.	
Desci	ription of the main defined performance indicators.	Chap. III 6. of the Management Report of the Board Of Directors.	
	ation, in relation to the previous year, of the extent to which these tives are achieved, at least by reference to:		
aç nu er go la co in m co of (ir	imployment: total number and distribution of workers by gender, ge, country and professional classification, as well as the total umber and distribution of the types of contractual relationship (e.g. mployment contract, service providers, temporary work, etc.) by ender and age, average duration of contracts; percentage of the abour force receiving the national minimum wage, regardless of the ontractual relationship; remuneration for equal or average positions in the company, by gender; average remuneration of directors and anagers, including variable remuneration, allowances, ompensation, payment to long-term savings schemes and any ther payment broken down by gender; workers with disabilities including an indication of how the Company is complying with, or reparing to comply with, Law No. 4/2019 of January 10th, relating to the employment quota system for persons with disabilities).	Chap. III 6.1 of the Management Report of the Board Of Directors. Section D of the Corporate Governance Report. 2-7 and 405-1 from the Correspondence Table with GRI Standards.	Partially answered
n	Nork organisation: organisation of working time, including measures designed to facilitate disconnection from work and family life.	Chap. III 6.1 of the Management Report of the Board Of Directors. Plan for equality (https://www.teixeiraduarte.pt/sustentabilidade/pessoas/).	
	Health and safety: health and safety conditions at work and number of accidents at work.	Chap. III 6.3 of the Management Report of the Board Of Directors. 403-3 and 403-9 from the Correspondence Table with GRI Standards.	
ir n c a V	Social relations: organisation of social dialogue, including information and negotiation procedures with staff, namely the number of interactions held with unions and/or workers' committees, if any; new agreements concluded or review of the agreements in force; number of court cases and complaints to the Working Conditions Authority; percentage of workers covered by collective agreements by country; assessment of collective	Chap. III 6.1 of the Management Report from the Board of Directors (Compliance with International Labour Organisation Conventions). 2-30 from the Correspondence Table with GRI Standards.	Partially answered

	Subjec	t Information to be provided	Answer/Location	Omissions/Comments
	•	Training: the policies applied in the field of training and the type of training (e.g. whether the Company provides its employees with training on matters related to the evaluation of the company's performance in "non-financial" matters (e.g. privacy protection/GDPR, fight against money laundering/AML, Human Rights in the value chain, etc.); the ratio between training hours and the number of workers.	Chap. III 6.4 of the Management Report of the Board Of Directors. 404-01 from the Correspondence Table with GRI Standards.	Partially answered
		Equality: measures/policies adopted to promote equal treatment and opportunities between genders; equality plans; number of dismissals by gender; protocols against sexual harassment and gender-based harassment; policies for the integration and universal accessibility of people with disabilities; policies against all types of discrimination and, where appropriate, diversity management.	Chap. III 6.1 of the Management Report of the Board Of Directors. Plan for equality (https://www.teixeiraduarte.pt/sustentabilidad e/pessoas/).	
	iv. Hu	uman Rights		
		ription of the company's strategic objectives and the main actions taken to achieve them.	Chap. III 7. of the Management Report of the Board Of Directors.	
-	Desc	ription of the main defined performance indicators.		Subject managed at the business area level, if considered material, with no consolidated data.
_	Indication, in relation to the previous year, of the extent to which these objectives are achieved, at least by reference to:			
		Due diligence procedures applied in the field of human rights, in particular with regard to the hiring of suppliers and service providers.	Chap. III 7.2 of the Management Report of the Board Of Directors. Chap. III 8.10.3 of the Management Report of the Board Of Directors.	
	;	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.	Chap. III 7.2 of the Management Report of the Board Of Directors. Chap. III 8.10.3 of the Management Report of the Board Of Directors.	
•	•	Legal proceedings for human rights violations.	There were no situations of this nature during the reporting period.	
	v. Co	mbating Corruption and Bribery Attempts		
	corru amor indica proce corru	uption prevention: measures and instruments adopted to prevent ption and bribery; policies implemented to deter these practices in workers and suppliers; information about the compliance system ating the respective functional officers, if any; indication of legal seedings involving the Company, its directors, or workers related to ption or bribery; measures adopted in the context of public urement, if relevant.	Chap. III 7.1 of the Management Report of the Board Of Directors.	
-	regin	ention of money laundering (for issuing companies subject to this ne): information on measures to prevent and combat money dering.		

Answer/Location	Omissions/Comments
nas Chap. III 5. and Chap. III 7.1 of the tive Management Report of the Board Of Directors. , if	
itor Chap. III 5. and Chap. III 7.1 of the Management Report of the Board Of Directors. Section B II and Section E I. of the Corporate Governance Report.	
OWED	
on-Financial Information	
n of Chap. III "Introduction" and 3 of the as Management Report of the Board Of Directors. ble to res Gs. ned	
rs	
the Chap. III "Introduction" of the Management Report of the Board Of Directors. of oles the for her	
on- The Company applies policies regarding all issues.	
Chap. III 7.3, Chap. III 8. and Chap. III 8.9 of the Management Report of the Board Of Directors.  of bart or the	
	Chap. III 5. and Chap. III 7.1 of the Management Report of the Board Of Directors.  Chap. III 5. and Chap. III 7.1 of the Management Report of the Board Of Directors. Section B II and Section E I. of the Corporate Governance Report.  OWED  ON-Financial Information  Chap. III "Introduction" and 3 of the Management Report of the Board Of Directors.  Section B II and Section E I. of the Corporate Governance Report.  Chap. III "Introduction" and 3 of the Management Report of the Board Of Directors.  The Company applies policies regarding all issues.  Chap. III 7.3, Chap. III 8. and Chap. III 8.9 of the Management Report of the Board Of Directors.

# IV. ACTIVITY BY SECTORS

Below is a report of the activity carried out by Teixeira Duarte Group companies in various sectors, following a similar structure for each sector. This structure includes providing context for the respective sector within the Teixeira Duarte Group, followed by presenting Sales and Services Rendered, EBITDA, and Consolidated Operating Results (EBIT), the contribution of that business area to the Group, and concluding with an exposition on the performance during 2023, accompanied by non-consolidated indicators that allow for an analysis and perspective on the total activity rather than just its final contribution to consolidated figures.



Contract job for the Modernisation of the Railway Line of Beira Alta Celorico da Beira - Guarda - Portugal

# IV.1 Construction

The construction sector is the flagship activity of the Teixeira Duarte Group, accounting for about half of its activity and its number of employees. These facts give it high relevance not only for its representativeness but also for the historical and technical responsibility of a century-old company, whose longevity surely results from its ability to evolve and adapt.

The Group operates in the areas of Geotechnics and Foundations, Buildings, Infrastructure (including Maritime Works and Rehabilitation), Metalworking, Underground Works, and Railway Works, in the strategic markets of Portugal, Angola, Brazil, and Mozambique, also taking advantage of opportunities to operate in other geographies only within the scope of some contracts, sometimes even in specific areas of this sector, as is the case with maritime works in Cape Verde, underground works in Spain and Peru, or railway works in Gabon.

Its size, expressed in its six areas of operation and its geographical dispersion reflected in its four strategic markets and in the others in which it has operated more punctually, as well as changes in economic and geopolitical conjunctures and even internal changes, have led to a strategic repositioning that the Group prioritises and whose implementation has already borne fruit in its operation and organisation.

Teixeira Duarte aims to evolve not only in what it does but - mostly - in how it is done and, for that reason, knows it is **Ingenuity** reflected in the success of the engineering solutions and in the efficiency of the execution of projects and contract jobs it undertakes; that it is the **Truth** to make it evolve and trust proven abilities and, at the same time, create bonds with clients and suppliers so that they become partners; and finally, it knows it is the **Commitment** with the goals and obligations undertaken before all stakeholders and for that reason knows that, to keep honouring and accomplishing what it is, is also evolving and believing, united and aligned as a whole, such endeavour of commitment between the company itself and its employees, clients, suppliers, those who support and believe in Teixeira Duarte, the community and its shareholders.

In this evolution, the clear triple objective of "doing differently to do better" - also keeping up with the most modern and top technological innovations in the sector -, a strategic and organic alignment, and strong and united leadership with its top structures - materialised internally in the reinforcement being made in the Board of Directors of Teixeira Duarte - Engineering and Construction, S.A. and in the constitution of an Operational Executive Committee that leads (and is evolving) the production and commercial models and the interaction between both structures in a more aligned and complementary way - as well as the reorganisation of global management by geographies, are some examples of the objective improvement that is being achieved and that will increase the results of this important and historical Sector of the Teixeira Duarte Group, where it feels that it fulfils its mission and purpose of contributing to the effective "construction" of a better world.

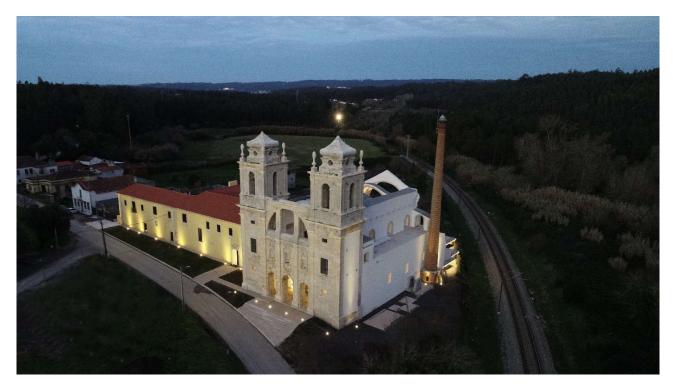
With the aim of optimising resource management, and to implement greater rigour and standardisation in cost control and work planning, the decision was made to centralise all production resources and to create a new area of support for Planning and Cost Control.

There are many fronts on which, throughout its more than 100 years of history, the "construction" of Teixeira Duarte has improved people's lives: whether through the initial capture of water and artesian wells; or by providing quality and dignified housing; whether through schools that promote better education; hospitals that accommodate and solve the health problems of each citizen; courts and other buildings of essential public entities for the proper functioning of any locality or country; essential community infrastructure related to electricity, other forms of energy, water, gas, mines, and raw material extraction; offices, factories, and other essential workspaces for economic development; even to airports, railway lines, or roads that connect us internally and externally to each other and to the world. That is also our pride, that is also our certainty of contributing through our activity and the way we do it - which we best exemplify in our non-financial activity report, integrated into this management report - towards a truly better world.

Teixeira Duarte divides its capabilities into what it calls six AREAS OF ACTIVITY:

**Geotechnics and Foundations**, in which, through its technical staff, geological and geotechnical reconnaissance teams, and Project Management Department, it develops tailored engineering solutions for its clients at the soil-structure interface for each "challenge" and also carries out the respective construction works with its own resources and technologies, whether for soil treatment, foundation reinforcement, deep foundations, excavations and peripheral containment, slope stabilisations, among other specialised works.

**Buildings**, based on the construction and renovation of all types of buildings, including large-scale and complex structures, whether public or private, and intended for various uses and segments, from residential to office spaces, commercial, healthcare, hospitality, services, and industrial construction.



Rehabilitation and Consolidation of the Seiça Convent, Paião - Portugal

**Infrastructure**, where Teixeira Duarte Group companies gather a vast and diversified set of executed works, including roads and highways, bridges and viaducts, dams, tunnels, railways, railway stations and interfaces, maritime, riverine and port works, environmental construction, as well as energy, water, natural gas production infrastructure, and sanitation.

**Metalworking** is the area of expertise dedicated to metal construction, a speciality in which it excels in manufacturing and assembly, with a particular focus on mechanical systems, including synchronised movement systems, as well as the production, assembly, and movement of large structures.

In **Underground Works**, the Teixeira Duarte Group holds 100% of the capital of a specialist company "E.P.O.S. - Empresa Portuguesa de Obras Subterrâneas, S.A." (EPOS, S.A.), which has been operating in the civil construction and public works industry since 1986, specialising in underground construction and carrying out projects in the field of mining exploitation.

And in Rail Works, the Teixeira Duarte Group owns 100% of the capital of a specialist company, "SOMAFEL - Engenharia e Obras Ferroviárias, S.A.," which has been dedicated to the construction, renovation, and maintenance of railway infrastructure including electrification (catenary) since 1956. Apart from its technical expertise and decades of experience working in various markets, the company stands out for its ability to work in four different gauges, in both track and catenary specialities, with specialised equipment and human resources.

All the mentioned operational areas divide their production and commercial skills into structures that are essential in forming executive teams and in career development, which include Exploitation Centres and Directorates. They also have a set of specific Support Structures for this construction sector, particularly in the areas of Procurement; Formwork, Reinforcement, and Concrete; Commercial; Innovation; Equipment Management; Proposal Logistics; Planning and Cost Control; Human Resources; and Management Systems. Additionally, they have an Operational Hub located in Montijo, covering an area of over 100.000 m², which constitutes a significant asset for the Group and the services provided to its clients.

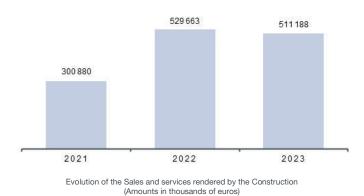
In this Sector, the Group also has an important Design Department, through which are carried out technical engineering studies and designs, for the whole Teixeira Duarte Group, which has proven to be of the utmost importance in the submittal of bids and designs with solid technical grounds. This structure also oversees the coordination and implementation of BIM (Building Information Modelling) across the entire Teixeira Duarte Group, consolidating internal and external training, developing projects using this methodology, and establishing internal procedures.

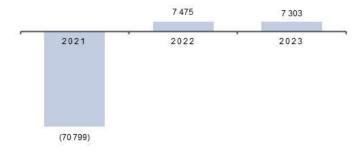
Its founder, Engineer Ricardo Esquível Teixeira Duarte, who completed the first Civil Engineering course taught at the Instituto Superior Técnico and who played a role as President of the Order of Engineers, has always been recognised by his peers for his technical and innovation value.

Teixeira Duarte continued its operations marked by this hallmark, always positioning itself as a true House of Engineering. From large infrastructures such as bridges, dams, roads and other public works, as well as hospitals and large buildings constituting historical landmarks, the Teixeira Duarte brand is recognised as a synonym of knowledge and experience, being a constant presence in the construction market.

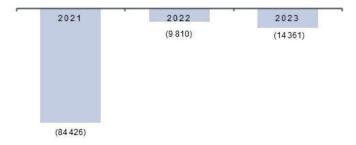
Apart from Teixeira Duarte - Engenharia e Construções, S.A. - the main company of the Group, there are also other affiliated companies that operate in specific areas of Construction, namely in Underground and Railway works, as well as several joint ventures and similar structures assigned to specific projects.

#### CONTRIBUTION OF THIS SECTOR TO THE GROUP





Evolution of Construction EBITDA (Amounts in thousands of euros)



Evolution of Construction Operating Results (EBIT) (Amounts in thousands of euros)

Overall, Sales and Provision of Construction Services decreased by 3,5% compared to 2022.

Portugal recorded an increase of 20,3% compared to 2022, mainly due to the contribution of the private sector.

External markets experienced a reduction of 20,8% compared to the same period last year, corresponding to a decrease of 63.744 thousand euros, including decreases in Angola of 6.796 thousand euros, in Brazil of 15.540 thousand euros, and a significant reduction in other markets of 43.178 thousand euros, mainly due to the completion phase of the project in Kuwait.

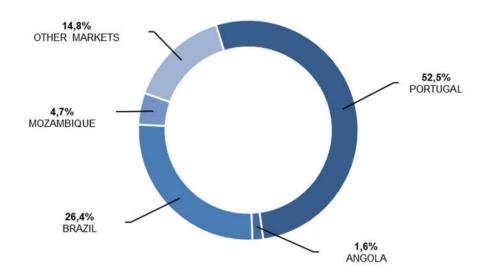
External markets now represent 47,5% of Construction Sales and Services, compared to 57,8% in 2022.

EBITDA in Construction remained similar to the previous year, reaching 7.303 thousand euros in 2023.

#### **ACTIVITY IN 2023**

In non-consolidated terms, for a perspective on the total activity in 2023, it is reported that the operating income achieved by the companies of the Teixeira Duarte Group in the Construction sector reached a total value of 603.736 thousand euros, a decrease of 1,6% compared to 2022.

In 2023, the Teixeira Duarte Group companies operating in this Construction sector operated in the historical and strategic markets of Portugal, Angola, Brazil, and Mozambique, as well as in others with operations still in progress or with specific contracts, such as Algeria, Cape Verde, Colombia, Spain, Kuwait, Gabon, and Peru.



Weight of the Countries in Construction Sales and Services Rendered

The performance in these geographies - and within them, in each of the mentioned Areas of Operation - will be analysed next.

#### **Portugal**

In the Geotechnical and Foundations area, good results were achieved this year, and equipment and operations were well optimised. Business opportunities were obtained, some in contracts where the Company itself executed subsequent phases, and others where Teixeira Duarte's high technical expertise was a decisive factor in contracting.

Among the cases of contracts where subsequent buildings were also executed by Teixeira Duarte, the following stand out:

- Demolition, structural reinforcement, foundation with micro-piles, peripheral containment, and excavation as part of the rehabilitation and expansion of the buildings at Rua Garrett, no 53 and 67, in Lisboa, for "Barlow Invest NV";
- Completion of excavation and peripheral containment works for the "Eastern Entrance of Cascais" project in Cascais, for "Grand Bay Residences - SICAFI, S.A." and "Auchan Retail Portugal, S.A."; and
- Excavation and peripheral containment for the new parking lot adjacent to the Centro Comercial Colombo in Lisboa, as well as foundation reinforcement on level -3, as part of the contract for the "1st Phase of the Office Tower of the Centro Comercial Colombo and respective Parking Lot", in Lisboa, for Sonae Sierra.



1st Phase of the Office Tower of the Colombo Shopping Centre and respective Parking Lot, Lisboa - Portugal

In other domains, it is worth mentioning the following works:

Integrated in building projects:

- Demolition, façade containment and suspension, general excavation, and peripheral containment of the "Estrela 46" building in Lisboa, for "REFORMOSA";
- Peripheral Containment and Foundation Piles for the "DOURO NÓBILIS River View" building, for the Business Group "REVITO – Real Estate Vision for Tomorrow";

Integrated in engineering structures and infrastructure projects:

- Emergency stabilisation of a slope in Algés due to severe weather, for the Municipality of Oeiras;
- Sheet pile walls for two underpasses beneath the Northern Railway Line in Arcozelo, Vila Nova de Gaia;
- Execution of sheet pile walls for the "Torre Silo Automóvel Lisboa" in Alcântara;
- Rehabilitation of permanent anchor systems on 2 slopes on the CREL motorway for "BRISA Concessão Rodoviária, S.A.";
- Execution of the 3rd Phase of sheet pile walls for peripheral containment at the new Casa da Música Station, Porto Metro.



Stabilisation of a slope in Algés, Oeiras - Portugal

Throughout the year 2023, the company also carried out various projects involving indirect, industrial, and residential foundations, using continuous flight auger (CFA) piles. Additionally, numerous geological-geotechnical exploration and reconnaissance works were conducted, including rotary drilling with continuous sampling and subsequent laboratory testing.

It is expected that in 2024, this area of activity will continue the strategic alignment assumed in recent years and further optimise its operational profitability. With its recognised expertise in projects, engineering, and high technology and innovation, it will continue to serve clients in such a sensitive and specialised area of construction, where the Teixeira Duarte Group has over 100 years of experience.

Within the scope of **Building**s, in 2023, various residential building projects were carried out, some for the Group's real estate branch and others for external clients. Additionally, there were projects involving commercial and office buildings, as well as a significant contract in the industrial construction sector, which represents a strategic focus of the Group for its future in this area.

Thus, in the residential segment, particularly for Teixeira Duarte's real estate sector, the following projects were noteworthy in 2023:

- Completion of the "River Plaza" building in Vila Nova de Gaia;
- Continuation of the construction of Lot Q19 in "Quinta do Cravel," also in Vila Nova de Gaia;
- Commencement of residential building construction for Lots 1 and 3 in the "Vila Rio" development in Póvoa de Santa Iria, Vila Franca de Xira;
- The second phase of the "Fábrica 1921" development in Benfica, Lisboa.



Lot Q19 at "Quinta do Cravel", Vila Nova de Gaia - Portugal

 $Still\ in\ the\ residential\ segment,\ for\ clients\ other\ than\ Teixeira\ Duarte's\ Group,\ the\ following\ projects\ stood\ out:$ 

- Rehabilitation of a residential building at Avenida da República, nº 55, in Lisboa, for "First Global/EMGI Investment Group (EMGI)";
- "Villa Unika" development near the sea in Estoril, Cascais, for "SOLYD Property Developers";
- Residential buildings in lots 14.3 and 14.6 in Alta de Lisboa, for "OCM Capital Partners";
- Still for "OCM Capital Partners", continued the construction of the residential development in Lots 19 and 21 of "Parque dos Cisnes", in Miraflores, for "OCM Capital Partners";
- In Cascais, as part of the "Eastern Entrance of Cascais" project, which has been ongoing since 2019, the second parking lot for "AUCHAN" was completed, along with finishing works and special installations for Lots 2 and 3, for "Grand Bay Residences SICAFI, S.A." and "Auchan Retail Portugal, S.A."
- Continuation of the "Legacy" residential and hotel project, for "REFORMOSA" in Cascais.
- Execution of the second phase of construction for the "High Lapa" residential development, also for "REFORMOSA,".
- Rehabilitation and expansion of the building at Rua Garrett, no 53 and 67, in Lisboa, was completed, for "Barlow Invest NV."



"Parque dos Cisnes" in Miraflores, Oeiras - Portugal

In the scope of offices, services, are worthy of note:

- Continuation of the contract for the "1st Phase of the Office Tower at Centro Comercial Colombo and respective Parking Lot", in Lisboa, for "SONAE SIERRA".
- Continuation of the contract for the "MUDE Museum of Design and Fashion" project, in the former headquarters of the "Banco Nacional Ultramarino", for "Lisboa Ocidental SRU Sociedade de Reabilitação Urbana E.M., S.A.".
- Execution of finishes and installations for the "Dom Luís Boavista" Hotel, part of the Hilton chain, located on Rua D. Luís in Lisboa, for the "Sete Colinas Closed Real Estate Investment Fund".
- Completion of the IBET Biofarma Research Centre in Oeiras, for the Instituto de Biologia Experimental e Tecnologia (IBET).
- Beginning of the construction of a Sports Platform and a Multipurpose Room for Colégio Moderno, in Lisboa.

In a diversification perspective and returning to the industrial construction segment, where Teixeira Duarte has had many successful years of experience,

• the civil construction contract for the Expansion of the Industrial Complex of Repsol Polímeros in Sines was initiated in May 2023, for TECNIMONT, SpA.

In addition to the ongoing projects and the new ones contracted in 2024 – the latter totalling 91 million euros –, there is also an internal reorganisation aimed at optimising operational performance, as well as a strategic reallocation of resources. This reallocation will prioritise residential real estate developments within the Teixeira Duarte Group and focus on other building segments such as offices, hospitality, services, and industrial construction. Teixeira Duarte is concentrating its commercial efforts on these segments to better serve clients with its recognised engineering solutions and construction efficiency. It aims to develop true creative partnerships for projects and clients, as demonstrated in several recent examples.

In the area of **Infrastructures**, Teixeira Duarte continued to fulfil its obligations in ongoing projects, optimised performance within them, and secured new contracts resulting from a stance taken in recent years of greater prudence in response to market conditions. In the year under review, the company operated in all three of its sub-areas of activity: Infrastructures, Rehabilitation and Maritime and Port Works



Extension of the Yellow and Green Lines of Metro de Lisboa, Campo Grande Viaducts, Lisboa - Portugal

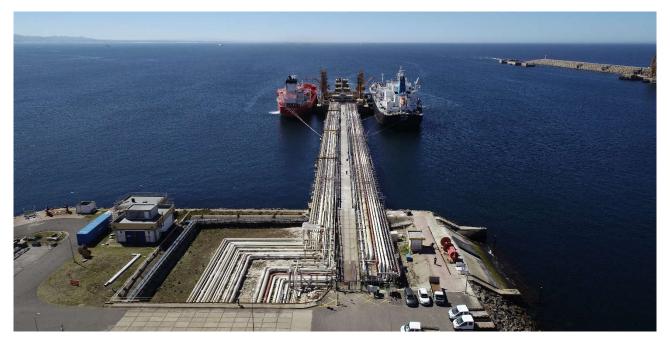
In the scope of Infrastructures, the following contracts are highlighted:

- Completion of the Rehabilitation and Strengthening of the Viaduct over the Este River, on the Cruz/Braga Sul section, of the A3 Porto/Valença Motorway, for "BRISA Concessão Rodoviária S.A.".
- Execution of the "Contract for the Civil Works of the Expansion of the Ourique Substation" in Beja district, for "REN Rede Elétrica Nacional".
- Execution, under the "Campo Grande Viaducts ACE" formed by "Teixeira Duarte Engenharia e Construções, S.A." and its subsidiary "SOMAFEL- Engenharia e Obras Ferroviárias, S.A. Contract job for the Design and Construction of the Structural Works, Finishings and Systems within the scope of the Metropolitano de Lisboa Expansion Plan Extension of the Yellow and Green Lines Campo Grande Viaducts Lot 3 for "Metropolitano de Lisboa, E.P.E.".;
- Execution of the "Contract for the Design and Adaptation of the Mainland Maritime Traffic Control Centre and Procurement of Goods and Installation Services for the Creation of the Sea Control Centre," for the Directorate-General for Natural Resources, Safety, and Maritime Services.
- Continuation of the execution of the Contract of track and catenary works between Évora and Elvas/Frontier, including the
  civil works of the Évora Évora Norte section, which is carried out as part of a consortium involving the Teixeira Duarte Group's
  company "SOMAFEL Engenharia e Obras Ferroviárias, S.A.," for "IP, Infraestruturas de Portugal, S.A."
- Continuation of the Modernisation Project of the Beira Alta Railway Line, section Celorico da Beira Guarda, which is being
  carried out by a consortium, including the company "SOMAFEL Railway Engineering and Construction, S.A.", for "IP,
  Infrastructures of Portugal, S.A.".
- Beginning of the Waterproofing of the Bottom Discharge Gallery and Water Intake of the Freixeirinha Dam, located in the municipality of Montemor-o-Novo, Évora district, for the Directorate-General of Agriculture and Rural Development.
- Commencement of interventions to ensure accessibility for people with reduced mobility at Campo Grande metro station, also for "Metropolitano de Lisboa, E.P.E.".

#### In the sub-area of Rehabilitation:

- Completion of two relevant contracts for the University of Coimbra, the "Contract for the rehabilitation of the roofs and façades
  of the Sala dos Capelos and Royal Palace of the University of Coimbra" and the "Contract for the rehabilitation of the roofs
  and façades of the Joanina Library of the University of Coimbra".
- Completion of the rehabilitation and reinforcement of structures at the liquid bulk terminal of Sines for "CLT Companhia Logística de Terminais Marítimos, S.A."

- Completion of the "Rehabilitation and Consolidation of the Seiça Convent" in Paião, for the Municipality of Figueira da Foz.
- Continuation of the project "IC15 Duarte Pacheco Viaduct, seismic reinforcement and complementary rehabilitation", for "IP, Infraestruturas de Portugal, S.A.".
- Commencement of the development works for the Execution Project related to the contract "IC17 CRIL Grilo Tunnel Infrastructure and Safety Systems Requalification Design/Construction Scheme", for "IP, Infraestruturas de Portugal, S.A.".



Liquid bulk terminal of Sines - Portugal

# In the sub-area of port and maritime infrastructures:

- Completion, through a consortium led by Teixeira Duarte, of the contract for the reshaping of the -10m quay (ZH), repaving of
  the Port Platform, improvement of the integrated technical networks, and dredging of the port basin of the Port of Ponta
  Delgada, on São Miguel Island, for "Portos dos Açores, S.A.".
- Continuation, through a consortium of companies including Teixeira Duarte, of the "Contract for the Repair of the Protection Pier, Curtain Wall, and Infrastructure of the Commercial Port of Ponta Delgada, under the Damages Resulting from Hurricane Lorenzo" (which struck the Azores archipelago on October 2nd and 3rd 2019), for "Portos dos Açores, S.A.".
- Continuation, by the consortium led by Teixeira Duarte, of the project for the extension of the outer breakwater and maritime accessibility of the Port of Leixões, for "APDL Administração dos Portos do Douro, Leixões e Viana do Castelo, S.A.".

With the strategic withdrawal from certain markets and the closure of contracts in others, our focus in the Metalworking sector has narrowed to Portugal and Brazil. Currently, there is an ongoing process to optimise the profitability of this sector, particularly through the acquisition of additional contracts that ensure the sustainability of a key structure for operations and technical engineering solutions in projects across other sectors within the Group. Additionally, this optimisation aims to provide tangible benefits to clients in the market, which is essential to effectively promote and showcase.

In 2023, the execution of the following contracts stands out:

- Contract for the Reinforcement and Repair of Full Roadway Gantries and Connections to the External Network, on the A12 Setúbal Montijo Motorway and Connection to Alto do Guerra", for BRISA Brisa Concessão Rodoviária, S.A.
- Continuation of the manufacturing of containers for the installation of hydrogen production units, for "UTIS Ultimate Technology to Industrial Savings".

Some of the notable works carried out within contracts of other areas of the Group, particularly in Buildings and Infrastructure, are highlighted as follows:

- The completion of works on metal structures for the "MUDE Museum of Design and Fashion" project in Lisbon.
- The works on metal structures and hydraulic lifting of concrete structures for the replacement of support devices in the contract for the rehabilitation and reinforcement of structures at the liquid bulk terminal in Sines.
- The works on metal structures for the construction of the "Dom Luís Boavista" Hotel, part of the Hilton chain, located at Rua D. Luís, in Lisboa.
- The metal roofing in the contract "Extension of the Yellow and Green Lines, Viaducts of Campo Grande Lot 3".
- Start of the civil construction works for the Expansion of the Industrial Complex of Repsol Polymers, in Sines.
- Concrete deck lifting works for the replacement of support devices in the contract for the "Rehabilitation and Reinforcement of the Viaduct over the Este River, in the section between Cruz and Braga Sul, of the A3 Porto/Valença Motorway".
- Lifting works for the replacement of support devices and reinforcement with pre-stressed concrete decks in the contract for the "IC15 - Duarte Pacheco Viaduct, seismic reinforcement and complementary rehabilitation".
- Commencement of works on metal structures and coatings for the "Requalification of the Sports Platform and Construction of a Multipurpose Room" at Colégio Moderno in Lisboa.
- Commencement of the execution of the lining of the bottom discharge conduit of the Freixeirinha Dam, located in the municipality of Montemor-o-Novo, Évora district, as part of the contract for the Waterproofing of the Bottom Discharge Gallery and Water Intake of that facility.



Viaduct over the Este River, in the section between Cruz and Braga Sul, of the A3 - Porto/Valença Motorway - Portugal

The manufacturing activity of metal structures continued at the production facilities in the Teixeira Duarte Operational Hub in Montijo. Additionally, in the Mechanical speciality – an activity conducted at workshop facilities in the Teixeira Duarte Operational Hub and at the Neves Corvo Workshops – collaboration was maintained with EPOS, S.A., a company within the Group, and with the main client in this field, "SOMINCOR - Sociedade Mineira de Neves Corvo, S.A.".

Also with SOMINCOR – Sociedade Mineira de Nevos Corvo, S.A. was strengthened the provision of services under the contract of Technical Assistance for the repair and maintenance of mining equipment in the facilities of the client.

In commercial activity, a vigilant approach in the Portuguese market has been maintained, with numerous studies and proposals being presented. A success rate is anticipated to increase the volume of activity, fostering positive expectations, which have already been partially realised with:

- The contracting of the "Contract for Supply and Assembly of a Metal Dock at the Manoeuvring Dock of Marquês de Pombal Station", with "Metropolitano de Lisboa, E.P.E", a project recently completed successfully.
- The contracting with "EDP Gestão e Produção de Energia, S.A." for the supply and installation of a "Cofferdam for the Flood Discharge Structure of Castelo de Bode", with works scheduled to take place throughout the year 2024.

In Underground Works, the trend of recent years has been maintained, with a further increase in activity compared to 2022.

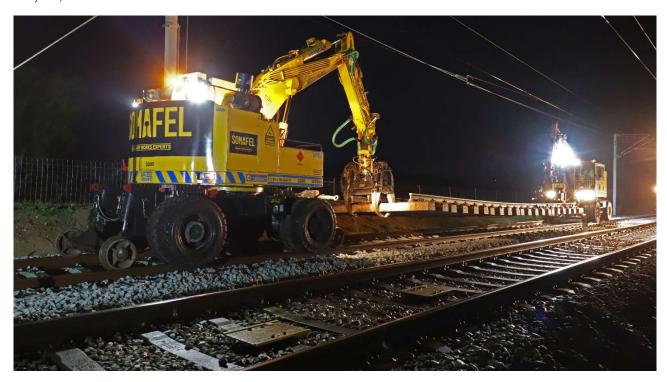
Throughout the year, ongoing work continued at the Neves Corvo Mine, as has been the case for decades. However, it is worth highlighting the signing of a new contract with the client ("SOMINCOR - Sociedade Mineira de Neves Corvo, S.A.") for development work on the mining infrastructure, transportation, and application of shotcrete. This contract, with a duration of 36 months, came into effect on November 1st of last year, regulating the contractual relationship between the parties since that date. The expected end date is October 31st 2026.

The "Excavation, Containment, and Transportation Works at the Aljustrel Mines" continued under a contract with that denomination, which was signed in November 2022 with "ALMINA - Minas do Alentejo S.A."

In these mines, for the same client, it is important to note that in March 2023, the first addendum to the aforementioned contract was signed. This addendum included, simultaneously, the execution of a new ramp for mining infrastructure from the surface and extended the initial contract period from 14 months to 32 months.

Despite some operational challenges experienced at the beginning of 2024 compared to the usually smooth operation of these contracts, they continue to perform well. Coupled with the necessary investments in equipment for their development, these contracts contribute to the anticipation of another successful year in this area of activity.

Regarding Railway Works, the Group's activity has once again grown significantly compared to the previous year, largely driven by works associated with the "Railway 2020 Program" launched by "IP - Infraestruturas de Portugal, S.A.", particularly concerning contracts on the Beira Alta Line, Cerdeira/Vilar Formoso section, and the Évora/Elvas section (the largest new railway project in Portugal in the last 100 years).



Section Évora/Elvas, Ermidas do Sado, Grândola - Portugal

There was also achieved growth and good performance in activities under the Maintenance Contract for Lots 1 and 2 (which represent 70% of the national railway network), ongoing with "IP - Infraestruturas de Portugal, S.A.", which ended in the last quarter of 2023, along with associated railway conservation works.

At the end of 2023, "IP - Infraestruturas de Portugal, S.A." awarded new maintenance contracts for the national railway network to the ACE - SOMEFER (where "SOMAFEL, S.A." is the leader with a 36,5% stake), also covering Lots 1 and 2. These contracts have a duration of 3 years, with the possibility of renewal for an additional 2 years, with a total value of 133.600.000 euros.

It is also worth mentioning the completion of the main activities of SOMAFEL, S.A. within the contract executed by "ACE Viadutos do Campo Grande", for "Metropolitano de Lisboa, E.P.E.". The conclusion of the 2<sup>nd</sup> phase of this project is expected to take place during the course of 2024.

This was indeed a great year for the Group in the field of railway works in Portugal. There is also an expectation of improvement for this year of 2024, especially in preparation for participation in major tenders in its area of operation, where SOMAFEL, S.A. is indeed the market leader, with 68 years of activity. The Group continues to invest and optimise its performance, both technically and operationally, in terms of equipment, and consequently, in achieving good performance and profitability.

In this regard, it is also worth mentioning the acquisition this year of a new and modern heavy mechanical tamping group from the renowned Swiss manufacturer "MATISA - Matériel Industriel, S.A.". This represents a significant investment by the Group to enhance its competitiveness and efficiency in this area.

#### Angola

The economy remained strongly affected by the international context, with the year 2023 witnessing a historic devaluation of the national currency against the dollar and a continued delay in the start of new projects, whether in the domain of public or private investments.

Despite this situation, Teixeira Duarte maintained its strong operational capacity, allowing it to remain a reference for technical and engineering quality and reliability in meeting its commitments. The company also continues to develop trusting relationships with suppliers and customers, promoting true partnerships for common objectives. Additionally, there is a desire to grow in this market while maintaining the capacity to do more in its multiple areas of operation, with a clear focus on doing so alongside clients with the same sense of commitment and reliability, thereby minimising the inherent credit risk associated with large contracts.

Despite the strong contraction and uncertainty in the market, it was possible to increase the level of activity compared to 2022 in the **Geotechnical** sector, with the following contracts standing out:

Among the cases of contracts where subsequent buildings were also executed by Teixeira Duarte, the following stand out:

- Pile foundations for the Catumbela Hospital in Benguela, for "VAMED Engineering Deutschland GmbH" (Luanda).
- Peripheral containment and excavation for the new clinic of the Angolan private healthcare network "Clínica Sagrada Esperança" in Cabinda.

In other domains, it is worth mentioning the following works:

- Pile foundations for the gas pipeline connection between gas factories, as part of the "Nag Pile Foundations" project in Soyo, by "Angola LNG Lda.".
- Geological-geotechnical exploration and reconnaissance at the Tailings Dam of the Catoca Mine in Saurimo, for the international consulting firm in this area, "Knight Piésold".

As a speciality subcontractor, Teixeira Duarte carried out the following works:

- Execution of deep foundations by piles, excavation, and peripheral containment for the "Building Lot 10" project, along the waterfront, in Luanda.
- Pile foundations for the Power Transmission Lines (400 kV) as part of the Laúca-Bita project.
- Pile foundations for the bridge over the Nhama River in Saurimo;
- Execution of deep foundations by piles, excavation, and peripheral containment for a residential and commercial building in the Sodimo area in Luanda;
- Pile foundations for a vaccine factory in the city of Huambo.

In Building Construction, the level of activity was maintained within the economic scenario of greater retraction and the strategic positioning objectives of Teixeira Duarte. Highlights include:

- Completion of the masonry works for the "Mfinda Building" for the "Cooperativa Mfinda" on Luanda Island. The project was characterized by high demands regarding exposed concrete elements on its exterior façade.
- Several interventions were carried out in some hotel units of the Group, with the continuation of the rehabilitation of the HCTA Hotel in Talatona.
- The reinforced concrete structure of the Catumbela General Hospital commenced after the completion of the first phase of foundations, for the Dubai-based healthcare technologies company "Alkra Technologies FZ-LLC".
- Construction of a hospital unit for the Angolan private healthcare network "Clínica Sagrada Esperança" in Cabinda began after the completion of the first phase of peripheral containment. The hospital will be equipped with two operating rooms and twenty-one inpatient beds.



Clinic Sagrada Esperança of Belas, Luanda - Angola

Given the project portfolio, an increase in the turnover volume for the Building Construction sector in this market is expected for 2024.

# Brazil

In this country, growth mainly occurred with large private clients, while in the geotechnical area, the focus was on maintaining appropriate levels of activity to retain capacity for future opportunities

In the **Geotechnical** area, works were carried out in residential and infrastructure areas. Notable projects in the <u>residential field</u> include:

- Execution of various excavation and peripheral containment works with sheet pile walls for "GAFISA, S.A.", notably in the developments "Lamborghini", "Vinci", "Evolve", and "Dráusio", all located in São Paulo.
- Execution of a wide range of other works in São Paulo within the following residential developments:
  - o "Chácara Klabin" development and "Moaci" development, both for "SINCO Engenharia, S.A.";
  - "Dom José Barueri" development for "CONSTRUTORA P4, Ltda";
  - o "Barueri" development for "MINT INC Incorporações e Participações Ltda";
  - "Unique Green" development for "EZ TEC Empreendimentos E Participações S/A".
  - o "Alves Guimarães" development for "ATHIE WOHNRATH Associados Projetos, Construção e Gerenciamento S.A.";
  - o "Hadock Lobo" development for "TOLEDO FERRARI Construtora e Incorporadora, Ltda."

Regarding works integrated into infrastructure projects, the following are highlighted:

- Completion of foundation pile execution for the aqueducts of the Apodi branch transposition in the state of Paraíba, for "ALYA Construtora S.A.":
- Completion of foundation pile execution for the Special Art Works complex in Topolândia, São Sebastião, on the north coast of São Paulo state, for "ENGETEC - Construções e Montagens S.A.";
- Execution of foundation piles for the bridge over the Jacundá River in the state of Pará for "Empresa Construtora Brasil S.A.";
- Execution of foundation piles for both the Railway Bridge and the Road Bridge over the Tocantins River for the Tocantins River Bridge Consortium.

During the year 2023, within the Building Construction sector, the following projects stand out:

- Completion of the contract for the Temple for the Church of Jesus Christ of Latter-day Saints (commonly known as the Mormons) in the city of Salvador, Bahia state;
- Completion of works in the Contract for the Regional Hospital of Ourilândia do Norte, Pará state, for VALE;
- Completion of the contract for the renovation and expansion works of the João Pessoa International Airport Presidente
  Castro Pinto and the Campina Grande Airport Presidente João Suassuna both in Paraíba state, for AENA Brasil, in a
  consortium led by Teixeira Duarte.
- Continuation of the execution of the contract for the modernisation and expansion of the passenger terminal and improvement
  of airport infrastructure, including runway and apron systems, at the Boa Vista International Airport Atlas Brasil Cantanhede,
  in the state of Roraima, and the Porto Velho International Airport Governador Jorge Teixeira de Oliveira, in the state of
  Rondônia. A contract under the EPC (Engineering, Procurement, and Construction) model for the Airports Concessionaire of
  the Amazon (Vinci Airports Group), through a consortium led by Teixeira Duarte;
- Commencement, in September 2023, of the services for the complete implementation of the construction works of Porto Futuro 02, comprising all implementation, construction, and refurbishment works, of the project located in the municipality of Belém, Pará state, for VALE, where the 30th United Nations Climate Change Conference (COP 30) will take place in November 2025:
- On October 30th 2023, the Pre-Construction contract for the Church of Jesus Christ of Latter-day Saints (commonly known as the Mormons) in the city of Santos, São Paulo state, began.



Airport of Campina Grande - Presidente João Suassuna, Paraíba - Brazil

Despite having a considerable portfolio of projects for 2025 and 2026, but not yet for 2024, efforts continued to strengthen the commercial team for this area of operation in this market, with a special focus on the private sector in the health, services, and industrial construction segments.

In the **Infrastructures** sector, there was a slight growth compared to the previous year, and it remains the market with the highest volume of activity in the infrastructure area for this fiscal year.

In terms of Infrastructures activity carried out in 2023, the following contracts stand out:

- Completion of civil works for the raising of the Itabiruçu dam to elevation 841 m, in the municipality of Itabira, Minas Gerais state, for VALE;
- Continuation of the Design and Execution Works for the Duplication of the BR-116/BA Highway Lots 06, with an extension of 40 km, in Bahia state, for DNIT National Department of Infrastructure and Transport;
- Continuation of the Contract for the Execution of Remaining Works for the Construction of the Fronteiras Dam, in the Municipality of Crateús, Ceará state, for DNOCS National Department of Works Against Droughts;
- Commencement, in February 2023, of the Contract for the Decommissioning of the Campo Grande Dam, in the Municipality of Mariana, Minas Gerais state, for VALE. Regarding the activity carried out by Infrastructures throughout 2023, it is worth mentioning the following contracts;



Itabiruçu dam, Minas Gerais - Brazil

In the specific sub-area of rehabilitation in 2023, the following contracts stand out, all executed for VALE:

- Completion of the structural recovery contract for Pier-2 at Tubarão Port, State of Espírito Santo;
- Completion of the contract for filling the Gallery of Pontal Dam and Armco Tube of Dike 2 and Plugging of the Gallery of Santana Dam, in the municipality of Itabira, State of Minas Gerais;
- Continuation of the two maintenance contracts for works of art and metal bridges on the Vitória Minas Railroad;
- Continuation of the Structural Recovery contract for the Terminal Island Guaíba (TIG) Dock, in the Mangaratiba region, State
  of Rio de Janeiro.

For 2024, an increase in activity is expected compared to 2023, considering the contract for the execution of Civil Works, Drainage, Earthworks, and Special Art Works for the Construction of Package 1B of the Midwest Integration Railway (FICO), with an approximate length of 27.700 m, located in the municipalities of Mara Rosa, Alto Horizonte, Nova Iguaçu de Goiás, and Santa Terezinha, in the state of Goiás, for VALE.

Metalworking activity in Brazil remained at a reduced level, significantly lower than in previous years.

In production, the activity was limited to participation in the assembly of metal structures under the contract "Reform and Expansion of the Airports of João Pessoa and Campina Grande, in Paraíba", for AENA Brasil.



International Airport of João Pessoa - Presidente Castro Pinto,- Brazil

In this market, Teixeira Duarte has maintained commercial activity by submitting various proposals that include work in this area.

There is an expectation of a resumption of Metalworking activity in the short term in this market, with anticipated contract signing, in the first half of 2024, for a significant project. This includes the replacement of the Fundão railway metal bridge in the state of Espírito Santo, for VALE.

In **Underground Works**, the year 2023 saw activity very similar to the previous year.

Following a strategic change by the international mining group AngloGold Ashanti to reduce outsourcing in its operations, they unilaterally terminated the contract for the Cuiabá Mine, which was originally scheduled to end in April 2024. This was the only ongoing contract in this geographic area for Underground Works.

As a result, demobilisation of resources for that project occurred during October and November. A plan for the recovery and improvement of equipment has begun to ensure its availability for future projects in this market.

The Group continues to invest in developing activity in this area in this country, pursuing commercial activities accordingly.

Regarding Railway Works in Brazil, it is worth highlighting the good recovery of performance achieved through commercial activity and optimisation of ongoing contracts, following the termination of two significant contracts that were ongoing. This allowed the year to close with a positive performance.

From the activity in 2023, the following contracts stand out, optimising equipment utilisation and improving performance during the year:

- Completion of the renovation of 50 km of railway track in the state of Maranhão, for the client CSN Companhia Siderúrgica Nacional:
- Completion of 50 km of new railway track and the start of an additional 108 km, in the state of Ceará, on the Transnordestina railway, for the client CSN Companhia Siderúrgica Nacional;
- Commencement of important contracts within the scope of the latest major duplication on the Carajás Railway, in the state of Pará, for VALE. This is one of the most heavily loaded lines in the world, where SOMAFEL, S.A. has already duplicated more than 200 km.

#### Mozambique

Construction activity remained heavily constrained by the difficult economic and financial situation in the country, with the conditions for the start of long-awaited new investments in the North of the country still not materialising.

In the field of **Geotechnics**, deep foundation works for the Headquarters of the Constitutional Council in Maputo were completed, and works for peripheral containment and foundation piles for the Sidónio Tower Building in Maputo for "H&B Investimentos" were also initiated.

Several works of geotechnical survey were also carried out in this sector.



Head Office Building of the Constitutional Council, Maputo - Mozambique

In the scope of the **Buildings** area, the year 2023 saw a much higher level of activity compared to the previous year, with the following works standing out:

- Completion of the design/construction contract for the Structure, Finishes, and Special Installations of the Auto Silo at the Central Market of Maputo, for the Empresa Municipal de Mobilidade e Estacionamento, E.P.;
- Start of the construction for the Head Office Building of the Constitutional Council in the city of Maputo;
- Commencement of foundations and structure for the residential building, Sidónio Tower, for "H&B Investimentos Imobiliários";
- In the domain of industrial construction, architectural works began in Temane, as part of the Thermal Power Plant project, for "TSK Moçambique".

These works will extend into 2024, indicating further growth in the Building Construction sector for the year 2024.

With regard to Infrastructures in Mozambique, the following maritime works stand out:

- Completion and acceptance of the "Construction of Port Facilities for Nacala Port Development Project Phase I & II" in Nacala, for the Japanese consortium "Penta Ocean/Toa";
- Repair of damages caused by a ship collision at the Port of Pemba, involving structural reinforcement of the quay in the area affected by the accident.

In Railway Works, the projects stand out:

- Completion of the construction of the second Railway Bridge at Km 26+900 of the Ressano Garcia line, for "Portos e Caminhos
  de Ferro de Moçambique, E.P.", which included construction works for the Platform and Railway Access to this infrastructure;
- Execution of approximately 300km of heavy mechanical tamping on the Machipanda Line, in the Manica district, near the border with Zimbabwe, for "Portos e Caminhos de Ferro de Moçambique, E.P.".



Railway Bridge of the Ressano Garcia line - Mozambique

#### Other markets

As mentioned above, in addition to the four strategic markets where Teixeira Duarte operates in the Construction Sector, there are also other countries where the Group operates more sporadically, whose activity in 2023 is described below: Algeria, Cape Verde, Colombia, Spain, Gabon, Kuwait e Peru Among these, the one with the greatest significance, given the scale of the project involved, was Kuwait, but whose activity is expected to conclude with the delivery of this project.

In **Algeria**, the political and economic situation continued to constrain the activity development, with most of the projects suspended, with the exception of the maritime project "L'étude, la réalisation des aires de travail e de transfert, les infrastructures maritimes et génie civil, les fournitures et l'installation d'un complexe élévateur à bateaux d'une capacité de levage égale ou supérieure à 9000 tonnes et la formation de techniciens", for E.C.R.N. "l'Établissement de Construction et de Réparations Navales" (integrated into the Ministry of National Defence of Algeria), located at the Mers-El-Kebir Naval Base, whose works were completed and accepted by the Client in the first quarter of 2023.

In this context, negotiations continue with local authorities aimed at closing outstanding files in order to safeguard the interests of the parties.

In Cape Verde, the consortium led by Teixeira Duarte has started the development of the execution project for the EPC (Engineering, Procurement, and Construction Agreement) contract for seven airports, for "Cabo Verde Airports, S.A.," the company that manages the airports and airfields of Cape Verde, owned by "Vinci Airports" and "ANA - Aeroportos de Portugal, S.A." Construction work on these infrastructures has already begun in 2024.

In this market, there are good prospects for continuing the ongoing activity, both through other opportunities associated with new projects for the client "Cabo Verde Airports, S.A." and through securing projects whose tendering is expected to occur in the short and medium term, in the area of infrastructure works.

In Colombia, Teixeira Duarte focused primarily on the two main projects outlined below:

- Continuation of the construction of a "Cut and Cover" structure known as "Deprimido Calle 72" in Bogotá, for the concessionaire "Metro Línea 1".
- Execution of approximately 11.000 meters of foundation piles measuring 800 and 1200 mm in diameter, at a depth of 40 meters, for the "Vive el Rio" building in the city of Barranquilla.

Teixeira Duarte remains attentive to this market, aiming to seize any emerging opportunities and carefully analysing the feasibility of maintaining and possibly expanding its presence. It's worth noting the macro context of the public works sector, which presents a positive outlook for investment by the State.

In Spain, Teixeira Duarte operates solely in the field of Underground works, with its activity remaining focused exclusively on providing services in the mining sector.

The execution of two maintenance service contracts at the Aguas Teñidas Mine in Huelva for "MATSA – Mina de Aguas Teñidas, S.A.U." continued: one for mining equipment and the other for truck maintenance. Both contracts were signed in October 2020 for a duration of five years.

It is also worth noting that, following the commercial activities carried out in 2023, a contract was signed in 2024 with GEOALCALI for the development of two underground ramps and various underground infrastructures in the Muga-Vipasca Potash mining project in the Pamplona region. This contract is shared equally with a Spanish company, through a consortium led by EPOS, S.A., with a value of 24.000 thousand euros.

In Gabon, the Group operates through SOMAFEL, S.A. in the field of railway works. In 2023, SOMAFEL continued the execution of the contract for heavy-duty tamping services on the railway line between Libreville and Franceville for "SETRAG – Société d'Exploitation du Transgabonais" (the concessionaire of the 650 km line known as "Transgabonais"). An additional contract with the same purpose was signed and initiated, allowing for the doubling of its activity in this market until December 2024, with prospects for continuity in the following years.

In Kuwait, Teixeira Duarte continued the construction contract for the Umm Al Hayman Wastewater Treatment Plant for "WTE Wassertechnik GmbH – Kuwait Branch". The project is of significant scale and involves the construction of 98 structures and buildings (including internal facilities) of 44 different types. The most prominent structures in this construction are the six Digesters, each with a diameter of 21 meters and a height of about 35 meters. The scope also includes all associated earthworks, buried external networks and drainage, road networks/signage, lighting, CCTV, fencing, and landscaping.



Umm Al Hayman Waste Water Treatment Plant - Kuwait

In the last quarter of 2023, inspections began for the purpose of provisional acceptance listing and delivery of the first buildings to the client.

The project is nearing completion, and provisional acceptance is expected to take place during the first half of 2024.

In Peru, in 2023, Teixeira Duarte operated in the area of **Underground Works**, and the acquisition of several contracts allowed for a significant increase in activity compared to 2022.

The company's operations in this country were all within contracts for the Lima Metro, for the "Consorcio Constructor M2 Lima," with the following highlights:

- Completion of earthmoving and civil works for the "3rd Via Oscar Benavides";
- Completion of excavation and support works for ventilation shafts "PV17 and PV18";
- Commencement of preliminary and subsequent earthmoving and civil works at ventilation shaft "PV01-BIS Line 4";
- Commencement of preliminary works at "E1 Gambetta Station of Line 4";
- Beginning of civil works at "E1 Gambetta Station of Line 4";
   Contract for the excavation, support, and remaining civil works of ventilation shafts "PV15 and PV 14," which commenced in 2024.



"3rd Via (Track) Oscar Benavides", Metro de Lima - Peru

# IV.2 Concessions and Services

Teixeira Duarte Group began operating in this sector in 1984, in Macau, through a stake in "CPM - Companhia de Parques de Macau, S.A.," which it still holds today. Over the years, the Group expanded its presence to include other ventures in Portugal, Angola, Algeria, Brazil, Belgium, Spain, Luxembourg, Mozambique, Qatar, and Venezuela.

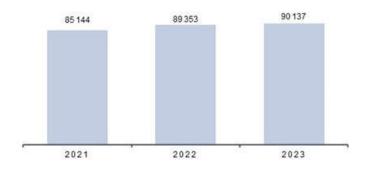
In the field of Concessions and Services, the Group's companies have been involved in Facilities Management and Facilities Services, Educational Activities in Angola, Environmental initiatives, and Small Hydropower Plants (SHPs) in Brazil.

Additionally, Teixeira Duarte holds minority stakes in various other entities, the management of which is not conducted by the Group's structures and, in most cases, does not form part of its consolidation perimeter. Nonetheless, some key points about the most important entities will also be provided at the end of this chapter. Nonetheless, some notes about the most important ones will also be provided at the end of this chapter.

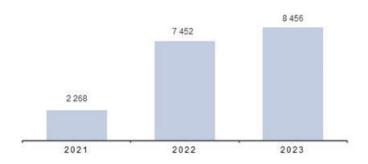
Teixeira Duarte maintains its position of not being a long-term investor in the field of **Concessions** – primarily participating in projects where tenders included this construction-concession modality – although it holds some stakes for strategic and occasional reasons.

Within the **Services** sector, the two areas of greatest impact for Teixeira Duarte are Facilities Management and Education. Facilities Management has been Teixeira Duarte's focus in this sector since 2000 through the TDGI brand. Its contribution to the Group has been consistently growing, bringing significant commercial advantages to the Group's engineering positioning, as will be further detailed ahead.

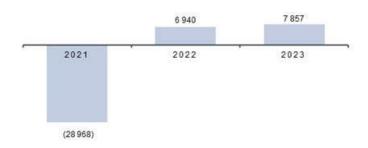
#### CONTRIBUTION OF THIS SECTOR TO THE GROUP



Evolution of the Sales and services rendered by Concessions and services (Amounts in thousands of euros)



Evolution of Concessions and Services EBITDA (Amounts in thousands of euros)



Evolution of Concessions and Services Operating Results (EBIT)
(Amounts in thousands of euros)

The Sales and services rendered of the Concessions and services had a growth of 0,9%, when comparing to 2022.

In Portugal, there was an increase of 4,9% compared to the previous year, driven by new contracts.

It is worth noting that in **Angola**, where the Group experienced a 6,4% reduction compared to 2022, excluding the devaluation of the Angolan Kwanza, the Group would have recorded an increase of 38,6%.

In **Brazil**, the Group recorded a 21% increase compared to the same period, impacted by the appreciation of the Brazilian Real. Without the effect of the appreciation, the increase would have been 19,6% compared to 2022.

In **Mozambique**, the Group had an increase of 5% of the volume in of the Sales and services rendered compared to the same period of the previous year.

The EBITDA in Concessions and Services amounted to 8.456 thousand euros, representing an increase of 13,5% compared to last year.

#### **ACTIVITY IN 2023**

In terms of non-consolidated figures, to provide an overview of the total activity in 2023, the Group's operating revenues in the **Concessions and Services** sector reached a global value of 93.937 thousand euros, 44,3% of which pertains to activities conducted abroad. Overall, these figures reflect a decrease of 1,3% compared to 2022. To further understand the significance of the Group's main areas of activity in this sector, it is noted that out of the mentioned non-consolidated operating revenues, 87% are from the Facilities Management area, 9% from the Education sector, and 4% from the Environmental sector.

#### **FACILITIES MANAGEMENT / FACILITIES SERVICES**

Since the year 2000, the Teixeira Duarte Group has been active in Facilities Management / Facilities Services, operating through the TDGI brand. Today, it encompasses a set of entities focusing on: (i) Integrated Management of Hard and Soft Services; (ii) Technical Maintenance; (iii) Energy Analysis, Diagnosis, and Solutions; (iv) Space and Construction Management.

Engineering is at the core of TDGI, driving the development of specific technical competencies and suitable technological solutions that enhance service quality, operational efficiency, and cost optimisation for clients.

We live in times when thinking critically, being efficient, having ingenuity, creating new solutions, optimising operations, and managing spaces, equipment, and energy can make all the difference in any company, whether towards greater profitability or towards proper integration in terms of the environment and the community. In this overarching context of today's world, TDGI knows it can contribute, as evidenced by its continued success over these 24 years of sustained growth.

The exceptionally high customer retention rate and the challenges posed by customers themselves to TDGI are evidence of the collaborative and committed manner in which we operate, as well as the trust in the ingenuity we bring and the truth with which we act, creating lasting bonds that both pride and sustain us for an even better future.

In 2023, the companies of the Group operating under the TDGI brand did so in Portugal, Angola, Algeria, Belgium, Brazil, Spain, Luxembourg, Mozambique, and Qatar.

In Portugal, 2023 was again a year of business volume growth, to which all areas of operation contributed. Several new contracts were initiated, and existing contracts with current clients were generally renewed.

In the areas of Integrated Management of Hard and Soft Services and Technical Maintenance, which represent TDGI's core business, new clients stand out, such as the pharmaceutical company "MSD" (Merck Sharp and Dohme), the "ManpowerGroup" (a global leader in innovative talent management solutions, present in Portugal since 1962), and the leading Japanese information and communication technology company "Fujitsu," as well as the renewal of the contract with "Novo Banco, S.A." It is also noteworthy that the level of service and the trust gained with the client "Tabaqueira, S.A." (integrated into the massive multinational group "Philips Morris") allowed TDGI to also win the maintenance of all "IQOS" stores in Portugal, thus reinforcing its operations in the retail segment.

Within this area of Integrated Management of Hard and Soft Services and Technical Maintenance, particularly in the industry sector, 2023 saw the renewal of the contract for the operation and maintenance of the ammonia plant for "Upfield" (the world's largest plant-based consumer products company, operating with recognised brands since 1871).

Also in the industrial sector - regarding the value of engineering solutions and true partnership relations with clients, as well as leveraging other areas of the Teixeira Duarte Group, such as the Project Management Directorate and the Metalworking division of Teixeira Duarte - Engenharia e Construções, S.A. - it's worth mentioning that in 2023, the so-called "SIDUL Project" was completed for "SIDUL AÇÚCARES, Lda." (the historic Portuguese sugar company, integrated into the "ASR Group" since 2010, led by "American Sugar Refining, Inc.," the world leader in the sector). This project initially involved the design of a new sugar supply line and then its installation and assembly at the company's factory in Santa Iria da Azóia, Vila Franca de Xira, all with multiple sensitivities and complexities, particularly due to executing these tasks while the factory was operational. This significant project further solidified TDGI's position in the industrial sector, particularly in the design, management, and execution of industrial technical installations, an area that is gaining momentum for the coming years, with an internal Industrial Projects department already showing promising prospects for 2024.



SIDUL Plant, Santa Iria da Azóia - Portugal

In 2023, through the "Analysis and Diagnosis and Energy Solutions" department (undergoing a rebranding process to "TDGI Energies"), the focus on energy and environmental sustainability continued. This included the installation of photovoltaic panels for clients such as the global American brand "HERTZ" (car rental) or CLIMEX (a Portuguese company specialising in hygiene and cleaning services with over 50 years of market experience). In the electric mobility sector, the installation of electric chargers stood out, with clients like "DECATHLON" (part of the world's largest sports goods group) and "Tetra Pak" (a Swedish multinational manufacturing food packaging for over 70 years). A notable project in this sector was the relamping project with LED lighting in a section of the "Tabaqueira, S.A." factory in Albarraque, demonstrating once again the trust clients have in TDGI.

In early 2023, TDGI launched the brand "SPACE UP" (arising from the restructuring of the space management and construction sector), aiming to reinforce the identity of this area of operation and its positioning in the market. In 2023, there was growth in this activity, with notable projects for "Grupo Zeiss Portugal" (a major leader in innovation and technology in ophthalmic lenses and equipment), the aforementioned "Tetra Pak" project in Carnaxide, Oeiras, and for Zuhlke (an international brand of innovation services, specialising in business strategy and innovation, digital solutions and applications, and device and system engineering) in Porto. Additionally, there were renovation works for the central atria of Buildings 3 and 12 of Lagoas Park in Porto Salvo, Oeiras - a historic contract for TDGI in the maintenance and facility management sector - as part of the modernisation efforts undertaken by the current property owner.

In Angola, which remains one of TDGI's largest markets globally, 2023 was a very positive year.

In the Industry sector, significant work was carried out for the French multinational "Total Energies" - a world-renowned client in the Oil & Gas industry. This included maintenance and refurbishment of their various onshore facilities and buildings, as well as maintenance work on their offshore oil platforms.

Still in this area, the start of the contract with "EQUINOR" (an international energy company, part of the global group Statoil) and the increased volume of work with the logistics company "SONILS" are noteworthy.

In another key sector for TDGI in this market, Banking, continued contracts with "BNI - Banco de Negócios Internacional," "STANDARD BANK," and "EMIS - Empresa Interbancária de Serviços" are noteworthy.

In the Building sector, the commencement of the maintenance contract for the "Torre IMOB" in Luanda for the Ministry of Finance stands out.



IMOB Tower, Luanda - Angola

Lastly, an important note about TDGI's continued investment in training in 2023, aimed at further strengthening its operational capacity in this market and developing and empowering local teams.

In Algeria, TDGI's activity in 2023 focused on continuing the maintenance contract for the headquarters building of Bank AGB in Algiers, which ended at the end of December.

In Belgium - and Luxembourg - 2023 was dedicated to exiting these markets. Throughout the year, operations were phased out and local responsibilities reduced, allowing TDGI to focus its activities on markets with greater potential.

In Brazil, 2023 saw another year of business growth for TDGI.

The company continued its activities with significant and reputable clients, including "TMKT" (recognised as one of the pioneering companies in the contact centre market), "DECATHLON" (the world's largest group in the sports goods sector), and "Hospital Edmundo Vasconcelos," all in São Paulo, as well as "AKER Solutions" (an international group leading in sustainable energy solutions), in Curitiba and Macaé.

The year began with the commencement of the maintenance contract for the HVAC comfort system at the "PROCTOR & GAMBLE" factory in São Paulo. This is the largest factory in Latin America for this important global consumer goods manufacturer. Thus, TDGI reinforces its presence in the Industrial sector in Brazil, where it already collaborates with other clients such as the oil filter factory of "Kaplan Auto Group" or the industrial unit of "Avery Dennison," a global leader in adhesive technologies, graphic displays, and packaging materials



Plant of "PROCTOR & GAMBLE", São Paulo - Brasil

In the area of Space and Construction Management, 2023 was again a year of growth, with the execution of a significant number of projects for existing clients. Particularly noteworthy were the works in the warehouses and distribution centres of "Grupo Santa Cruz" (Brazil's largest pharmaceutical distributor), "DECATHLON," "Hospital Edmundo Vasconcelos," and "VOLKSWAGEN."

While maintaining existing clients, TDGI has been able to attract new ones and establish a strong commercial position, earning recognition and direct interest from several clients.

In Spain, TDGI continued its operations through its two hubs - Madrid and Barcelona - concentrating most of its work there.

2023 witnessed growth, with practically all contracts with clients renewed and activity expanding with some clients such as the Percassi Group (operating with brands like "Nike," "Victoria's Secret," and "Lego"), and "Electronic Arts" (the American multinational video game company), which entrusted TDGI with the maintenance of its new headquarters in Madrid due to the excellent work already being done for them.

The intensified commercial activity in the previous year led to the signing of new contracts for the facilities of important entities such as the Omnicom Group, stores of brands like "Desigual" (clothing) and "JBL" (electronics), as well as real estate assets managed by the company "Sienna."

In Mozambique, TDGI continued to develop its activities sustainably, aiming to create more value and establish itself as a leading company in Maintenance and Facilities Management.

In the Oil & Gas sector, which has been a strong focus for the company, contracts with various entities such as ENI and BAKER HUGHES were maintained.

In the banking sector, notable was the continuity of contracts with clients such as "Banco Comercial e de Investimentos" (BCI), part of the Caixa Geral de Depósitos Group; "Absa Bank Mozambique," a member of the South African banking conglomerate Absa Group Limited; MILLENNIUM BIM, part of the Millennium Group; "NEDBANK Mozambique," belonging to a South African financial services group; as well as the Bank of Mozambique itself.

Towards the end of the year, it's worth highlighting the commencement of the maintenance contract for various facilities in the North and Central regions with STANDARD BANK, whose Group also has its head office in South Africa. This contract further solidifies TDGI as the primary maintenance service provider in the banking sector in Mozambique.

In the Building sector, it's worth mentioning the commencement of the maintenance contract with "FIDELIDADE IMPAR" - part of the Fidelidade Group - for its headquarters in Maputo. TDGI has been consolidating its activity and team, focusing on training and qualification to be prepared for the growth it continues to seek in this market. Despite the more challenging circumstances, TDGI has increased its activity in this market and strengthened its presence throughout the national territory.

Regarding **Qatar**, TDGI operates through the local entity "TDGISERV," jointly owned with the local company "PETROSERV" - which has been active in the Oil & Gas sector there for over 30 years.

TDGISERV continued its main contract with QATAR FOUNDATION for the maintenance of the SIDRA MEDICAL & RESEARCH CENTRE, as well as for the maintenance of the facilities at the Al Shaqab Equestrian Centre.

Overall, TGISERV maintained the trust of its clients, retaining contracts with entities such as HAMAD MEDICAL CENTER, QATAR UNIVERSITY, and PHCC (Qatar's network of health centres).

Teixeira Duarte Group has been taking steps to finalise the change in the participation model in this company, as agreed with partners, aiming to reduce its financial exposure while maintaining activity in its areas of operation. Operational efficiency and profitability are believed to improve, continuing to justify Teixeira Duarte's investment.

#### **EDUCATION**

The "EDUCARE - Educational and Cultural Activities, Lda" is a company wholly owned by the Teixeira Duarte Group, established in 2007 with the purpose of developing the "Colégio S. Francisco de Assis Luanda Sul," located in Talatona/Luanda Sul, Angola.

Recognised by the Portuguese Ministry of Education, it is an educational institution providing exemplary education from Preschool to Secondary Education.

Its Educational Project, based on a solid mission and values, justifies its numerous accolades and the choice of families as a privileged environment for their children's education.

Investments have been made primarily for building maintenance, remodelling areas to optimise educational spaces, completing the technological modernisation of classrooms, and improving preschool recreational areas.

Academic results, obtained in national assessment tests conducted by the Portuguese Ministry of Education, surpassed the national average in the Final Exams of the 9th year in Portuguese and Mathematics. They also underscored the importance of continuing the Strategic Action Plan for Mathematics and reinforcing work in the TechLab discipline (1st cycle of basic education), in line with pedagogical guidance, with the introduction of Computational Thinking.

In the National Secondary Education Exams, the scores were above the national average in all subjects, except for English, Philosophy, and Economics A, and in Physics and Chemistry A, where the average was the same.

All enrolled students successfully completed the 12<sup>th</sup> grade and gained admission to Portuguese and foreign universities and courses of their first choice.



S. Francisco de Assis Luanda Sul School - Angola

In September 2023, the school year began with a re-enrolment rate of around 95%, and the secondary education offered courses in Sciences and Technologies (CT), Languages and Humanities (LH), and Socioeconomic Sciences (CS).

By December, there was a total enrolment of 802 students, the highest number since the beginning of its activities.

This context once again demonstrates the differentiated educational response provided, which plays a crucial role in attracting new students and ensuring the continuity of current ones.

Focused on maintaining an organisational environment with high standards of trust and attentive to the growing shortage of teachers in Portugal, the institution continued to generate a positive perception as a workplace, retaining most of its qualified professionals (97% of teachers) and attracting others from similar educational institutions. This also translates into a growing stability of this Portuguese curriculum and program educational project.

Special emphasis is also placed on efforts to enhance the value of preschool education and diversify the range of services offered, in response to the demand for additional sources of revenue.

There was strong adherence to Optional Educational Services with a wide range of options, and the development of Complementary Services to Support the Surrounding Community continued, with the optimisation of the auditorium.

In the current context, the main challenge for managing this unit is to maintain good results in a situation where teacher costs are indexed to the euro and tuition fees have reduced their expression in euros due to being obtained in Kwanzas - a currency that significantly depreciated throughout 2023. There are additional challenges to increase the value of these fees given the current regulations in force on this matter.

For the year 2024, there will be continued careful management of the various areas and resources of "Colégio S. Francisco de Assis Luanda Sul," continuing the solid work that makes this College an educational reference at the national and international levels.

#### **ENVIRONMENT**

"RECOLTE - Servicios y Medioambiente, S.A.U" (RECOLTE), wholly owned by the Teixeira Duarte Group, has been engaged in providing various environmental services in Spain for several years. In September 2019, an agreement was reached between RECOLTE and URBASER S.A.U. for the transfer of RECOLTE's contractual position in all Administrative and Private Contracts in the Environmental Area in Spain, with the purpose of confirming Teixeira Duarte's exit from this business area.

By the end of 2023, the nineteenth contract had been transferred to URBASER, leaving only one remaining - with the municipality of Marín, in Pontevedra - under which Sales and Service Provision amounted to 1.472 thousand euros.

In this context, RECOLTE remained focused on reducing its central structure and completing the transfer of the contractual position of the aforementioned contract. If this contract remains within RECOLTE's sphere, it is expected to generate revenues of similar amounts to those achieved in the current fiscal year.

#### **CONCESSIONS**

Port Operation in Venezuela under the "Strategic Alliance for the operation and management of the container terminal at the Port of La Guaira" celebrated with the Venezuelan entity "Bolivariana de Puertos (Bolipuertos), S.A." in 2017, and for a term of 20 years, Teixeira Duarte had been carrying out, since that date, the commercialisation, conservation, operation, administration, construction, and utilisation of the "specialised container terminal (Muelles 27 y 28- Sector Oeste) at the Port of La Guaira". In 2021, Bolipuertos unilaterally and belatedly terminated the contract, in flagrant violation of existing bilateral agreements and Teixeira Duarte's rights and expectations on this matter. Following the reactions immediately after the mentioned termination and those carried out in 2022, during the year 2023, Teixeira Duarte continued with efforts aimed at compensation for the impacts generated by such unlawful termination.

"TDHOSP - Hospital Building Management, S.A." (TDHOSP), in which Teixeira Duarte - Engenharia e Construções, S.A. currently holds 10% of the respective share capital, is a company that aims at managing the Cascais Hospital for a period of 30 years, including activities such as design, project, construction, financing, conservation, and maintenance.

Since the completion of the Cascais Hospital Building in February 2010, TDHOSP's activity has focused on managing and maintaining the hospital building, as well as managing and operating its parking lot.

The thirteenth calendar year of TDHOSP's activity continued to comply with the various evaluation parameters of the Management Contract, namely: Service, Availability and Satisfaction.

During this period, regular monthly reports were issued, demonstrating a good performance by this company, hence an "Excellent" evaluation is expected for the year 2023. Within the scope of the activities set forth in the management contract, TDHOSP carried out small modifications in the building, requested and supported by the Building Managing Entity and approved by the Public Contracting Entity.

It is worth noting that since January 1st 2023, the Establishment Management Entity has been "Galo Saúde - Parcerias Cascais, S.A.," which replaced "Lusíadas - Parcerias Cascais, S.A." on that date.

"AEBT - Auto-Estradas do Baixo Tejo, S.A.," established on January 15<sup>th</sup> 2009, is a company in which Teixeira Duarte - Engenharia e Construções holds a stake that, in 2023, increased from 9% to 21,5% of its share capital. It acts as a sub-concessionaire for the activities of design, construction, increasing the number of lanes, financing, operation, and maintenance of motorway sections, regional roads, and associated road networks in the Setúbal district. AEBT finished the construction activities on its sections in November 2012, with

an extension of 25,6 km; since that date, it has been operating a network of 60,2 km. As of December 31st 2022, the sub-concession object is:

- (l) Construction, exploitation, operation and maintenance of two motorway sections, A33/IC32 Palhais / Coina and A33/IC32 Casas Velhas / Palhais (which includes the connection to Trafaria and the connection to Funchalinho), which has a toll fee, except for local traffic, with regard to the last section of A33. The total length of these two road infrastructures is approximately 25,6 km;
- (ii) Exploitation, operation and maintenance of the sections which are in service, at the present date, IC32 Coina / Montijo (IP1), IC3 Montijo (IP1) / Alcochete, IC20 Express way of Caparica and IC21 Express way of Barreiro, which adds up to a total of 34,6 km.

In addition to the normal operational activities of the sub-concession network, AEBT's activity in 2023 was focused on investment. The project to increase the number of lanes on the A33 was completed, with the opening of the third lane to traffic on November 17<sup>th</sup>. As for the IC20, the project to increase the number of lanes began on October 2<sup>nd</sup>, with completion expected by May 2025.

For 2024, AEBT's activity will continue to focus on investment, particularly on completing the expansion of the IC20 lanes, including the usual infrastructure maintenance activities, given their nature and relevance.

"CPM - COMPANHIA DE PARQUES DE MACAU, S.A." is an entity in which the Group maintains an indirect 15% stake in the share capital since its foundation in the mid-1980s, following an international public tender. It was a pioneer and continues as a leading company in the construction and operation of parking lots and related activities in the Macau Special Administrative Region. It has maintained sustainable growth and regular dividend distribution.

In 2023, the management and operation of the public parking lots for which this subsidiary is a concessionaire in Macau continued, along with monitoring the developments that the government and new technologies are bringing to this business in the region. This includes rehabilitation works on various parking lots and plans to install electric vehicle charging facilities in public parking lots in Macau.

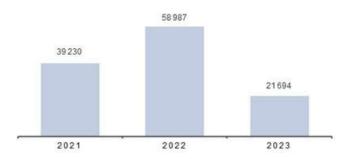
"PAREDÃO DE MINAS ENERGIA, S.A." and "GONGOJI MONTANTE ENERGIA, S.A." are two Brazilian companies directly owned by Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., which held licenses for the construction and operation of Small Hydroelectric Plants (SHPs). This corresponds to an area of activity assumed by the Group as non-strategic. In the 2023 fiscal year, efforts continued toward the divestment of the assets held by these companies, primarily consisting of land.

# IV.3 Real Estate

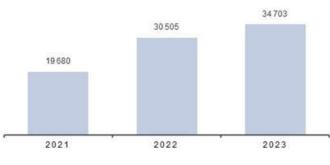
Teixeira Duarte Group's involvement in this sector dates back to the early 1970s, accumulating 50 years of experience and a constant quest for innovation. This foundation has enabled the Group to encompass a wide range of companies that operate from project inception to licensing, promotion, commercialisation, and asset management in the residential, service, and commercial segments.

In addition to its success in the markets of the various countries in which it operates, the teams in this Real Estate Sector are also responsible for managing the real estate assets of the Group in the different regions where Teixeira Duarte operates in this sector. In 2023, this occurred in Portugal, Angola, Brazil, and Mozambique, as detailed below.

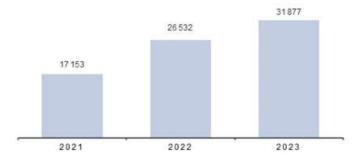
#### CONTRIBUTION OF THIS SECTOR TO THE GROUP



Evolution of the Sales and services rendered by the Real Estate (Amounts in thousands of euros)



Evolution of Real Estate EBITDA (Amounts in thousands of euros)



Evolution of Real Estate Operating Results (EBIT) (Amounts in thousands of euros)

The Group experienced a 63,2% decline in Sales and Services in the real estate sector compared to the same period last year.

In Portugal, the Group reached 17.930 thousand euros, reflecting an increase of 13.510 thousand euros compared to 2022, mainly due to the sales of the "River Plaza" building in Vila Nova de Gaia.

In Brazil, the Group reached 692 thousand euros, showing a decrease of 50.039 thousand euros compared to the same period last year, resulting from the development of projects located in São Paulo.

The Real Estate EBITDA amounted to 34.703 thousand euros, representing a 13,8% increase over the previous year.

The Operating Result of the Real Estate sector reached 31.877 thousand euros in 2023, representing an increase of 5.345 thousand euros compared to 2022.

#### **ACTIVITY IN 2023**

In non-consolidated terms, to provide a perspective on the total activity in 2023, it is reported that the Group's operating income in the Real Estate sector reached a global value of 118.158 thousand euros, representing a 13,8% increase compared to 2022. External markets and Portugal each accounted for 50% of the activity, compared to 51% and 49% in 2022, respectively.

In this sector, in 2023, the Group continued to develop its portfolio of projects in its two main markets, Portugal and Brazil, primarily in the residential segment, with projects at various stages of the production cycle. In **Angola** and **Mozambique**, the activity was lower and focused on managing existing assets, but always with attention to the evolution of their respective economies and potential opportunities.

In **Portugal**, the year 2023 was characterised by strong activity. The commercialisation of developments, mostly aimed at the domestic residential market, progressed at a good pace, with investments continuing to support this commercial performance. There was a focus on managing the increasing costs associated with construction, requiring additional effort from teams in the design and development of products.

In Lisbon, during the period under review, following the completion of the first phase of the residential development "Fábrica 1921" located in Benfica, a large portion of the deeds for the 162 residential units that make up the development were completed, along with complementary commercial units and public facilities to be transferred to the Municipality. The second phase of this development, where all 82 residential units have already been sold, is under construction, with completion expected during the year 2024.

It's worth noting that this project involved the regeneration of an entire city block and was distinguished with the National Urban Rehabilitation Award in the city of Lisboa.



Real Estate Development "Fábrica 1921" in Benfica, Lisboa – Portugal

Similarly in the city of Lisbon, in the Benfica parish, the approval of the architectural projects for the first phase of the "Garridas 1867" residential development stands out. This development, with approximately 33.000 m² of above-ground construction area, continues the process of regeneration in the Benfica neighbourhood.

The first phase of the project comprises 89 residential units, with the sales process initiated, resulting in 43 units reserved by the end of 2023. Meanwhile, plans for the second phase of the development have been prepared, with sales expected to commence in 2024.

In the Lisbon metropolitan area, the first phase of the "Vila Rio" development, located in Póvoa de Santa Iria, Vila Franca de Xira municipality, was completed. This development, with approximately 136.000 m² of above-ground construction area, plans to build around 600 housing units and 30.000 m² of commercial and service space. Sales for the first two housing lots, comprising 68 units, have been finalised.

Construction work has begun on these lots following geotechnical assessments. Additionally, construction operations for the second phase, consisting of two lots, have been licensed. Commercial activities have commenced for one of these lots, with 26 units reserved out of a total of 52 units planned for this lot by the end of 2023.

To ensure uninterrupted promotion of this development, architectural projects have been initiated for the two lots constituting the third phase of promotion of the development and the adjacent "Praça do Sal": a public square intended to be the main driving force of the development. Efforts are also underway to implement complementary uses alongside residential purposes.

In the municipality of Vila Franca de Xira, regarding the logistics and retail development located in the parish of Forte da Casa, known commercially as "Lezíria Park," the reconfiguration of the respective land plot has been completed. This enables the independent contracting of spaces dedicated to these two uses.

In the municipality of Loures, the development of two projects is highlighted. The first comprises a housing estate of 42 single-family villas, commercially known as "Villas de Santa Marta", and the other is a retail park with approximately 8,300 m² of construction. During 2023, a purchase and sale contract was signed for the retail park plot, and the processing of the residential estate's planning permission was initiated, with commercial launch expected in the first half of the next fiscal year.

In Oeiras, the completion of work by the multidisciplinary team of designers and consultants involved in the drafting of the Northern Caxias Detail Plan is notable. This enabled all components of this plan to be put up for public discussion, which took place at the end of 2023. This step was crucial for the "Parque Central" development, which envisions various office buildings, housing, and commercial spaces integrated into a large park—a model aimed to be an international benchmark for innovation and sustainability, developed in partnership with "CSCEC - China Construction Portugal, S.A."

In the city of Vila Nova de Gaia, the construction of the residential building "River Plaza," part of the "Santa Marinha Design District" development, was completed, with most of its 39 residential units already notarised. Additionally, construction was licensed for a plot featuring 80 residential units, commercially known as "Vintage 18", with approximately half of its units already reserved by the end of the fiscal year. Work also commenced on the construction of the "KORI" building. This innovative concept of compact homes offers 112 units, with around 70 units already sold by the end of the fiscal year.



Building "KORI" (model flat), Vila Nova de Gaia - Portugal

In this development, in order to allow its continuous progress, the architectural designs for Lot 20 have been initiated, along with the respective licensing process, which envisages the construction of 90 residential units.

Also in Vila Nova de Gaia, regarding the development of the residential project "Quinta de Cravel," construction of the "Q19" building, comprising 50 units, has been continued. Simultaneously, the development of architectural designs for buildings to be constructed on a set of plots has commenced, representing the future offer of approximately 135 residential units in this development.

For 2024, strong activity is anticipated in Portugal focused on advancing the various ongoing projects through their different stages, namely:

In the Metropolitan Area of Lisboa:

- Completion of the construction of the second phase of the "Fábrica 1921" development;
- Finalisation of the licensing process and commencement of construction for the "Garridas 1867" project;
- Continuation of construction and marketing efforts for the "Vila Rio" development;
- Conclusion of the licensing process for the residential "Vilas de Santa Marta" subdivision and initiation of marketing activities;
- Expectation to proceed with technical work towards the implementation of the "Parque Central" project.



Development "Vila Rio" (illustrated perspective), Póvoa de Santa Iria - Portugal

In the Porto Metropolitan Area:

- Completion of the deeds for the "River Plaza" building;
- Contracting of all available units in the "Kori" and "Vintage 18" buildings;
- Completion of the construction of the Q19 building in the "Quinta de Cravel" development and signing of deeds for its 50 units, with continued progress on ongoing projects, notably the commercial launch of Lot 26, which comprises 95 residential units.

In **Angola**, there was a weakening of the economic framework compared to the previous year, with GDP growth of 1,5% falling below expectations. In terms of inflation, there was a year-on-year increase of 20% in December, and the local currency experienced a record devaluation over the past year. In this context, the activity was essentially focused on managing the Group's income-generating assets.

Throughout 2023, there was a slight improvement in the performance of properties in operation, especially in the office segment, with high occupancy rates maintained in the residential and retail segments, accompanied by rigorous control of operating costs. However, the currency devaluation mitigated the positive impact of increased rental values in local currency.

Regarding property sales, there was a decline in demand, but it was still possible to sell some assets, particularly with the signing of deeds for the purchase and sale of four houses in Alvalade, one house in Cacuaco, an office in Maculusso, and seven units in a residential building.

For 2024, the focus will be on continuing the operation of income-generating properties, supporting the management of assets in other sectors of the Group, and divesting non-strategic assets.

In **Brazil**, the macroeconomic context in 2023 showed interesting performance, with GDP growth of around 3% and a consolidation of the decline in the unemployment rate. In terms of monetary policy, with controlled inflation, the Brazilian Central Bank began a trajectory of reducing the reference interest rate in 2023, reaching 11,75% per year in December, with an indication of a downward trend in 2024.

The year was also marked by the stabilisation of construction costs, and in urban terms, it is noteworthy the revision of São Paulo's master plan in 2023, which, according to the main entities in the real estate sector, reasonably adjusts relevant urban parameters.

In terms of sales, a highlight in São Paulo's real estate market was a slight increase in sales compared to 2022, contrasting with a slight decrease in the number of projects launched in 2023 compared to the previous year.

Regarding the activity carried out during the year 2023, the following stands out:

- The continuation of the construction of the "Reserva Alta Vista" development, located in the best neighbourhood of the city of Jundiaí, with approximately 58.000 m² of construction area, which reached 89% commercialisation rate in December 2023;
   and
- The continuation of the construction of the "Insígnia Campo Belo" development, with approximately 20.000 m² of construction area, which achieved a 92% commercialisation rate in December 2023;
- The start of construction of the "Infinity Brooklin" development, with approximately 41.000 m² of construction area, which reached a 45% commercialisation rate in December 2023;
- The start of sales of the "Loomi Chácara Santo António" development, with approximately 33.000 m² of construction area and 223 units for sale.



Development "Infinity Brooklin" (model flat), São Paulo - Brazil

For 2024, the continuation of the construction of the "Infinity Brooklyn" development is expected, along with the completion of the "Reserva Alta Vista" and "Insígnia Campo Belo" developments, all in São Paulo. Similarly, the start of construction of the aforementioned "Loomi Chácara Santo António" development is planned for the second semester.

In **Mozambique**, the year 2023 began with some hope for economic recovery, linked to the prospect of starting Oil & Gas projects and currency stability. However, the postponement of projects and the unfavourable economic situation, including high interest rates and inflation, directly affected the real estate market, which remained subdued despite some feeble signs of recovery.

In this context, in 2023, the sale of four non-strategic properties is noteworthy, as well as the maintenance of high average rents and occupancy rates at the "Polana Shopping" in Maputo.

For the current year, the focus will be on continuing the sale of individual assets and optimising the performance of income-generating properties, as well as supporting the management of assets from other sectors of the Group.

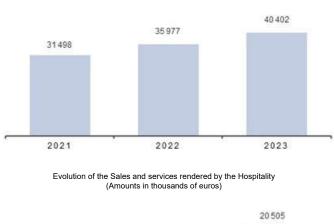
# IV.4 Hospitality

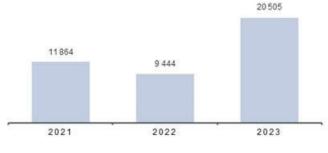
In 2023, Teixeira Duarte Group operated in this sector through nine hotel units, two located in Portugal, four in Angola, and three in Mozambique, totalling 2.688 beds and 1.429 rooms, all operating under the TD Hotels brand.

Teixeira Duarte also conducts business in the catering sector in Angola, particularly within the Group itself.

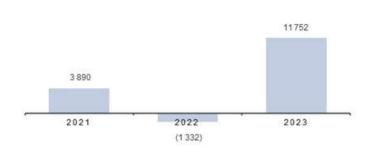
Since 2022, the Group has held an 18% stake in entities that hold operating contracts with an option to purchase two hotel units named Yona Lubango and Yona Namibe.

#### CONTRIBUTION OF THIS SECTOR TO THE GROUP





Evolution of Hospitality EBITDA (Amounts in thousands of euros)



Evolution of Hospitality Operating Results (EBIT) (Amounts in thousands of euros)

Hospitality Sales and Services saw an increase of 12,3% compared to the same period in 2022, with growth in **Portugal** of 1,1% and a reduction in Mozambique of 2,5%.

In Angola, we recorded an increase of 19,4% compared to the previous year, driven by the recovery of the Angolan economy.

Hospitality EBITDA increased by 11.063 thousand euros compared to the previous year, partly driven by the sale of "SINERAMA - Organizações Turisticas e Hoteleiras, S.A." in the second half of 2023.

The Hotel Operating Result stood at 11.752 thousand euros in 2023, representing an increase of 13.084 thousand euros compared to the period in 2022.

#### **ACTIVITY IN 2023**

In non-consolidated terms, looking at the activity in 2023, the Teixeira Duarte Group recorded operating income in the Hospitality sector totalling 51.709 thousand euros, with foreign markets accounting for 72% of this business area.

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

LAGOAS PARK HOTEL four-star hotel Oeiras 182 rooms
SINERAMA three-star hotel Sines 105 rooms

Throughout 2023, there was a noticeable increase in demand in the tourism industry, with both business and leisure travel volumes surpassing those of 2019, which was considered the best year ever in this sector.

Overall, the Lagoas Park Hotel experienced a 6,7 pp increase in occupancy rate and a 5,2% increase in average price due to repositioning prices and adapting to increased demand, particularly in the Corporate and MICE segments, significantly impacting the hotel's revenues. In 2023, the Lagoas Park Hotel recorded its best year ever in terms of turnover.

In the beginning of the second semester, taking advantage of a good business opportunity with a group to whom Teixeira Duarte had also sold units a few years ago, the company "SINERAMA - Organizações Turisticas e Hoteleiras, S.A." was sold, including the hotel it operated: the SINERAMA hotel. This operation contributed positively to the EBITDA of this sector in Portugal, although it also implies a distorted comparison with the activity of the previous year since, in the second semester, the Group only operated in this geography with the Lagoas Park Hotel.

For 2024, a slowdown in activity is expected in Portugal, with a reduction in demand associated with business and leisure travel, impacting the Group's hotel unit in this market, although efforts are being made to mitigate this impact, particularly through revenue from corporate events.

By optimising operational gains and leveraging decades of management experience in this sector, especially in the business segment, the Group plans to continue studying new business opportunities in the city of Porto.

In Angola, the Group's companies operating in this sector total 1.472 beds and 821 rooms distributed across four hotels.

HOTEL TRÓPICO four-star hotel Luanda 280 rooms

HOTEL ALVALADE four-star hotel Luanda 202 rooms

HOTEL BAÍA four-star hotel Luanda 138 rooms

Hotel Convenções of Talatona (HCTA) five-star hotel Luanda 201 rooms

The year 2023 was characterised by a timid recovery of economic activity, which influenced the demand and the recovery of the hotel industry in the Angolan market.



Trópico Hotel (restaurant), Luanda - Angola

Nevertheless, especially from the second semester of the year, there was a recovery in the corporate segment, mainly related to the oil sector, consulting firms, and commercial aviation, resulting from a commercial strategy developed throughout the previous period. This strategy allowed for a recovery in the business volume of the hotel units represented by the Group in this market, with particular emphasis on "Trópico" and "Alvalade" hotels.

The HCTA Hotel and its Talatona Convention Centre (which reopened in July 2022) performed well, with a strong contribution from events secured as a result of efficient commercial action. In 2024, significant commercial contracts were signed, which will contribute to an even better performance of these units, including a lodging contract with a multinational oil company for the "Villas" of this unit.



Hotel Convenções of Talatona (HCTA), Luanda - Angola

In the catering sector, the Hospitality Sector teams also continued to operate the Group's canteens, adapting to the current reality as necessary.

In Angola, the current situation suggests an increase in demand from some corporate clients, particularly in the Oil & Gas sectors, as well as in the corporate events market, the latter being particularly significant for the HCTA Hotel and its Talatona Convention Centre.

In **Mozambique**, the Group's companies operating in this sector have a total of 642 beds and 321 rooms spread across three hotel units, as follows:

HOTEL AVENIDA four-star hotel Maputo 159 rooms

HOTEL TIVOLI MAPUTO three-star hotel Maputo 88 rooms

HOTEL TIVOLI BEIRA three-star hotel Beira 74 rooms

The economic activity in Mozambique showed a slight improvement compared to the same period last year. There was an upturn in activity, especially in the events segment, with a focus on actions promoted by various NGOs operating in the market.

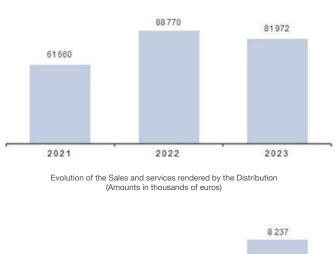
If the anticipated resumption of Oil & Gas projects in the northern region of the country materialises, along with the commercial initiatives the Group has been directing towards major corporate clients, it will contribute to a considerably better performance in 2024.

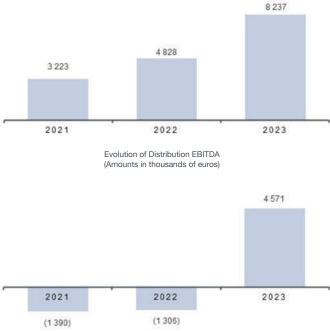
Overall, across the three markets where the Group operates in the Hospitality Sector, the good quality of the units operated stands out due to careful management and regular maintenance. Additionally, from an activity standpoint, there was a very good performance, particularly in terms of EBITDA, resulting from the efficient management of the operated units, which have a common strategic alignment. This is supported by the highly effective assistance provided by the central structures developed over the years and by over three decades of experience in this business.

# IV.5 Distribution

The Teixeira Duarte Group's involvement in this sector began in 1996 and is currently carried out by various international operations. In Portugal, it operates through "Teixeira Duarte Distribuição, S.A." and in Angola through subsidiaries that operate under the following brands: "Maxi" in the Food Retail sector; "Dakaza" in Specialised Retail in Furniture and Decoration; "Farmácia Popular" in Specialised Retail in Health and Wellness; and also through the company "DCG, Lda." in Brand Representation and Distribution.

#### CONTRIBUTION OF THIS SECTOR TO THE GROUP





Evolution of Distribution Operating Results (EBIT) (Amounts in thousands of euros)

The companies within the Group operating in the Distribution sector experienced a 7,7% reduction in Sales and Services compared to the same period last year, impacted by the depreciation of the Angolan Kwanza. Without this depreciation, Sales and Services would have increased by 36,8%.

The Distribution EBITDA recorded a 70,6% increase compared to the previous year, and the Operating Result of the Distribution sector increased by 5.877 thousand euros compared to the previous year, reaching an Operating Result of 4.571 thousand euros.

#### **ACTIVITY IN 2023**

In non-consolidated terms, for a perspective on the total activity in 2023, it is reported that the operating income achieved by the companies of the Teixeira Duarte Group in the Distribution sector reached a total value of 113.202 thousand euros, a decrease of 5,1% compared to 2022.

Em **Portugal**, the activity of the subsidiary "Teixeira Duarte Distribuição, S.A." in 2023 proceeded relatively steadily, with a 23% growth in business volume compared to the previous year.

The constraints experienced in previous years due to the pandemic and the war in Ukraine were largely overcome, with some retreat in product prices and transportation costs.

During the first semester of 2023, the company achieved the "GlobalG.A.P." Chain of Custody (CoC)" certification, enabling it to purchase and export certified tropical fruits from Angola or any other origin.

In the second semester, the activity was impacted by the depreciation of the Angolan currency, as well as difficulties in obtaining foreign exchange, affecting payment deadlines.

Procurement remained focused on seeking greater diversity and attractiveness of products for "Maxi" (the main brand in Angola), with efforts made in the furniture and decoration area to launch a new, more differentiated concept. In the area of brand representation and distribution, obtaining a new representation – Nestlé – was notable, as it is one of the most important multinational companies in the food industry.

In **Angola**, Teixeira Duarte Group operates in this sector through various Business Units and retail points integrated into the following entities:

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

- Food Retail, under the Maxi brand, with 11 stores.
- Specialised Retail in Furniture and Decoration, under the Dakaza brand, with 4 stores.
- Specialised Retail in Health and Well-being, under the Farmácia Popular brand, with 5 stores.

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

At **Maxi**, the year 2023 was characterised by the consolidation of the store concept initiated in 2021, focusing on service quality, positioning the brand in a more qualitative and differentiated manner.



Store "Maxi" Morro Bento, Luanda - Angola

Continuing the trend from 2022, Maxi focused on increasing product differentiation, particularly in the categories of "Grocery," "Spirits," and "Frozen Foods."

Notably, stores located in the provinces, as well as the Morro Bento store, experienced significant growth during the year.

The B2B (business to business) segment made a significant contribution to Maxi's performance, with two established sales channels: the "Corporate Channel," dedicated to selling loading cards, and the "Professional Channel," primarily catering to HORECA sales, which saw a 97% growth in Kwanzas compared to 2022.

The "Fazenda Maxi" program, a successful ongoing initiative of the Group for several years, involves Maxi partnering with local producers to develop national production and make the country's best agricultural products accessible to the entire population, thereby contributing to the country's economic development. In 2023, significant strides were made as the program began the process of GlobalG.A.P. certification for three farms. This certification enables the exportation of domestically produced products to various markets, opening up new avenues for economic growth and expansion.

In Kwanzas, revenues grew by 36% in a "like for like" analysis, with a 17% increase in customer traffic and a 16% increase in average receipt amount.

At Dakaza, the strategy initiated in 2022 focused on quickly reducing outdated stock and adjusting prices to align with the brand's new, more distinctive and sophisticated image.

In the second half of the year, with the arrival of new stock, efforts began to work on the new identity, featuring more adapted products with better margins.

In Kwanzas, revenues grew by 11% in a "like for like" analysis, despite a 13% decrease in customer traffic, offset by a 28% increase in average receipt amount.



Store "Dakaza" Morro Bento, Luanda - Angola

In the Farmácia Popular business, the start of an in-depth study for sales shared with insurance companies is highlighted, as well as the increase in customers with Maxi cards, thus promoting customer retention.

This brand recorded a 38% growth of revenues, in a "like for like" analysis in Kwanzas, accompanied by a margin increase of 33%. There was also an increase in foot traffic of about 16%, resulting in a 19% increase in the average receipt.

In DCG, the Beverage Unit, mainly composed of representations of wine producers, experienced a 1% reduction in quantities sold but a 12% growth in revenues in Kwanzas, driven by price increases and the sale of higher value-added wines.

In the Food Unit, the year 2023 marked the beginning of representing and distributing the "Nestlé" brand, which will certainly contribute to increased performance in this business.



Examples of Nestlé products represented in Angola

In the Potato Chips and Snacks category, the representation of "PepsiCo" saw a growth in revenue of 46% in Kwanzas and of 36% in quantities sold.

Equally noteworthy are the good results achieved with the Coren brand – a leading Iberian producer of pork, poultry, and delicatessen – with revenue growth of 88% in Kwanzas and of 25% in quantities sold.

For 2024, the Group foresees the continuation of strong operations across all brands, with profitability, albeit conditioned by external factors, particularly the need for access to foreign currency. Operational focus will also continue on optimising resources and processes, including training, while striving for continuous improvement in service excellence and product quality across stores.

In the Maxi brand, expansion is planned with the opening of a new store in Lubango during the first semester.

In DCG, the development of products from current represented brands is anticipated, as well as the initiation of representation for a new brand – "Bacalanor" – complementing DCG's offerings with frozen seafood.

The Group continues its operations in this sector with confidence in its resilience and adaptability, demonstrating a willingness to evolve and innovate, which have enabled strong operational performance, even amidst growth and consolidation in recent years, despite successive adverse circumstances that it has managed to overcome.

# IV.6 Automotive

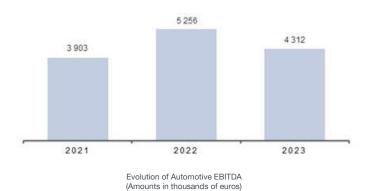
The Teixeira Duarte Group's companies have been operating in the Automotive sector for over thirty years, continuing their activity today through the sale of products from various international manufacturers, operating in the following market segments:

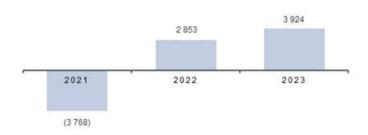
- Passenger cars / Light duty: Nissan, Renault, Chevrolet, JMC, Ssangyong;
- Motorcycles: Honda;
- Equipment Denyo.

#### CONTRIBUTION OF THIS SECTOR TO THE GROUP



Evolution of the Sales and services rendered by Automotive (Amounts in thousands of euros)





Evolution of Automotive Operating Results (EBIT) (Amounts in thousands of euros)

The Automotive sector experienced a decrease in Sales and Services of 29,8% compared to the previous year.

In Angola, the main market where the Group operates in this sector, representing 100% of total Sales and Services, there was a decrease of 29,9% compared to the same period last year, heavily impacted by the devaluation of the Angolan Kwanza. It's worth noting that without this devaluation, Sales and Services would have increased by 3,9% compared to 2022.

#### Management Report of the Board of Directors 2023

The Automotive EBITDA decreased by 944 thousand euros compared to the previous year, representing an 18% decrease compared to the same period last year.

The Operating Result shows an improvement compared to 2022 of 1.071 thousand euros, reaching an Operating Result of 3.924 thousand euros.

#### **ACTIVITY IN 2023**

In non-consolidated terms and to provide an overview of the total activity in 2023, it is reported that the operating income of the Group in the Automotive sector reached a total value of 40.038 thousand euros, representing a decrease of 24,3% compared to the previous year.



TDA Talatona Hub, Luanda - Angola

In **Angola**, the year was marked by an increase in the volume of vehicles sold, with a growth of approximately 47%, from 4.742 units sold in 2022 to 6.983 vehicles sold in 2023.

However, the activity in the second half of 2023 was negatively impacted by the sharp devaluation of the Kwanza, resulting in a reduction in demand. In the second half of the year, there was a 30% decrease in the number of units sold compared to the first half.

It's noteworthy that this sector of Teixeira Duarte Group was most affected by the difficulties in importing goods into Angola due to the lack of access to foreign exchange, particularly vehicles and parts. The teams have been working diligently to overcome this circumstantial challenge. Nevertheless, there are still good commercial expectations, driven by efficient and continued efforts and negotiations for significant contracts, particularly with companies, as well as to capitalise on future opportunities resulting from the expected recovery in this sector in Angola.

In this context, the strategic axes of rigorous management of operating costs, process optimisation, and focus on the corporate segment through the consolidation of partnership relations involving all aspects of the Group's teams in this sector, were reinforced.

The Group also continued its investment in the qualification of personnel by promoting various training courses following the models of professional development in force for the various technical teams. This remains a cornerstone that contributes significantly to customer loyalty through close service and recognised quality technical assistance.

For 2024, there will be a continuation of careful inventory management, resource optimization, and reinforcement and digitisation of organizational processes in various areas of this business.

### Management Report of the Board of Directors 2023

The focus will be maintained on deepening institutional relations with the main represented brands, revitalising and expanding the geographical network of agents, strengthening the focus on the corporate segment and proximity to key customers, initiating actions to promote service improvement.

Continuous training of all employees will continue, with particular emphasis on the technical area.

# V. FUTURE DEVELOPMENT PROSPECTIVES

Teixeira Duarte foresees the continuation of operations in the various sectors and markets as described above, albeit influenced by the impacts of the inflationary environment and potential currency fluctuations in the countries where the Group operates, with special emphasis on Angola.

Without prejudice and fully aware of the importance of the Construction in the operating income of the Group, il must be noted that the Construction Orders Portfolio reached, on December 31st 2023, a global amount of 1.079.715 thousand euros.

For 2024, Teixeira Duarte expects to achieve a consolidated operating income of more than 800 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 2023 in Teixeira Duarte, S.A., but this objective was achieved in its subsidiary companies that presented positive individual results which, for this purpose, recorded a total of €5.300.000,00 (five million three hundred thousand euros) as expenses for the financial period.

#### PROPOSAL FOR THE APPROPRIATION OF NET INCOME

The Board of Directors proposes that the net income of "TEIXEIRA DUARTE, S.A." calculated for 2023, of the negative value of 22.313.320,96€ (twenty-two million, three hundred and thirteen thousand, three hundred and twenty euros and ninety-six cents), be transferred to retained earnings.

transferred to retained earnings.

Lagoas Park, on April 24<sup>th</sup> 2024

The Board of Directors

Manuel Maria Calainho de Azevedo Teixeira Duarte

Maria da Conceição Maia Teixeira Duarte

Isabel Maria Nunes Correia Teixeira Duarte

Sérgio Paulo Reis Pereira

Paulo Alfredo de Carvalho Serradas

## 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 2023, 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 of December 31st 2022:

Name	Company	Position	Number of shares
José Luciano Vaz Marcos	Teixeira Duarte, S.A	Chairperson of the General Meeting Board	-
José Mário Ferreira de Almeida (a)	Teixeira Duarte, S.A	Vice-Chairperson of the General Meeting Board	3.000
José Pedro Poiares Cobra Ferreira	Teixeira Duarte, S.A	Secretary of the General Meeting Board	-
Manuel Maria Calainho de Azevedo Teixeira Duarte	Teixeira Duarte, S.A	Chairperson of the Board of Directors	5.030.575
Carlos Gomes Baptista (a)	Teixeira Duarte, S.A	Director	62.671
Maria da Conceição Maia Teixeira Duarte	Teixeira Duarte, S.A	Director	3.967.473
Diogo Bebiano Branco de Sá Viana Rebelo (a)	Teixeira Duarte, S.A	Director	31.160
Isabel Maria Nunes Correia Teixeira Duarte	Teixeira Duarte, S.A	Director	50.000
Miguel Calainho de Azevedo Teixeira Duarte (b)	Teixeira Duarte, S.A	Director	49.673.026
Óscar Manuel Machado de Figueiredo (a)	Teixeira Duarte, S.A	Chairperson of the Supervisory Board	-
Ana Cristina Louro Ribeiro Doutor Simões (c)	Teixeira Duarte, S.A	Member	-
João Salvador dos Santos Matias	Teixeira Duarte, S.A	Member	10
Rui Pedro Ferreira de Almeida (a)	Teixeira Duarte, S.A	Alternate of the Supervisory Board	-
Moore Stephens & Associados, SROC, S.A.	Teixeira Duarte, S.A	Statutory Auditor	-

П. Transactions with shares directly and indirectly held by members of the governing bodies during the period comprised between January 1st and December 31st 2023:

No transactions were made during the period under appreciation.

Ended their tenure on the date of the election of new members of the governing bodies, during the General Assembly held on May 24th 2023.

He was re-elected during the General Assembly on May 24th 2023, but after resigning from his position, he was replaced by co-opting a new administrator on September 28th 2023. Of the shares indicated here, 1.408.416 shares are held directly by the Administrator, and 48.264.610 shares are held directly by the Company controlled by it, "MIDINVEST - Gestão e Investimentos, Sociedade Unipessoal, Lda."

Already a member of the Supervisory Board in the previous term and was appointed Chairperson of the Supervisory Board on the General Meeting held on May 24th 2023

#### III. Number of shares held by members of the governing bodies as of December 31st 2023:

Name	Company	Position	Number of shares
José Luciano Vaz Marcos	Teixeira Duarte, S.A	Chairperson of the General Meeting Board	-
António José André Martins (d)	Teixeira Duarte, S.A	Vice-Chairperson of the General Meeting Board	-
José Pedro Poiares Cobra Ferreira	Teixeira Duarte, S.A	Secretary of the General Meeting Board	-
Manuel Maria Calainho de Azevedo Teixeira Duarte	Teixeira Duarte, S.A	Chairperson of the Board of Directors	5.030.575
Maria da Conceição Maia Teixeira Duarte	Teixeira Duarte, S.A	Director	3.967.473
Isabel Maria Nunes Correia Teixeira Duarte	Teixeira Duarte, S.A	Director	50.000
Sérgio Paulo Reis Pereira (d)	Teixeira Duarte, S.A	Director	100
Paulo Alfredo de Carvalho Serradas (e)	Teixeira Duarte, S.A	Director	150.000
Ana Cristina Louro Ribeiro Doutor Simões (f)	Teixeira Duarte, S.A	Chairperson of the Supervisory Board	-
João Salvador dos Santos Matias	Teixeira Duarte, S.A	Member	10
Carlos Manuel Bastos Rodrigues (d)	Teixeira Duarte, S.A	Member	-
Pedro Miguel Amador Fonseca (d)	Teixeira Duarte, S.A	Alternate of the Supervisory Board	-
Moore Stephens & Associados, SROC, S.A.	Teixeira Duarte, S.A	Statutory Auditor	-

<sup>(</sup>d) Appointed for the first time to their respective positions at the General Meeting held on May 24th 2023.

#### 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 QUALIFIED HOLDINGS ON DECEMBER 31ST 2023

In compliance with applicable legal and regulatory provisions, and based on company records and on information received, TEIXEIRA DUARTE, S.A. hereby discloses the list of holders of qualified shares in its equity on December 31st 2023, indicating the number of shares held and allocated, with the corresponding voting right percentages, calculated under the terms of article 20 of the Securities Code.

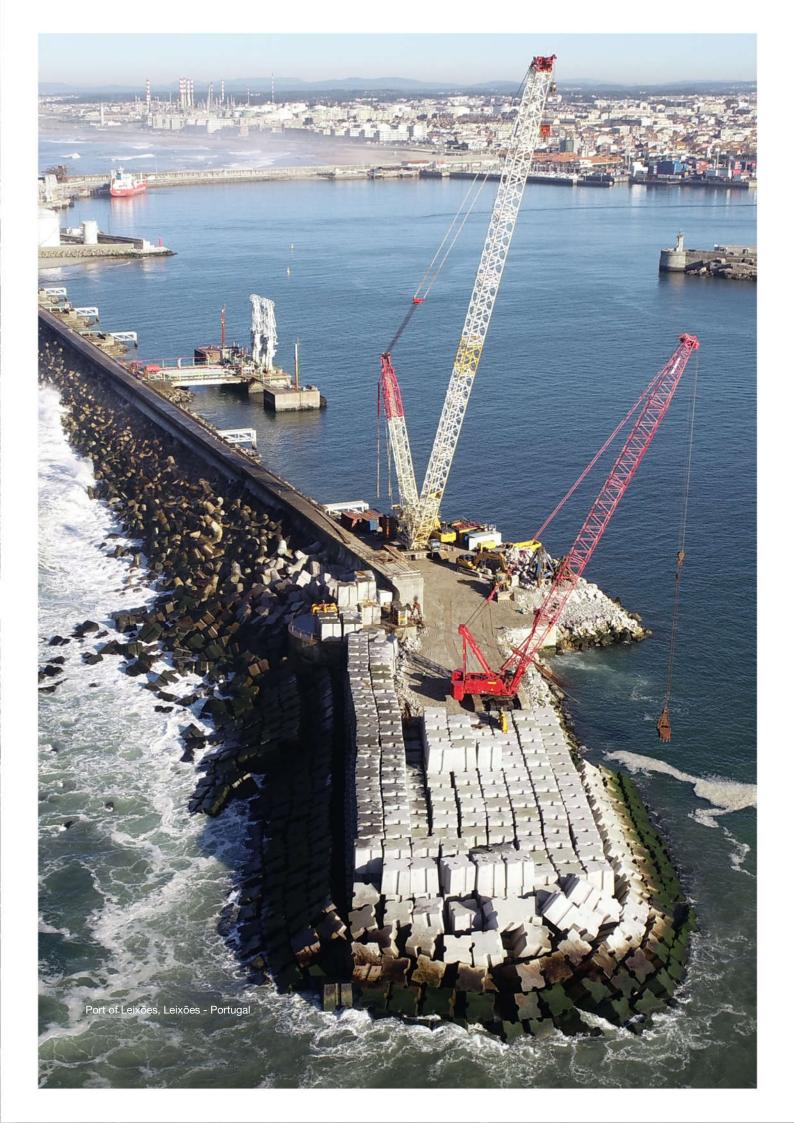
TEIXEIRA DUARTE 1886, S.A. (formerly named TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A.)	No. of shares on 31.12.2023	Share capital with right to vote
Directly	164.590.000	39,19%
Through the members of the Board of Directors of "Teixeira Duarte 1886, S.A." (a)	54.753.601	13,04%
TOTAL ATTRIBUTABLE	219.343.601	52,23%

(a) 5.030.575 shares held by the Chairperson of the Board of Directors Manuel Maria Calainho de Azevedo Teixeira Duarte; 50.000 shares held by the Director Isabel Maria Nunes Correia 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."

<sup>(</sup>a) Appointed for the first time to their respective positions at the General Meeting field on May 24 2023.
(e) Appointed to the position by co-option, unanimously resolved by the Board of Directors on September 28th 2023.
(f) Already a member of the Supervisory Board in the previous term and was appointed Chairperson of the Supervisory Board on the General Meeting held on May 24th 2023.

### Management Report of the Board of Directors 2023

Miguel Calainho de Azevedo Teixeira Duarte	No. of shares on 31.12.2023	Share capital with right to vote
Directly	1.408.416	0,34%
Through the Company directly controlled by the latter "MIDINVEST - Gestão e Investimentos, Sociedade Unipessoal, Lda."	48.264.610	11,49%
TOTAL ATTRIBUTABLE	49.673.026	11,83%



# 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 29-G(1)(a)).

The share capital of "Teixeira Duarte, S.A." (hereafter referred to as TD, S.A., 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,S.A. were distributed among a total of 3.853 shareholders as follows at the end of 2022:

- Shareholders with up to 42.000 shares 3.395
- Shareholders with 42.001 to 420.000 shares 395
- Shareholders with 420.001 to 4.200.000 shares 51
- Shareholders with 4.200.001 to 42.000.000 shares 10
- Shareholders with more 42.000.000 shares 2
- Restrictions to the transferability of shares, such as clauses of consent for disposal or limits to the ownership of shares (Article 29-H(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 of share capital and percentage of voting rights that would correspond to own shares (Article 29-H(1)(a)).

There are no own shares.

4. Significant agreements to which the company is a party and which take effect, are amended or terminate in the event of a change in the control of the company as a result of a takeover bid, and the effects thereof, except where their nature is such that their disclosure would be seriously prejudicial to the company, unless the company is specifically obliged to disclose such information on the basis of other legal requirements (Article 29-H(1)(j)).

TD, S.A. 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, S.A. 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 management body, nor measures that could affect the free transferability of shares and the free assessment 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, S.A. 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.

 Shareholders' agreements that are known to the company and may lead to restrictions on the transfer of securities or voting rights (Article 29-H(1)(g)).

As far as the Company knows, as at December 31st 2022, 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 29-H(1)(c) and (d) and Article 16), with details of the percentage of share capital and votes imputable and the source and reasons for imputation.

It is hereby informed that, as of December 31st 2023, 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 on 31.12.2023	Share capital with right to vote
Directly	164.590.000	39,19%
Through the members of the Board of Directors of "Teixeira Duarte 1886, S.A." (a)	54.753.601	13,04%
TOTAL ATTRIBUTABLE	219.343.601	52,23%

(a) 5.030.575 shares held by the Chairperson of the Board of Directors Manuel Maria Calainho de Azevedo Teixeira Duarte; 50.000 shares held by the Director Isabel Maria Nunes Correia 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 31.12.2023	Share capital with right to vote
Directly	1.408.416	0,34%
Through the Company directly controlled by the latter "MIDINVEST - Gestão e Investimentos, Sociedade Unipessoal Lda."	48.264.610	11,49%
TOTAL ATTRIBUTABLE	49.673.026	11,83%

Indication of the number of shares and bonds held by members of the management and supervisory bodies, INOTE: the information must be provided in order to comply with the provisions of Article 447(5) of the Commercial Companies Code]

TD, S.A. 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 2023 financial year, specifying the amount, the date of the event and the consideration paid or received.

Number of shares held by members of the governing bodies as of December 31st 2022:

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 the Board of the General Meeting	3.000
José Pedro Poiares Cobra Ferreira	TD,SA	Secretary of Board of General Meeting	-
Manuel Maria Calainho de Azevedo Teixeira Duarte	TD,SA	Chair of the Board of Directors	5.030.575
Carlos Gomes Baptista (a)	TD,SA	Member of the Board of Directors	62.671
Maria da Conceição Maia Teixeira Duarte	TD,SA	Member of the Board of Directors	3.967.473
Diogo Bebiano Branco de Sá Viana Rebelo (a)	TD,SA	Member of the Board of Directors	31.160
Isabel Maria Nunes Correia Teixeira Duarte	TD,SA	Member of the Board of Directors	50.000
Miguel Calainho de Azevedo Teixeira Duarte (b)	TD,SA	Member of the Board of Directors	49.673.026
Óscar Manuel Machado de Figueiredo (a)	TD,SA	Chair of the Supervisory Board	-
Ana Cristina Louro Ribeiro Doutor Simões (c)	TD,SA	Member of the Supervisory Board	-
João Salvador dos Santos Matias	TD,SA	Member of the Supervisory Board	10
Rui Pedro Ferreira de Almeida (a)	TD,SA	Alternate of Supervisory Board	-
Moore Stephens & Associados, SROC, SA	TD,SA	Statutory Auditor	-

- Ended their tenure on the date of the election of new members of the governing bodies, during the General Assembly held on May 24<sup>th</sup> 2023. He was re-elected during the General Assembly on May 24<sup>th</sup> 2023, but after resigning from his position, he was replaced by co-opting a new administrator on September 28<sup>th</sup> 2023. Of the shares indicated here, 1.408.416 shares are held directly by the Administrator, and 48.264.610 shares are held directly by the Company controlled by it, "MIDINVEST Gestão e Investimentos, Sociedade Unipessoal, Lda."

  Already a member of the Supervisory Board in the previous term and was appointed Chairperson of the Supervisory Board on the General Meeting held on May
- (c)
- Transactions with shares directly and indirectly held by members of the governing bodies during the period comprised between January 1st and December 31st 2023:

No transactions were made during the period under appreciation.

III. Number of shares held by members of the governing bodies as of December 31st 2023:

Name	Company	Position	Number of shares
José Luciano Vaz Marcos	TD,SA	Chair of the Board of the General Meeting	-
António José André Martins (d)	TD,SA	Vice-Chair of the Board of the General Meeting	-
José Pedro Poiares Cobra Ferreira	TD,SA	Secretary of Board of General Meeting	-
Manuel Maria Calainho de Azevedo Teixeira Duarte	TD,SA	Chair of the Board of Directors	5.030.575
Maria da Conceição Maia Teixeira Duarte	TD,SA	Member of the Board of Directors	3.967.473
Isabel Maria Nunes Correia Teixeira Duarte	TD,SA	Member of the Board of Directors	50.000
Sérgio Paulo Reis Pereira (d)	TD,SA	Member of the Board of Directors	100
Paulo Alfredo de Carvalho Serradas (e)	TD,SA	Member of the Board of Directors	150.000
Ana Cristina Louro Ribeiro Doutor Simões (f)	TD,SA	Chair of the Supervisory Board	-
João Salvador dos Santos Matias	TD,SA	Member of the Supervisory Board	10
Carlos Manuel Bastos Rodrigues (d)	TD,SA	Member of the Supervisory Board	-
Pedro Miguel Amador Fonseca (d)	TD,SA	Alternate of Supervisory Board	-
Moore Stephens & Associados, SROC, SA	TD,SA	Statutory Auditor	-

<sup>(</sup>d) Appointed for the first time to their respective positions at the General Meeting held on May 24<sup>th</sup> 2023.
(e) Appointed to the position by co-option, unanimously resolved by the Board of Directors on September 28<sup>th</sup> 2023.
(f) Already a member of the Supervisory Board in the previous term and was appointed Chairperson of the Supervisory Board on the General Meeting held on May 24<sup>th</sup> 2023

9. Special powers of the management body, namely concerning resolutions to increase the share capital (Article 29-H(1)(i) indicating, with respect to these powers, the date on which they were attributed, period until which those powers may be exercised, maximum quantitative limit of the share capital increase, amount already issued under the attribution of powers and the form of implementation of the attributed powers.

Under the TD, S.A.'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, S.A. 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 general meeting board
- 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, S.A.'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:

Chairperson: José Luciano Vaz Marcos Vice-Chairperson: António José André Martins Secretary: José Pedro Poiares Cobra Ferreira

All of the identified members of the General Meeting Board were elected at the General Meeting of May 24th 2023, to serve on that body for the 2023/2026 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 29-H(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, S.A. 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, S.A. 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**

In order to exercise the right to vote electronically, as well as to carry out the other procedures set forth in the Articles of Association, the Company has implemented the means necessary for all shareholders to be able to vote electronically.

In effect, recognising that the use of new technologies promotes the exercise of shareholder rights, TD, S.A. implemented, for the last General Meeting held, a mechanism for voting by electronic mail, which respects the specific security requirements inherent to the process of voting by electronic means, namely in what concerns the technical means necessary to verify the authenticity of the corresponding voting declarations and to guarantee the integrity and confidentiality of the respective contents, in the same way that it recognises the high level of security and operational reliability necessary for the reception of the aforementioned declarations.

In this context, TD, S.A. considers that the participation of shareholders at General Meetings is fully ensured even if they are unable to attend, either by postal vote, electronic vote, or through the existing mechanisms of representation, and the model adopted promotes and encourages the participation of shareholders at General Meetings, and the Company is prepared, in situations where this is justified, to promote participation at a distance, 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, S.A. do not stipulate a maximum percentage or maximum number of voting rights that may be exercised by a single shareholder (individually or in concert 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 approval 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 November 30th 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, S.A. 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,S.A., 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 29-H(1)(h)).

Members of the management body of TD, S.A. 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, S.A. 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 Market Code, as amended by Law 99-A/2021 of January 31st.

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 May 26th 2018, TA, S.A. 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 December 31st:

#### **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, S.A.;
- 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, S.A.".

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, S.A.;
- Continue to focus on valuing the diversity of professional backgrounds of the members of the Supervisory Board, promoting the appointment of people with different professional experiences, as long as they fall within the scope of the Group's activity and appropriate to the duties to be performed.
- 17. Composition, as applicable, of the Board of Directors, Executive Board of Directors and General and Supervisory Board, indicating the minimum and maximum statutory number of members, statutory duration of the term of office, number of permanent members, date of the first appointment and date of the end of term of office of each member.

Under the provisions of Article 17 of the Articles of Association, the Board of Directors of TD, S.A. shall consist of a minimum of five and a maximum of eleven members.

When electing this Board, the General Meeting of TD, S.A. 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.

The Board of Directors of TD, S.A. is composed of five members, all of whom are permanent, which includes one Chairperson and four members:

#### Chairperson:

Manuel Maria Calainho de Azevedo Teixeira Duarte

#### Members of the Board:

Maria da Conceição Maia Teixeira Duarte Isabel Maria Nunes Correia Teixeira Duarte Sérgio Paulo Reis Pereira Paulo Alfredo de Carvalho Serradas

The Chairperson of the Board of Directors, Manuel Maria Calainho de Azevedo Teixeira Duarte, was appointed for the first time at the constitution of the Company on November 30<sup>th</sup> 2009, to serve during the 2009/2010 term. He was subsequently re-elected for the terms 2011/2014, 2015/2018, and 2019/2022. On October 8<sup>th</sup> 2021, Manuel Maria Calainho de Azevedo Teixeira Duarte was appointed Chairperson of the Board of Directors to serve until the end of the current term (2019/2022), and on May 24<sup>th</sup> 2023, re-elected to the same position for the 2023/2026 term.

The Administrator Maria da Conceição Maia Teixeira Duarte was elected for the first time at the General Meeting of May 27<sup>th</sup> 2019, to serve during the 2019/2022 term, and on May 24<sup>th</sup> 2023, re-elected to the same position for the 2023/2026 term.

The Administrator Isabel Maria Nunes Correia Teixeira Duarte was elected for the first time at the Extraordinary General Meeting of October 8<sup>th</sup> 2021, to serve until the end of the 2019/2022 term, and on May 24<sup>th</sup> 2023, re-elected to the same position for the 2023/2026 term.

The Administrator Sérgio Paulo Reis Pereira was elected for the first time at the General Meeting of May 24th 2023, to serve until the end of the 2023/2026 term.

The Administrator Paulo Alfredo de Carvalho Serradas was appointed for the first time, by co-option, on September 28<sup>th</sup> 2023, to serve until the end of the 2023/2026 term.

The current Board of Directors of TD, SA, resulting from the elections of the General Meeting of May 24<sup>th</sup> 2023, and the resolutions of the Board of Directors of September 28<sup>th</sup> 2023 (acceptance of the resignation of Miguel Calainho de Azevedo Teixeira Duarte and appointment of Paulo Alfredo de Carvalho Serradas), includes two women, representing 40% of the members of the Board of Directors currently serving. Therefore, TD, SA is fulfilling, in this collegiate body, the criteria and requirements for gender balance regarding 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:
    - 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;
    - 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, S.A. 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 a parent company, it manages investments, coordinates and supervises other companies integrated with its Business Group, acting essentially in the fields of strategic and organisational planning.

It is worthy of note, however, that within the scope of the Board of Directors of Teixeira Duarte, S.A., it was resolved – without implying any delegation of powers under the Law, nor excluding the normal competence and responsibility of the other members of this Board, who are all executives – that the Chairperson of the Board of Directors, Manuel Maria Calainho de Azevedo Teixeira Duarte, shall be specially tasked with coordinating and reporting on the activities carried out by the Group's companies operating in the Concessions and Services, Real Estate, Hospitality, Distribution, and Automotive sectors; the director Paulo Alfredo de Carvalho Serradas shall be specially tasked with coordinating and reporting on the activities carried out by the Group's companies operating in the Construction sector; and the director Sérgio Paulo Reis Pereira shall be specially tasked with coordinating and reporting on the activities of the corporate area structures, with the exception of Internal Audit, Compliance, and Sustainability, whose supervision within the Group's sub-holdings is the responsibility of the Chairperson of the Board of Directors of those entities, Manuel Maria Calainho de Azevedo Teixeira Duarte.

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, S.A. have timely knowledge of the reality of the Economic Group, enabling this Board 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 Board.

TD, S.A. 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, S.A.

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 such meetings of that body.

These tasks are performed, through indication of the Chairperson 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 Chairperson of the Supervisory Board, once these 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, S.A. believes – in view of Recommendations IV.2.2. and IV.2.3 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, S.A.'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 IV.2.2. and IV.2.3, 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 Chairperson of the board of directors performs executive functions, as there are no non-executive Directors, the provisions of Recommendation IV.2.1 do not apply to TD, S.A.. 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 made 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.

Chairperson 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 as Member of the Board of Directors of TD,S.A. in 2009, when the company was incorporated, he was elected in 2019 to perform the same duties for the 2019/2022 term; on October 8<sup>th</sup> 2021, he became Chairperson of the Board of Directors, by resolution adopted at the General Meeting on that date. On May 24<sup>th</sup> 2023, he was re-elected for the same position for the term 2023 / 2026.

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, S.A.", 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, especially 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, S.A." at the time, and currently TD, S.A.

Since May 6<sup>th</sup> 2019, he has been Chairperson 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 October 8<sup>th</sup> 2021, he was appointed to the position of Chairperson of the Board of Directors of TD, S.A. having this body resolved – without implying any delegation of powers under the Law, nor excluding the normal competence and responsibility of the other members of this Board, who are all executives – that the Chairperson of the Board of Directors, Manuel Maria Calainho de Azevedo Teixeira Duarte, shall be specially tasked with coordinating and reporting on the activities carried out by the Group's companies operating in the Concessions and Services, Real Estate, Hospitality, Distribution, and Automotive sectors, as well as the coordination and reporting on the activities of the following corporate area structures: Internal Audit, Compliance and Sustainability.

Several times, and since 1991, he has served as a member of the Board of Directors of the company currently named Teixeira Duarte 1886, SA - a company owned by members of the Teixeira Duarte family to which a stake of over 50% in TD, SA is attributed - and of which he was a director from 2011 to April 11<sup>th</sup> 2019. He is currently the Chairperson of the Board of Directors of Teixeira Duarte 1886, SA, having been elected at the general meeting of May 27<sup>th</sup> 2022, to serve for the term 2019/2022 and re-elected to the same position at the General Meeting of May 26<sup>th</sup> 2023, for the term 2023/2024.

#### Director: Maria da Conceição Maia Teixeira Duarte

Holder of a degree in Agronomy, with a speciality in Phytopathology, from the Higher Institute of Agronomy of Lisboa Technical University (1981).

Masters in Plant Production from the Higher Institute of Agronomy of Lisboa Technical University (1989).

Appointed for the first time to the position of Director of TD, S.A. by resolution of the General Meeting of May 27<sup>th</sup> 2019, to perform duties for the 2019/2022 term of office; on May 24<sup>th</sup> 2023 she was re-elected for the same position for the term 2023 / 2026.

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, S.A., during various terms and until April 2020.

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

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

Law Degree, Faculty of Law - School of Lisboa, 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 Lisboa, Universidade Católica Portuguesa (2015).

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

The fact that she practised law at the law firm Cuatrecasas, Gonçalves Pereira & Associados between 2013 and 2016 stands out, as well as the fact that she had her own law office between 2016 and 2023.

She is a professor at the Faculty of Law – Escola de Lisboa, Universidade Católica Portuguesa since 2016, and was member of the Coordination Council of the Catholic Research Centre for the Future of Law between 2018 and 2022.

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

On October 8th 2021, she was elected for the first time to serve as a Director of TD, SA, until the end of the current term 2019/2022. On May 24th 2023, she was re-elected to the same position for the quadrennium 2023/2026.

And on May 26th 2023, she was elected as a director of Teixeira Duarte 1886, SA, for the term 2023/2024.

#### Director: Sérgio Paulo Reis Pereira

Graduated in Business Organisation and Management from ISCTE - Instituto Universitário de Lisboa, in 1995.

From March 1995 to October 1999, served as Administrative and Financial Director at the entity operating under the brand "Manel Boutiques", a company in the restaurant sector in Portugal.

In Brazil, from October 1999 to May 2001, worked as Administrative and Financial Director at "ENSITEL - Loja de Comunicações, S.A.". Also in Brazil, from May 2001 to June 2003, worked at MASP Brasil Assessoria Empresarial e Paralegal, Ltd., of which was a partner.

Returning to Portugal, worked from June 2003 to August 2006 as General Manager of "EMECREST - Consultadoria e Gestão de Restauração, Lda." and then from August 2006 to August 2008 as General Manager of "Auto Sueco Automóveis".

In August 2008, took on the role of Chief Financial Officer of the Real Estate Sector of the Group in Brazil, which was in the start-up phase of its operations in this country, coordinating the areas of finance, accounting, management control, legal, and information technology.

In July 2018, returned to Portugal where, also at "Teixeira Duarte - Engenharia e Construções, S.A.", assumed the position of Group Chief Financial Officer, and in May 2019, was elected as administrator of "Teixeira Duarte - Engenharia e Construções, S.A." and "Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A.", roles that he continues to hold as part of the current mandate (2023/2026).

At the General Meeting of May 24th 2023, was elected administrator of Teixeira Duarte, S.A. to serve in the 2023/2026 quadrennium, and the Board of Directors resolved that - without implying any delegation of powers under the Law, nor excluding the normal competence and responsibility of the other members of this Board, who are all executives - the administrator Sérgio Paulo Reis Pereira is especially entrusted with coordinating and reporting on the activities of most corporate structures.

He does not engage in any professional activity or hold any social position outside the Teixeira Duarte Group.

#### Director: Paulo Alfredo de Carvalho Serradas

Graduated in Civil Engineering from "IST - Instituto Superior Técnico" in Lisbon, in 1991, and Post-Graduated in Management Control and Financial Analysis from "ISAL – Instituto Superior de Administração e Línguas" in Madeira, in 2012.

From September 1991 to February 1992, worked as a Project Engineer at the company "ECOPROJETO".

From February 1992 to April 2006, worked at "Teixeira Duarte - Engenharia e Construções, S.A." as a Project Manager and later as Director of Production Sub-Centre, overseeing the execution of various projects, managing contracts and teams, conducting market research, and at one point coordinating the company's production management in the Autonomous Regions of Madeira and the Azores.

From May 2006 to September 2011, worked at the real estate development and tourism enterprise, "S.I.E.T. SAVOY S.A.", where he was responsible for managing projects for two hotels of the Savoy Group.

From September 2011 to April 2013, served as CEO of Martifer Aluminios, S.A., a company within the MARTIFER group, focusing on the execution of building façades, with contracts across Europe, Brazil, Australia, Saudi Arabia, and Angola.

Returned to "Teixeira Duarte - Engenharia e Construções, S.A." on May 13<sup>th</sup> 2013, serving as General Manager at the Group's subsidiaries "SOMAFEL - Engenharia e Obras Ferroviárias, S.A." and "OFM - Obras Ferroviárias e Marítimas, S.A." He became an Administrator of the latter in July 2018, and he continues to hold these positions under a mandate until 2026.

From September 2018, he took on the additional role of coordinating commercial activities in the Geotechnical, Rehabilitation, and Maritime Works area of "Teixeira Duarte - Engenharia e Construções, S.A.", where he became an administrator on October 1st 2019, initially overseeing Infrastructure and later assuming additional responsibilities. He currently serves as Chairperson of the Operational Executive Committee of "Teixeira Duarte - Engenharia e Construções, S.A.".

Since September 28<sup>th</sup> 2023, he has been appointed by co-option as an administrator of Teixeira Duarte, S.A., to serve until the end of the current mandate (2023/2026). The Board of Directors has resolved that - without implying any delegation of powers under the Law, nor excluding the normal competence and responsibility of the other members of this Board, who are all executives - the administrator Paulo Alfredo de Carvalho Serradas is specially entrusted with coordinating and reporting on the activities of the Group's companies operating in the Construction sector.

Although he holds positions outside the Teixeira Duarte Group, as reported in this report, he does not engage in any professional activities outside the Teixeira Duarte Group, nor does he receive any other remuneration in that capacity or any other.

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 Chairperson of the Board of Directors Manuel Maria Calainho de Azevedo Teixeira Duarte is the cousin of shareholder Miguel Calainho de Azevedo Teixeira Duarte.

Director Maria da Conceição Maia Teixeira Duarte is the cousin of shareholder Miguel Calainho de Azevedo Teixeira Duarte.

Director Isabel Maria Nunes Correia Teixeira Duarte is the niece of shareholder Miguel Calainho de Azevedo Teixeira Duarte.

Regarding the remaining members of the Board of Directors, we disclose that none of them maintain habitual and significant family, professional or business relations, with shareholders who may be imputed a qualifying holding under legislation currently in force.

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.

Nevertheless, it is worth reminding that within the scope of the Board of Directors of Teixeira Duarte, S.A., it was resolved in 2023 – without implying any delegation of powers under the Law, nor excluding the normal competence and responsibility of the other members of this Board, who are all executives – that the Chairperson of the Board of Directors, Manuel Maria Calainho de Azevedo Teixeira Duarte, shall be specially tasked with coordinating and reporting on the activities carried out by the Group's companies operating in the Concessions and Services, Real Estate, Hospitality, Distribution, and Automotive sectors; the director Paulo Alfredo de Carvalho Serradas shall be specially tasked with coordinating and reporting on the activities carried out by the Group's companies operating in the Construction sector; and the director Sérgio Paulo Reis Pereira shall be specially tasked with coordinating and reporting on the activities of the corporate area structures, with the exception of Internal Audit, Compliance, and Sustainability, whose supervision within the Group's sub-holdings is the responsibility of the Chairperson of the Board of Directors of those entities, Manuel Maria Calainho de Azevedo Teixeira Duarte.

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 subholding companies: Teixeira Duarte - Engenharia e Construções, S.A. (TD-EC) and Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. (TDGPII), whose respective Supervision will be the responsibility of the directors of these two subholdings, without prejudice to the direct articulation with the Board of Directors of Teixeira Duarte, S.A. regarding the relevant matters within the scope of the Corporate Area.

### Teixeira Duarte, S.A.

#### Board of Directors

Manuel Maria Teixeira Duarte Maria da Conceição Teixeira Duarte Isabel Teixeira Duarte Sérgio Pereira Paulo Serradas

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

#### **Board of Directors**

Manuel Maria Teixeira Duarte Paulo Serradas Pedro Costa Sérgio Pereira Gustavo Lebreiro

#### CORPORATE AREA

#### **ACTIVITY SECTOR**

#### Internal Audit

Mário Faria

#### Compliance

Carlos Ferraz

## Accounting

Alexandre de Jesus Sérgio Castro

Sérgio Pereira Pedro Cruz

#### Legal

Ricardo Teixeira

#### Shared Processes

André Henriques

#### Human Resources

José Ferreira da Costa

#### Corporate Affairs

Carlos Ferraz

#### Sustainability

Erica Beauvalet

#### Information Technologies

Rui Pedroso Rui Miranda

# CONSTRUCTION

#### Operational Executive Comittee

Paulo Serradas Pedro Costa Gustavo Lebreiro Rogério Fonseca

#### Activity Sectors Geotechnics and Foundations

Miguel Rocha Metalworking

### Henrique Nicolau

Underground Works

#### Carlos Russo

Railway Works Rui Costa

#### Buildings and Infrastructures

#### Portugal

Luís Mendonça Luís Santos Hélder Matos Carlos Guedes Luís Carreira Pedro Ferreira Miguel Talone Gonçalo Fialho

Luis Santos Paulo Ganhão

Fernando Martins Bruno Paisana Jorge Barata

## Mozambique

Luís Santos

#### Other Markets

Gustavo Lebreiro Carlos Timóteo

#### Support Structures

#### Supplies Rosa Almeida

Formwork, Rebar and Concrete

#### Caetano Machado

Rogério Fonseca Paulo Pinto Guedes

#### **Equipment Management**

Rodrigo Ouro

#### Innovation Rita Moura

Proposals' Logistics João Pedro Lopes

#### Mário Baptista Planning and Costs' Control

João Santos

#### Project Design

Laura Esteves

#### Human Resources

Rui Palma

### Management Systems

Cláudia Tavares

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

#### Board of Directors

Manuel Maria Teixeira Duarte Luís Vicente Sérgio Pereira Rogério Fonseca Alfredo Silva Guilherme Silva João Cordeiro

#### **ACTIVITY SECTORS**

### CONCESSIONS AND SERVICES

#### Facilities Management

Rodolfo Valentim Mariana Coimbra

#### Education

Helena Teixeira Duarte

#### REAL ESTATE

Alfredo Silva Guilherme Silva

### HOSPITALITY

Cláudia Bazílio

#### DISTRIBUTION

João Cordeiro

#### **AUTOMOTIVE**

Pedro Medo

#### 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, S.A. 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.

Furthermore, it is hereby stated that no artificial intelligence mechanisms are used as decision-making tools by the corporate bodies.

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, S.A. 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.

Notwithstanding the above, TD, S.A. has in force a "Code of Ethics and Conduct of the Teixeira Duarte Group", of mandatory application to all of its Directors - however, no part of this code contains regulatory provisions for the operation of governing bodies or other relevant bodies in this context - and is available at:

 $\underline{https://www.teixeiraduarte.pt/wp-content/uploads/2020/12/Codigo-de-Etica-e-Conduta-do-Grupo-TD-05.02.2018.pdf.}$ 

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 2023, the Board of Directors of TD, S.A. held 38 meetings.

For all due purposes, it is disclosed that the attendance of each member of this Board was as follows:

The Chairperson of the Board of Directors Manuel Maria Calainho de Azevedo Teixeira Duarte participated in all 38 meetings of this body.

The Director Maria da Conceição Maia Teixeira Duarte participated in all 38 meetings of this body.

The Director Isabel Maria Nunes Correia Teixeira Duarte participated in all 38 meetings of this body.

The Director Sérgio Paulo Reis Pereira participated in all 33 meetings of this body, which were held since he was appointed on May 24th 2023.

The Director Paulo Alfredo de Carvalho Serradas participated in all 8 meetings of this body, which were held since he was appointed on September 29th 2023.

 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 stated that, given 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, S.A., 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, in which they exercise
  management and management powers with proximity and direct responsibility for the actions of these companies.
- The Chairperson of the Board of Directors, Manuel Maria Calainho de Azevedo Teixeira Duarte, as well as the directors Maria da Conceição Maia Teixeira Duarte, Isabel Maria Nunes Correia Teixeira Duarte, and Paulo Alfredo de Carvalho Serradas, hold social positions in other entities outside the Teixeira Duarte Group without receiving remuneration. Additionally, the Director Isabel Maria Nunes Correia Teixeira Duarte also has a professional relationship with an entity outside the Group, without being subject to any situation that would hinder their full availability for the performance of their duties as members of the Board of Directors of TD, SA.

#### Director: Manuel Maria Calainho de Azevedo Teixeira Duarte

Chairperson of the Board of Directors of "Teixeira Duarte - Engenharia e Construções, S.A.

- Chairperson of the Board of Directors of "C+PA Participações e Investimentos, SA";
- Chairperson of the Board of Directors of "IMOTD Sociedade Gestora de Participações Sociais, SA";
- Chairperson of the Board of Directors of "TDE Empreendimentos Imobiliários, SA"
- Chairperson of the Board of Directors of "TDH Sociedade Gestora de Participações, S.A.";
- Chairperson of the Board of Directors of "TDO Sociedade Gestora de Participações Sociais, SA";
- Chairperson of the Board of Directors of "TEDAL Sociedade Gestora de Participações Sociais, SA";
- Chairperson of the Board of Directors of "Teixeira Duarte Gestão de Participações e Investimentos Imobiliários, SA";

- Chairperson of the Board of Directors of Teixeira Duarte Madeira, S.A.
- Director of "CPM Companhia de Parques de Macau, SA";
- Director of "Teixeira Duarte Engenharia e Construções (Macau), Limitada";
  - Director at AEBT "AUTO-ESTRADAS do BAIXO TEJO, S.A."

As of December 31st 2023, he held the following position in another company outside the Teixeira Duarte Group:

• Chairperson of the Board of Directors of "Teixeira Duarte 1886, S.A."

#### Director: Maria da Conceição Maia Teixeira Duarte

As of December 31st 2023, she held the following positions outside the Teixeira Duarte Group:

Manager of "Várzea Abastada, Lda.".

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

As of December 31st 2023, she held the following positions outside the Teixeira Duarte Group:

- Director TEIXEIRA DUARTE 1886, S.A.
- Researcher at the Católica Research Centre for the Future of Law.

#### Director: Sérgio Paulo Reis Pereira

As of December 31st 2023, he held the following positions in other companies of Teixeira Duarte Group:

- Director of Teixeira Duarte- Engenharia e Construções, S.A.
- Director of "Teixeira Duarte Gestão de Participações e Investimentos Imobiliários, S.A.";
- Director of C+PA Participações e Investimentos, S.A.;
- Director of E.P.O.S. Empresa Portuguesa de Obras Subterrâneas, S.A.;
- Director of ESTA Gestão de Hotéis, S.A.;
- Director of LAGOAS HOTEL, S.A.;
- Director of SOMAFEL Engenharia e Obras Ferroviárias, S.A.;
- Director of TDHC Instalações para Desporto e Saúde, S.A.;
- Director of TDO Investimento e Gestão, S.A.;
- Director of TDO Sociedade Gestora de Participações Sociais, S.A.;
- Director of TEDAL Sociedade Gestora de Participações Sociais, S.A.;
- Director of TDH Sociedade Gestora de Participações Sociais, S.A.;
- Director of Teixeira Duarte Construction Services, LLC;
- Director of Teixeira Duarte Madeira, S.A.;
- Manager of DPLG Desenvolvimento do Terminal Especializado de Contentores do Porto de La Guaira, Sociedade Unipessoal;
- Manager of TEIXEIRA DUARTE Engenharia e Construções (Macau), Lda.;
- Manager of ADVANTAGE Distribuição de Seguros, LDA...

#### Director: Paulo Alfredo de Carvalho Serradas

As of December 31st 2023, he held the following positions in other companies of Teixeira Duarte Group:

- Director of Teixeira Duarte Engenharia e Construções, S.A.;
- Director of Teixeira Duarte Madeira, S.A.;
- Director of E.P.O.S. Empresa Portuguesa de Obras Subterrâneas, S.A.;
- Director of SOMAFEL Engenharia e Obras Ferroviárias, S.A.;
- Manager of DPLG Desenvolvimento do Terminal Especializado de Contentores do Porto de La Guaira, Sociedade Unipessoal;
- Chairperson of the Board of Directors of "DOURO LITORAL, ACE"
- Director at "METROLIGEIRO CONSTRUÇÃO DE INFRA-ESTRUTURAS, ACE"
- Director at AEBT "AUTO-ESTRADAS do BAIXO TEJO, S.A."

As of December 31st 2023, he held the following positions in other companies outside the Teixeira Duarte Group:

- Manager of SALPAC Compra e Venda de Imóveis, Lda.
- Manager of SOPRO MATINAL, Lda.
- Manager of SALPAPE Mediação Imobiliária, Lda.
- c) Committees and commissions within the management or supervisory body and chief executive officers
- 27. Identification of committees and commissions within, as applicable, the Board of Directors, General and Supervisory Board and Executive Board of Directors, and location where the operating regulations may be consulted.

There are currently no specific management or supervisory committees, not even the Executive Committee envisaged under Article 20 of the Articles of Association.

Considering the family nature of the Company, 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 appointment of any managers.

As no nomination committee has been established, Recommendation VI.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, S.A.

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 27 above, the present rule is not applicable to TD, S.A.

#### 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, S.A., 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 Chairperson.

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:

#### Chairperson:

Ana Cristina Louro Ribeiro Doutor Simões

#### Members

João Salvador dos Santos Matias

Carlos Manuel Bastos Rodrigues

#### Alternate:

Pedro Miguel Amador Fonseca

All of the identified members of the General Meeting Board were elected at the General Meeting held on May 24th 2023, to serve on that body for the quadrennium 2023/2026.

The Chairperson of the Supervisory Board was elected by the Shareholders on May 27<sup>th</sup> 2019, as a Member of that body, and after the end of that mandate, she was elected as Chairperson of the Supervisory Board at the Annual General Meeting on May 24<sup>th</sup> 2023, for the 2023/2026 term.

The Member of the Supervisory Board, João Salvador dos Santos Matias, was appointed for the first time at the Annual General Meeting held on May 27<sup>th</sup> 2019, to serve during the 2019/2022 quadrennium, and was re-elected to the same position at the Annual General Meeting held on May 24<sup>th</sup> 2023, for the 2023/2026 term.

The Member of the Supervisory Board, Carlos Manuel Bastos Rodrigues, was elected for the first time at the Annual General Meeting held on May 24<sup>th</sup> 2023, to serve during the 2023/2026 term.

The Substitute Member of the Supervisory Board, Pedro Miguel Amador Fonseca, was elected for the first time at the Annual General Meeting held on May 24th 2023, for the 2023/2026 term.

It should be noted that all of them possess the necessary competencies to exercise their respective functions, as described below in point 33.

The current Supervisory Board of TD, SA, elected at the General Meeting held on May 24<sup>th</sup> 2023, includes one woman, representing 33,33% of the effective members of the Supervisory Board in office, thus fulfilling the gender balance criteria and requirements regarding the members of the Supervisory Board.

No other members of the Supervisory Board or other corporate bodies have been elected since then.

Furthermore, TD, SA, recognising the advantages of diversity in the composition of its Management and Supervisory Bodies, particularly in terms of age, gender, qualifications, and professional backgrounds, approved the Diversity Policy of TD, SA, at the General Meeting held on May 26<sup>th</sup> 2018, which is currently in force and defines criteria for the selection and appointment of the company's corporate bodies (including the Supervisory Board).

Considering the size of the company and the inherent risks of its activities, TD, SA considers that the number of members of the Supervisory Board, corresponding to more than half of the directors of TD, SA, is adequate and sufficient to efficiently perform the functions assigned to it.

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, no. 5, of the Commercial Companies Code. Reference may be made to the point of the report where this information is already presented pursuant to the provisions in number 19.

All the current members fully comply with all the requirements of independence, and there is no incompatibility for the performance of their duties for any of them, under the terms established in the Commercial Companies Code.

The facts referred to in the previous paragraph are investigated periodically in relation to each member of the Supervisory Board.

33. Professional qualifications, as applicable, of each member of the Supervisory Board, Audit Committee, General and Supervisory Board or Financial Matters Committee and other relevant curricular elements. Reference may be made to the point of the report where this information is already presented pursuant to the provisions in number 21.

The professional qualifications and other relevant curricular elements of the members of the Supervisory Board are described below:

Ana Cristina Louro Ribeiro Doutor Simões (Chairperson 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 and supervision of entities: conducted as an employee of Ernst & Young Limitada until 1997, working as a freelance Statutory Auditor up to 2004 and as founding partner of Ana Gomes & Cristina Doutor, Sociedade de Revisores Oficiais de Contas, Lda. until 2018. She served as Secretary-General of the Association of Statutory Auditors from 2009 to 2020. She currently maintains her registration as a freelance Statutory Auditor and holds positions in supervisory bodies.

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 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.

#### Carlos Manuel Bastos Rodrigues

Academic background in auditing, with a degree from ISCAL, having worked professionally since 1999 in the field of financial auditing, as a member of the Technical Department of the Association of Statutory Auditors (OROC) and subsequently, from 2006 to 2020, as Technical Director of the same department. In these roles, he was a member of various international technical committees related to auditing, including those at the European Commission and Accountancy Europe.

Two major areas of expertise can be highlighted, based on her professional experience:

- External financial auditing and oversight of entities: developed as a founding partner of Cascais & Rodrigues, SROC, from 2008 to 2015, and subsequently at Pontes, Baptista & Associados from 2015 to this day.
- Financial consulting: developed as a founding partner, since 2015 to the present, of Numeric Consulting Group.

Training: he has taught the subject of financial auditing and other related subjects in various courses, in collaboration with the Association of Statutory Auditors and similar organisations in Angola, Mozambique, and Cape Verde.

Pedro Miguel Amador Fonseca (Alternate Member of the Supervisory Board)

Statutory Auditor in Portugal, registered with OROC under number 2006 and with CMVM under number 20210021. Currently holds the following positions:

- Statutory Auditor of companies within the Barraqueiro Group and the Sicasal Group.
- Member of the Supervisory Board of Banco Credibom and Patris SGFTC.
- Consultant responsible for the implementation of IFRS 9 Financial Instruments at Real Vida Seguros and Mútua dos Pescadores.

- 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, nor are any artificial intelligence mechanisms used as decision-making tools by the corporate bodies.

Without prejudice to the above, it is reported that a resolution by the Board of Directors of TD, S.A. 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 2023, the Supervisory Board held nine 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, S.A., 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:

Ana Cristina Louro Ribeiro Doutor Simões (Chairperson of the Supervisory Board)

As of December 31st 2023, she held the following positions:

- Statutory Auditor
- Trainer of professional training sessions in the field of auditing;
- Chairperson of the Supervisory Board of Novartis Farma Produtos Farmacêuticos, SA;
- Chairperson of the Supervisory Board of Glintt Global Intelligent Technologies, SA;
- Member of the Supervisory Board of LM Capital Wealth Management Empresa de Investimento SA;
- Member of the General and Supervisory Board of Caixa Central de Crédito Agrícola Mútuo.

João Salvador dos Santos Matias (Member of the Supervisory Board)

As of December 2023, he did not perform duties in any other companies.

Carlos Manuel Bastos Rodrigues (Member of the Supervisory Board)

Up until December 31st 2023, he held or had held, the following positions:

Partner at NUMERIC CONSULTING GROUP (since 2015);

Partner at PONTES, BAPTISTA & ASSOCIADOS, SROC, LDA (since 2015);

Partner at CASCAIS, RODRIGUES & ASSOCIADOS, SROC, LDA (from 2008 to 2015);

Partner at BTOC, SA (from 2011 to 2015);

Trainer for modules on Auditing at the Association of Statutory Auditors (Portugal, Angola, Mozambique e Cape Verde) (since 2010);

Portugal's Representative at Audit and Assurance Policy Group of Accountancy Europe (from 2006 to 2020);

Pedro Miguel Amador Fonseca (Alternate Member of the Supervisory Board):

As of December 31st 2023, she held the following positions:

- Statutory Auditor of companies within the Barraqueiro Group and the Sicasal Group.
- Member of the Supervisory Board of Banco Credibom and Patris SGFTC.
- Consultant responsible for the implementation of IFRS 9 Financial Instruments at Real Vida Seguros and Mútua dos Pescadores.
- c) Areas of competence and duties
- 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, S.A.

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, S.A.", represented by Ana Patrícia Correia Monteiro Varela.

40. Indication of the number of years during which the statutory auditor has performed duties consecutively at the company and/or group.

The said "Moore Stephens & Associados - SROC, S.A." was elected at the General Meeting held on May 30<sup>th</sup> 2015, and was re-elected, for the 2019/2022 term of office, at the General Meeting held on May 27<sup>th</sup> 2019, and re-elected again for the biennium 2023 / 2024 at the General Meeting held on May 24<sup>th</sup> 2023. At the end of the current term of office, the statutory audit firm completes 10 years of consecutive service with the group.

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, S.A.

#### 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, S.A.", currently represented by Ana Patrícia Correia Monteiro Varela 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, "Moore Stephens & Associados – SROC, SA", currently in office at TD, S.A., was first elected at the General Meeting held on May 30<sup>th</sup> 2015. It has consecutively re-elected until the end of the current mandate. The statutory auditor partner who represents it has been in office since 2022.

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 the fulfilment of these duties.

Teixeira Duarte, SA adopts the rotation rules set out in Article 17 of Regulation (EU) 537/2014, of the European Parliament and of the Council, of April 16<sup>th</sup> 2014, and also in Article 54 (2) and (3) of the Statute of the Association of Statutory Auditors, as amended by Law 99-A/2021, of December 31<sup>st</sup>.

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 May 27<sup>th</sup> 2019 for the 2019/2002 term of office, and again re-elected on May 24<sup>th</sup> 2023 for the current biennium 2023 / 2024.

45. Indication of the body responsible for the assessment of the external auditor and frequency with which this assessment is conducted.

The main point of contact and primary recipient of the external auditor's reports is the Supervisory Board.

The performance and independence of the external auditor have been assessed by the Supervisory Board - which obtains from the external auditor and its team the information and elements it deems necessary to perform its duties - and by all the other governing bodies of TD, S.A. on an annual basis, without ever having verified any circumstance that could motivate its dismissal or termination of the contract for the provision of its services with just cause. The Supervisory Board is responsible for proposing the dismissal or termination of the contract for the provision of services of the external auditor, in the event of justifiable reasons. The Supervisory Board is previously consulted on the remuneration of the Statutory Auditor and Audit Firm, as set forth in the "Policy of Remuneration of the Management and Supervisory Bodies of Teixeira Duarte, S.A." - thus being partially fulfilled the Recommendation VIII.2.2.(2).

The Board of Directors of TD, S.A. 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, given that these services are framed directly in the operating structure of TD, S.A. and ensure that they have the necessary physical means and of the information and documentation necessary to provide the external auditor with the appropriate conditions for the performance of its duties.

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, S.A. 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 purposes of this information, the concept of network is as defined in European Commission Recommendation C (2002) 1873 of May 16th:

The retribution paid by the company and/or legal persons in a controlling or group relationship with the auditor and other natural or legal persons belonging to the same network determined in accordance with the volume and quality of the services provided in the context of the duties entrusted under the terms of the Law and Articles of Association.

#### By the Company\*

Value of review of legal accounts services	73,500.00	100.00%
Value of reliability assurance services	-	-
Value of tax advisory services	-	-
Non-statutory audit services  By entitles included in the Group*	-	-
Value of review of legal accounts services	323,450.00	100.00%
Value of reliability assurance services	-	-
Value of tax advisory services	-	-
Non-statutory audit services	-	-

#### C. INTERNAL ORGANISATION

#### I. ARTICLES OF ASSOCIATION

#### 48. Rules applicable to the amendment of the articles of association (Article 29-H(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.

Without prejudice to these means, on August 17<sup>th</sup> 2022, the Board of Directors of TD, S.A. approved the "Whistleblowing Policy of the Teixeira Duarte Group", which aims to implement the provisions set out on the matter in the Code of Ethics and Conduct in force within the Teixeira Duarte Group and is prepared in line with Decree-Law 109-E/2021, Law 93/2021 and the recommendations of the Corporate Governance Code of the Portuguese Institute of Corporate Governance, which foresees, in recommendation II.2.4, the adoption by TD, S.A. of a Whistleblowing Policy.

This Whistleblowing Policy has the following objectives:

- Definition of the method for receiving, controlling and handling reports of irregularities, whether spoken or written, in which Teixeira Duarte Group companies are allegedly involved, whether in situations of non-compliance with the Code of Ethics and Conduct and/or internal regulations, or in situations of non-compliance with legal provisions, in particular with the prevention of money laundering and financing of terrorism, insider trading, fraud or corruption in the performance of professional activities by employees or any third parties working with Teixeira Duarte Group companies.
- b) To ensure the adoption of measures to prevent and combat improper practices, complying with the technical and legal requirements applicable to safeguarding the rights of those affected.

For this purpose, and in compliance with its Policy on the Reporting of Irregularities and its Code of Ethics and Conduct, the Teixeira Duarte Group has implemented a channel for whistleblowing, the Ethics Channel, which allows the reporting of facts related to corruption, as well as any other non-compliance that may involve the practice of illegal acts, a procedure is in place that establishes how to report, monitor and handle complaints received within the corporate structure as a measure to prevent and combat improper practices which, if they so wish, guarantees the anonymity of the whistleblowers.

In addition, other internal denunciation channels have also been implemented, allowing everyone to report the existence or knowledge of any irregularity or illicit act.

These are internal reporting channels of the Teixeira Duarte Group:

- i. Whistleblowing channel implemented by Teixeira Duarte, "the Ethics Channel", which allows irregularities to be reported anonymously, if that is the whistleblower's understanding, is available at <a href="https://www.teixeiraduarte.pt/grupo/canal-de-etica/">https://www.teixeiraduarte.pt/grupo/canal-de-etica/</a>;
- ii. Mail addressed to the Board of Directors or to the Supervisory Board of Teixeira Duarte, S.A.;
- iii. Electronic mail sent to the address compliance@teixeiraduarte.com, with exclusive access granted to the members of the Ethics Team;
- iv. Electronic mail sent to the address conselhofiscal@teixeiraduarte.com, with exclusive access granted to the members of the Supervisory Board.

The Whistleblowing Policy is aimed at all directors, workers, other company representatives, third parties, shareholders, customers and other stakeholders and has been approved by "Teixeira Duarte, S.A.", as the top listed company in the Teixeira Duarte Group, i.e., to be applied to it and applicable to all entities within its consolidation perimeter and management scope.

The Company guarantees the confidentiality and anonymity of the reports received, the absence of any reprisals to whistleblowers for good faith reports, and the protection of the personal data of the whistleblower and of the suspected offender. Reprisals against the whistleblowers are frowned upon by the Company and may give rise to disciplinary proceedings against its perpetrators and the persons who have allowed such reprisals.

The Whistleblowing Policy in force in the Teixeira Duarte Group may be consulted here <a href="https://www.teixeiraduarte.pt/grupo/canal-de-etica/">https://www.teixeiraduarte.pt/grupo/canal-de-etica/</a>.

In addition, the General Procedure for the Prevention and Combat of 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 the Prevention and Combat of Harassment in the Workplace is complementary to the Teixeira Duarte Group's Code of Ethics and Conduct.

As a result, TD, S.A. has mechanisms for the detection and prevention of irregularities, in line with Recommendation II.2.4, and has adopted a Whistleblowing 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 assisted 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 of December 31st 2023, these services had five employees from Group companies and were hierarchically and functionally dependent on the Chairperson 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 within the Compliance System implemented in the Teixeira Duarte Group is the appointment, in 2021, of a Chief Compliance Officer whose mission is to implement the Compliance Programme of the Teixeira Duarte Group to promote, within the Group (i) compliance with legal, regulatory and internal regulations, (ii) the correct identification and assessment of the respective risks inherent to the 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 analysing the reality, treatment and reporting of information, defining scopes of action and respective means and subsequent monitoring of the results and promoting the necessary revisions of such measures.

Since 2022, demonstrating the commitment of the Teixeira Duarte Group to these matters, a new corporate area dedicated to Compliance became autonomous, under the direct responsibility of the Chief Compliance Officer of TD, S.A.

That same year, Teixeira Duarte, S.A.'s Regulatory Compliance Officer was also appointed, in accordance with article 5 of Decree-Law 109-E/2021, of December 9th, who is responsible for the adoption and implementation of (i) the compliance programme, (ii) the plan for the prevention of risks of corruption and related infractions, (iii) the Code of Ethics and Conduct, (iv) the training programme on these matters, and (v) the whistleblowing channel, in order to prevent, detect and sanction acts of corruption and related offences carried out against or through the Teixeira Duarte Group

In 2023, TD,SA implemented a Plan for the Prevention of Risks of Corruption and Related Infractions (PPR) for the whole organisation and activity of Teixeira Duarte Group, which encompasses all entities which have relationships with the group.

The development of the PPR took into consideration the different realities of operation, both geographical and sectoral, of the companies which belong to the Teixeira Duarte Group, with the purpose of identifying and classifying the risks and situations which might expose the entities of the Teixeira Duarte Group to corruption and related infractions and, also, establish and implement a set of measures and procedures based on the Corporate Code of Conduct, the Code of Ethics and Conduct and in the Mission and Values of Teixeira Duarte, in order to ensure a greater effectiveness and evidence of the compliance with the law and internal rules, allowing for the reduction of the probability of occurrence and the impact of the identified risks and situations, thus contributing to an environment of integrity and ethics culture in the development of the Teixeira Duarte Group's activity.

In addition, the Management Systems Teams also contribute towards internal control, whose functions include ensuring that the Group's Policies are complied with, also implementing supervision criteria in this area, carrying out the corresponding training, the respective internal audit and presenting proposals for improvement.

The Supervisory Board accompanies these processes, having the opportunity to give its opinion on the identified risks, as well as on the initiatives promoted by the Board of Directors, assessing the defined strategies, monitoring their execution and supervising the effectiveness of the internal control, internal audit and compliance systems, being present at the monthly meetings of the Board of Directors, monitoring the work developed by the Statutory Auditor and developing the actions it deems pertinent.

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.

Since 2021, the Internal Audit Officer reports functionally and administratively to the Chairperson of the Board of Directors, ensuring the independence of TD, S.A.'s Internal Audit department.

The Supervisory Board monitors the work carried out by the Internal 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 above mentioned change in terms of reporting to the Board of Directors, the system of communication with the Supervisory Board was also reviewed, that now has access to a direct internal platform of the Internal Audit Service where all reports issued by the department are made available on a monthly basis, so that the Supervisory Board can follow up on the work and, as a result of Recommendations VII.10 and VII.11, can also supervise the effectiveness of the internal control, risk management and internal audit systems, as set out in Article 420(1)(i) of the CSC (Commercial Companies Code).

This model has proven to be adequate, as it facilitates communication, collaboration and the exchange of information between the aforementioned departments within the company's organisational structure, without ever jeopardising the impartiality of any of them, and also allowing the Supervisory Board to play an active role.

#### Chief Compliance Officer and Corporate Compliance Area

The Chief Compliance Officer, appointed by the Board of Directors in 2021, reports functionally to the Board of Directors and has as main objectives the implementation of 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 the 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 analysing the reality, treatment and reporting of information, defining scopes of action and respective means and subsequent monitoring of results and promoting the necessary revisions of such measures.

In 2022, given the growing importance of the Compliance issue and in line with the commitment assumed by the Teixeira Duarte Group, the Corporate Compliance area was created, which reports functionally to the Chairperson of the Board of Directors and has the following responsibilities (i) regular monitoring and evaluation of the adequacy and effectiveness of the measures and procedures adopted to detect any risk of non-compliance with legal obligations and duties to which the Teixeira Duarte Group is subject, as well as the measures taken to correct any deficiencies in their respective compliance, (ii) the provision of advice to the management and administrative bodies, for the purposes of compliance with the legal obligations and duties to which the Teixeira Duarte Group is subject to, and (iii) the immediate provision to the management bodies of information on any indications of breach of legal obligations, ethical rules and rules

of conduct, customer relations or other duties that might incur the Teixeira Duarte Group or its employees in an offence of a misdemeanour or criminal nature.

In 2023, the domain of the Data Protection was integrated into the Corporate Compliance area, that took over the responsibility to provide clarifications to the various areas of the Teixeira Duarte Group as needed, as well as to support the effective control of its normative compliance, considering the complexity and associated regulatory sanctions of this matter.

#### 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

The Teixeira Duarte Group operates in six different sectors of activity, some of them subdivided into various areas of operation across different geographies, with a primary focus on the strategic markets of Portugal, Angola, Brazil, and Mozambique. For each of these sectors, long-term objectives and respective strategies are defined, encompassing operational, geographical, and organisational positioning. These are outlined in the Management Report for the fiscal year 2023, in chapters IV.1 to IV.6.

The main economic, financial and legal risks to which the company is exposed during the exercise of the activity above detailed are as follows:

- Changes 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, Brazil and Mozambique;
- Fluctuations and volatility of interest rates, loan spreads and exchange rates, as well as availability of convertible currencies in markets in which the Group operates;
- Alterations in government policies;
- Regulatory and financial framework of banking activity; and
- Changes 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.

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 to 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 inherent 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 vicissitudes of such contracts (climate change; discovery of characteristics of an adverse nature and different to those foreseen; 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 attributable 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 usually 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 the demands for new projects that increase at various levels (administrative, economic, social, environmental, among others), and by changes in demand resulting from demographic effects and 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, as well as to a possible pandemic situation.

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 and highly dependant on the access to currency needed to import.

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, S.A. Is exposed to strategy risks, through the possibility of taking inadequate strategic decisions, failures in the implementation of decisions or lack of response capacity regarding changing market conditions.

The Teixeira Duarte Group's international business represents a significant portion of the Group's turnover (54,9% of the total). It is impossible to guarantee the full success of operations on the foreign markets where the Group operates. Moreover, these operations are exposed to currency risks arising from possible adverse economic developments in the countries where they are established. These factors could adversely affect the activity, financial position and operating results of the Teixeira Duarte Group.

The Teixeira Duarte Group operates in various sectors of activity, among which the Construction sector stands out, but also others such as Real Estate, Distribution and Automotive, which can be described as very competitive sectors. 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 sales margins and consequently, on its financial position, net income and cash flows.

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. Though 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 limit or delay the execution of the defined strategy, which could have a negative effect on the Group's activity, financial position, net income and cash flows.

The deterioration of global economic conditions or adversities that affect the economies at a local scale could result in the inability of the Teixeira Duarte Group's customers to meet their obligations or significantly delay their payment, leading the existing credit lines to a situation of default. This scenario would result in losses affecting the activity, financial position, net income and cash flows of the 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 position, net income and cash flows.

The activities of TD, S.A. require investments. The Group finances part of these investments through the cash flow generated by its operating activities. However, TD, S.A. 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, S.A. 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 believes it is acting appropriately with financial entities in a particularly adverse scenario of high interest rates and difficulties in accessing foreign currencies in the markets where it operates. It is equipped with the necessary means for effective risk control of its activities, considering the action developed by the Administration with the information reported by the Accounting Department to whom the liquidity of the Teixeira Duarte Group is especially entrusted, with the oversight of the Supervisory Bodies.

TD, S.A. manages the Group's liquidity risk by seeking to ensure 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 by 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, namely 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, S.A. is, therefore, exposed to interest rate risk.

Variations in the exchange rate of the Euro against other currencies, namely the US dollar, the Angolan kwanza, the Brazilian real and the Mozambican metical, may have an impact on the financial position, net income and cash flows of TD, S.A. The Teixeira Duarte Group carries out operations in several markets and records its accounts in the respective functional currencies and is therefore exposed to the corresponding exchange rate variations.

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 operating 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 contracts which enable reflecting these changes in the prices paid by these customers.

Any increase in taxes or reduction in tax benefits could have an adverse effect on the profitability 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 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.

Likewise, the monitoring of the development of the geopolitical situation in Europe, and its impacts on the economies with which the Group operates directly and indirectly, continues, 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, S.A. includes various risk assessments at different levels and complexity, taking into account the matters to be dealt with and after the 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 conceiving and designing the internal control and risk management systems that are necessary and appropriate for the various situations identified, as well as for monitoring their implementation and following up and assessing their operation, duly supported by the other corporate control areas that provide support to the company, namely:

- The Internal Audit Department, whose functions are the assessment and improvement of the effectiveness of the risk
  management procedures and internal control systems, as well as carrying out the evaluation of the activities of the Group;
- The Chief Compliance Officer, tasked with implementing the Compliance Programme approved by Teixeira Duarte, S.A. 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 person in charge of the normative compliance, designated in accordance with article 5 of the Decree-Law no. 109-E/2021, of the 9th of December, being responsible for the adoption and implementation (i) of the normative compliance program, (ii) of the Risks of Corruption and Similar Infractions Prevention Plan, (iii) of the Code of Ethics and Conduct, (iv) of the training program regarding these matters, and (v) of the whistleblowing channel, in order to prevent, detect and sanction acts of corruption and similar infractions, lead against or through the Teixeira Duarte Group.
- The Compliance Department, which acts in a permanent and effective manner, being, in particular, responsible for (i) regular monitoring and evaluation of the adequacy and effectiveness of the measures and procedures adopted to detect any risk of non-compliance with legal obligations and duties to which the Teixeira Duarte Group is subject, as well as the measures taken to correct any deficiencies in their respective compliance, (ii) the provision of advice to the management and administrative bodies, for the purposes of compliance with the legal obligations and duties to which the Teixeira Duarte Group is subject, and (iii) the immediate provision to the management bodies of information on any indications of breach of legal obligations, ethical rules and rules of conduct, customer relations or other duties that might incur the Teixeira Duarte Group or its employees in an offence of a misdemeanour or criminal nature; and
- The Management Systems teams, whose functions include ensuring that the Group's Policies are complied with, implementing supervision criteria in this area, carrying out the corresponding training, the respective internal audit and presenting proposals for improvement.

The responsibility for evaluating the operation of these systems and the presentation of proposals for adjustment to the needs of TD, S.A., lies with the Board of Directors, since this is a matter which, given its nature and the specific aspects described above, falls within the scope of activities of the Board of Directors and the control and supervision of this body over the various departments of the Group's companies. This system has proven to be suitable for the respective purposes.

On the other hand, there are no control commissions within the Teixeira Duarte Group, nor specialised commissions or committees of experts in risk control, since the assessment of the company, the way it is managed, the composition of the management and managers of the companies that belong 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.

The Supervisory Board accompanies these processes, having the opportunity to give its opinion on the identified risks, as well as on the initiatives promoted by the Board of Directors, assessing the defined strategies, monitoring their execution and supervising the effectiveness of the internal control, internal audit and compliance systems, being present at the monthly meetings of the Board of Directors, monitoring the work developed by the Statutory Auditor and developing the actions it deems pertinent.

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 VII.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, S.A. 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 29-H(1)(I)).

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 with access to privileged information are included in the list established in Article 29-Q(7) of the Securities Market Code, and Article 18 of Regulation (EU) 596/2014 of the European Parliament and of the Council of April 16<sup>th</sup> 2014, being 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 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, having an active role in the definition of the policies pursued.

#### 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 Chairperson of the Board of Directors Manuel Maria Calainho de Azevedo Teixeira Duarte, coordinated by José Pedro Poiares 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

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 2023 was 2 days.

V. INTERNET WEBSITE

#### 59. Address(es).

The internet website of TD, S.A. has the following address: <a href="www.teixeiraduarte.pt">www.teixeiraduarte.pt</a>. 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: <a href="https://www.teixeiraduarte.pt/investidores/apresentacao/">www.teixeiraduarte.pt/investidores/apresentacao/</a>.

61. Location where the articles of association and operating regulations for the bodies and/or committees or commissions can be found

The Company's Articles of Association can be found at: <a href="www.teixeiraduarte.pt/investidores/apresentacao/">www.teixeiraduarte.pt/investidores/apresentacao/</a>.

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: <a href="www.teixeiraduarte.pt/investidores/orgaos-sociais">www.teixeiraduarte.pt/investidores/orgaos-sociais</a>.

The information on the representative for market relations and the Investor Support Office may be consulted at: www.teixeiraduarte.pt/investidores/apoio-ao-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 documents regarding the company's accounts rendering are available at: <a href="www.teixeiraduarte.pt/investidores/informação-financeira">www.teixeiraduarte.pt/investidores/informação-financeira</a>.

The six-monthly calendar of corporate events may be consulted at: <a href="www.teixeiraduarte.pt/calendario-do-investidor">www.teixeiraduarte.pt/calendario-do-investidor</a>.

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,S.A. may be consulted at: <a href="https://www.teixeiraduarte.pt/investidores/assembleias-gerais/">www.teixeiraduarte.pt/investidores/assembleias-gerais/</a>.

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/investidores/assembleias-gerais/.

#### D. REMUNERATIONS

(Report for the purposes of Article 26-G(8) of the Securities Market Code)

- 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, S.A. 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, S.A.

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 April 16<sup>th</sup> 2014, the only leaders of TD, S.A. are its own Directors. Given that 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 2023-2026 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
- Manuel Maria Calainho de Azevedo Teixeira Duarte
- Isabel Maria Nunes Correia Teixeira Duarte

Miguel Calainho de Azevedo Teixeira Duarte was elected at the Extraordinary General Meeting held on October 8<sup>th</sup> 2021 and re-elected at the General Meeting held on May 24<sup>th</sup> 2023, a meeting which were elected Manuel Maria Calainho de Azevedo Teixeira Duarte and Isabel Maria Nunes Correia Teixeira Duarte, the three of them to serve in the quadrennium 2023 / 2026.

The members of the Remuneration Committee Manuel Maria Calainho de Azevedo Teixeira Duarte and Isabel Maria Nunes Correia Teixeira Duarte are not considered independent from the members of the Board of Directors, since they are also Chairperson and Director, respectively, of that management body.

As TD, S.A. 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.

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 strongly distinctive business image.

It should be added that no natural or legal persons were hired to support the Remunerations Committee in the performance of its duties, by choice of the Committee itself, and if this were to happen, it would be the responsibility of the Remunerations Committee to ensure that those services were provided independently and that the respective providers would not be hired to provide any other services to the company or to others with which it is in a group or control relationship, without the express authorisation of the Committee.

For the purposes of Recommendation VI.2.4, it is reported that the Chairperson of the Remuneration Committee and, in general, the other members are always 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, Manuel Ferreira 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, and Isabel Maria Nunes Correia Teixeira Duarte has knowledge of these matters for are part of her professional background and of the work and academic profession she still practices today.

#### III. STRUCTURE OF THE REMUNERATIONS

## 69. Description of the policy of remuneration of the management and supervisory bodies referred to in Article 26-A of the Securities Market Code

The Remuneration Committee of TD, S.A. issued its proposal on the remuneration policy of the members of the Management and Supervisory Bodies, which was unanimously approved at the company's General Meeting, held on May 23<sup>rd</sup> 2022, a policy that is still in force and whose content is reproduced herein:

#### REMUNERATION POLICY OF THE

#### MANAGEMENT AND SUPERVISORY BODIES OF "TEIXEIRA DUARTE, S.A."

### I. SCOPE OF THE POLICY:

Depending on the corporate model adopted by "Teixeira Duarte, S.A.", this Policy covers all members of the Board of Directors, of the Supervisory Board and the Audit Firm.

#### II. INTRODUCTION:

This "Remuneration Policy for Members of Management and Supervisory Bodies" was drawn up taking into account the framework of the issue within the Teixeira Duarte Group over the years, in addition to the applicable legal provisions.

#### III. BOARD OF DIRECTORS:

### 1. Contractual status

The contractual status of the members of the Board of Directors results only from the term of office for which they were elected at the General Meeting.

Notwithstanding the above, it is reported that two members of the Board of Directors - Manuel Maria Calainho de Azevedo Teixeira Duarte and Diogo Bebiano Branco de Sá Viana Rebelo - have employment contracts with companies of the Teixeira Duarte Group, without prejudice to their suspension, in accordance with the law, at the time of the elections for the corporate positions they have been holding in the Teixeira Duarte Group.

There are, therefore, no specific contractual determinations for the applicable notice periods, nor any clauses for termination or payments associated with the termination of the same, being applicable the terms foreseen in the Law in force.

The Directors of "Teixeira Duarte, S.A." may only receive remuneration, in any form whatsoever, paid by one of the following entities: "Teixeira Duarte, S.A.", "Teixeira Duarte – Engenharia e Construções, S.A." or "Teixeira Duarte – Gestão de Participações e Investimentos Imobiliários, S.A.".

#### 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 shall 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,

The fixed amount shall be attributed and paid taking into consideration the employment and remuneration conditions of the employees of the Teixeira Duarte Group.

#### 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 take into account the framework of remuneration of the 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 that are considered references for the sustainability and long-term development of the company, as set out below.

The variable amount should be established for each member of the Board of Directors as a complementary remuneration and performance bonus, and this component shall not be related to the price of the Company's shares, but shall depend on the evolution of the Company's businesses, indicators such as operating results, return on assets and the value of shareholders' equity, the commitment of each member to accomplish the tasks and objectives inherent to their functions, as well as the net income for the year and the corresponding proposed policy on its appropriation.

No director shall have any right to the variable component of their remuneration until specific allocations have been made by this Remuneration Committee, the sums of which will be paid in instalments of a quantitative nature and within a period to be decided by this Committee. The payment of those deferred sums is dependent 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 will be no mechanisms limiting variable remuneration, in the event of net income showing a relevant deterioration in the Group's performance in the last reported year or when such a deterioration 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 two of the following facts, according to the consolidated accounts:

- The average Operating Profit (EBIT) in the next three financial years must be greater than 110.000.000 euros;
- The average ratio between Operating Profit (EBIT) and average Assets, for the next three financial years, must be greater than 7%:
- Increase in Equity attributable to shareholders with reference to December 31st of the third year following that to which the
  results that have been deferred relate.

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.

In the overall remuneration of the members of the Board of Directors, no sum will be paid in the form of profit-sharing.

Directors may benefit from insurance and the possibility of joining flexible benefits plans and allowances, under similar terms to those enjoyed by other Group employees, as well as other complements.

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, S.A.;

b) Have provided, even with a shorter period of holding this position, a total of over twenty-five years of service to this Company, counting, for the effect, the years of service at "Teixeira Duarte - Engenharia e Construções, S.A.;

TWO - The value of this pension will be determined taking into consideration the time or relevance of the services provided and the situation of the beneficiary and should be reviewed on an annual basis but can never be greater than the highest remuneration received any given time by the permanent Directors.

THREE - 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 aforementioned determination of the Memorandum and Articles of Association 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. SUPERVISORY BOARD:

The contractual status of the members of the Supervisory Board results only from the term of office 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, S.A." or other entity with which it was in a 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.

#### V. 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 shall be determined in accordance with the services to be rendered within the scope of the duties conferred upon it by law and the Articles of Association.

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.

#### VI. THE DECISION-MAKING PROCESS

The decision-making process followed for the determination, review and application of this policy consists of meetings of the Remuneration Committee to debate the issue without the intervention of any other committee, entity or governing body, and the values and criteria are determined under the terms described above.

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.

#### VII. PUBLICATION OF THE POLICY AND DISCLOSURE OF INFORMATION ON REMUNERATION

In compliance with Article 26e of the Securities Market 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.

#### VIII. 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 should be 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 such 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.

The remuneration of the governing bodies is determined so as to align their interests with those of the Company, as in fact results from the Remuneration Policy mentioned in point 69. The remuneration is determined by a Committee elected by the General Meeting, which sets these amounts in accordance with guidelines related to the performance and results of the Company as a whole, as well as to the activity of the management body as a whole, in the light of the objectives set, taking into account the conditions and amounts of remuneration of its employees and other Teixeira Duarte Group employees, in order to promote a sense of ownership and interconnection between directors and employees and between all and the overall strategy of the Teixeira Duarte Group.

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.

On the other hand, the remuneration was set in accordance with the Remuneration Policy for the Governing Bodies of Teixeira Duarte, S.A. having promoted the commitment of the members of the Board of Directors to the long-term business project, not only because the fixed remuneration amounts and other complementary conditions are integrated into an overall framework of remuneration of the employees of the Teixeira Duarte Group, but also because there is a part of the remuneration that is variable and deferred, its attribution and payment being subject to the verification of conditions that reflect the positive performance of the company itself, measured by

concrete, determinable indicators considered as references for the sustainability and long-term development of the company, as set out below.

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, S.A., Teixeira Duarte - Engenharia e Construções, S.A. and Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., the Group's main sub-holding companies.

The variable amount established for each member of the Board of Directors, as supplementary remuneration and performance bonus, had nothing to do with the price of the Company's shares, and depended on the evolution of the company's businesses, financial indicators such as net indebtedness and financial autonomy, the commitment of each member to accomplish the tasks and objectives inherent to their functions, as well as the net income for the year and corresponding policy on its appropriation.

In addition, in determining the remuneration paid to the members of the Board of Directors, the fact that some of these members have functions and positions in other entities of the Group was taken into consideration, in relation to which they exercise management powers with proximity and direct responsibility for their actions.

## 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, S.A.", described in point 69, Director remuneration consists of a variable component - known as "performance bonuses" - which is 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 what is set out in the "Remuneration Policy of the Management and Supervisory Bodies of Teixeira Duarte, S. A." in force.

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 2025 on a date to be set by the Remuneration Committee. This payment shall depend on the continuation of the Company's positive performance over the financial years 2021 to 2025, defined as the occurrence of at least two of the following facts, according to the consolidated accounts:

- The average Operating Profit (EBIT) in the next three financial years must be greater than 110.000.000 euros;
- The average ratio between Operating Profit (EBIT) and average Assets, for the next three financial years, must be greater than 7%:
- Increase in Equity attributable to shareholders with reference to December 31st of the third year following that to which the
  results that have been deferred relate.

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. No shares or share options were granted or offered during the 2022 financial year, nor is there any plan to attribute them, as stipulated in the Remuneration Policy itself - Article 26-G(2)(e) of the Securities Market Code.

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") are attributed 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, S.A.;

b) Have provided, even with a shorter period of holding this position, a total of over twenty-five years of service to this Company, counting, for the effect, the years of service at "Teixeira Duarte - Engenharia e Construções, S.A.;

TWO - The value of this pension will be determined taking into consideration the time or relevance of the services provided and the situation of the beneficiary, and should be reviewed on an annual basis but can never be greater than the highest remuneration received any given time by the permanent Directors.

THREE - 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 aforementioned determination of the Memorandum and Articles of Association 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

This chapter complies with Article 26-G(8) of the Securities Market Code, providing a comprehensive overview of the remuneration, including all benefits, regardless of their form, awarded or due during the last financial year to each member of the management and supervisory bodies of Teixeira Duarte, S.A., as well as their respective alignment with the "Remuneration policy of the members of the management and supervisory bodies of Teixeira Duarte, S.A." (Remuneration Policy) approved at the General Meeting held on May 23rd 2022.

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.

The table below shows, in accordance with Article 26-G(2)(a) of the Securities Market Code, the total remuneration broken down into the different components, earned by the Members of the Board of Directors in the year 2023:

		Va	riable Remune		
Board of Directors	Fixed Remuneration	Assigned in 2014	Assigned in 2019	2023 Extraordinary Awards	Total
Manuel Maria Calainho de Azevedo Teixeira Duarte	191,400.00	-	-	6,000.00	197,400.00
Maria da Conceição Maia Teixeira Duarte	35,000.00	-	-	6,000.00	41,000.00
Isabel Maria Nunes Correia Teixeira Duarte	44,000.00	-	-	6,000.00	50,000.00
Sérgio Paulo Reis Pereira (1)	113,551.62	-	-	6,000.00	119,551.62
Paulo Alfredo de Carvalho Serradas (2)	51,851.00	-	-	6,000.00	57,851.00
Carlos Gomes Baptista (3)	68,175.59	-	-	-	68,175.59
Diogo Bebiano Branco de Sá Viana Rebelo (3)	65,724.85	-	-	-	65,724.85
Miguel Calainho de Azevedo Teixeira Duarte (4)	91,837.50	-	-	-	91,837.50
	661,540.56	0.00	0.00	30,000.00	691,540.56

- (1) Held the position from the Annual General Meeting of May 24, 2023
- (2) Held the position from September 28, 2023
- (3) Held the position until the Annual General Meeting of May 24, 2023
- (4) Held the position until September 28, 2023

In 2023, the total value of the variable remunerations paid by Teixeira Duarte, S.A. represented 4,3% of the total value received.

In addition to the information indicated above on the amounts paid, it is reported that in 2023 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 2026, the respective payment of this part being dependent on each of the members of the Board of Directors in question continuing to perform their functions and the positive performance of Teixeira Duarte, S.A. throughout that period, with this being defined as the occurrence of at least two of the following facts, according to the consolidated accounts:

- The average Operating Profit (EBIT) in the next three financial years must be greater than 110.000.000 euros;
- The average ratio between Operating Profit (EBIT) and average Assets, for the next three financial years, must be greater than 7%:
- Increase in Equity attributable to shareholders with reference to December 31st of the third year following that to which the
  results that have been deferred relate.

#### Variable remuneration paid in 2023

Board of Directors	To 2023	To 2024	To 2026	Total
Manuel Maria Calainho de Azevedo Teixeira Duarte	6,000.00	39,000.00	46,000.00	91,000.00
Maria da Conceição Maia Teixeira Duarte	6,000.00	-	7,000.00	13,000.00
Isabel Maria Nunes Correia Teixeira Duarte	6,000.00	-	7,000.00	13,000.00
Sérgio Paulo Reis Pereira	6,000.00	39,000.00	46,000.00	91,000.00
Paulo Alfredo de Carvalho Serradas	6,000.00	39,000.00	46,000.00	91,000.00
	30,000.00	117,000.00	152,000.00	299,000.00

The table below shows, in accordance with Article 26-G(2) of the Securities Market Code, the annual variations of the gross remuneration paid individually by the Company to the Members of the Board of Directors and Supervisory Board, as well as of the average remuneration paid to full-time equivalent employees of the Company, in the last five financial years, and the performance indicators verified:

Annual Variations	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021	2023 vs 2022
Group Performance Indicators					
Operating results	55.5 %	(59.8)%	(295.4) %	118.3 %	105.1%
Net assets:	(0.4) %	(13.5) %	3.0 %	3.1%	(10.6)%
Equity attributable to shareholders	(18.4)%	(30.1) %	(18.8) %	26.0 %	(39.6)%
Average Wage Bill					
Members of the Management and Supervisory Bodies	(36.8)%	(30.6) %	(3.8)%	(23.4) %	6.0 %
Other employees	0.7 %	(10.9)%	0.5 %	20.0%	(2.6)%

## 78. Amounts paid, for any reason, by other companies in a controlling or group relationship or which are subject to common control.

In compliance with article 26-G(2)(d) of the Securities Market Code, it is reported that, since the date of their appointment to their respective positions, the members of the Board of Directors did not receive any remuneration whatsoever paid by other companies that are in a controlling or group relationship with TD, S.A.

However, it is reported that the Directors Sérgio Paulo Reis Pereira and Paulo Alfredo de Carvalho Serradas received during the financial year 2023, and before their appointment to serve as members of the Board of Directors of TD,SA, remunerations paid by "Teixeira Duarte - Engenharia e Construções, 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 bonus amount - referred to as "performance bonus" - whose attribution occurs subsequently 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.

In 2023, the bonuses that were attributed 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 employees.

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 risk-taking and market knowledge.

Moreover, the Remuneration Policy does not provide for the possibility of the company requesting the reimbursement of variable remuneration already paid, and so this did not occur in 2023 (Article 26-G(2)(f) of the Securities Market Code).

#### 80. Compensation paid or owed to former executive directors relative to their termination of office during the financial year.

During the financial year 2023, three members of the Board of Directors - all executives - ceased their functions on the following dates and conditions:

Carlos Gomes Baptista and Diogo Bebiano Branco de Sá Viana Rebelo ceased their functions on May 24th 2023, as they were not reelected to their respective positions at the Annual General Meeting held on that date.

Miguel Calainho de Azevedo Teixeira Duarte resigned from his position, which took effect on September 28th 2023.

No compensation has been paid, or is owed, to any former executive Directors relative to their termination of office during the financial year, without prejudice to:

- After the cessation of functions of Director Diogo Bebiano Branco de Sá Viana Rebelo, he received compensation in the context of the termination of the employment contract with a subsidiary of the company;
- After the cessation of functions of administrator Carlos Gomes Baptista, he was awarded a retirement supplement, under the provisions of the Articles of Association and the terms and conditions of the insurance policy of a subsidiary of the company.

## 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.

The table below shows, in accordance with Article 26-G(2)(a) of the Securities Market Code, the total remuneration broken down into the different components, earned by the Members of the Supervisory Board of TD, S.A. in the year 2023:

Supervisory Board	Fixed Remuneration	Variable Remuneration	Total Remuneration
Ana Cristina Louro Ribeiro Doutor Simões (1)	25,000.00	-	25,000.00
João Salvador dos Santos Matias	18,000.00	-	18,500.00
Carlos Manuel Bastos Rodrigues (2)	10,500.00	-	10,500.00
Óscar Manuel Machado Figueiredo (3)	12,500.00	-	12,500.00
	66,000.00	-	66,000.00

- (1) Member of the Supervisory Board util May 24, 2023, date on which was elected President of the Board
- (2) Elected as member of the Supervisory Board at the Annual General Meeting on May 24, 2023
- (3) Held the position o President of the Supervisory Board until the General Meeting of May 24, 2023

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	396 950,00
Other reliability assurance services	-
Tax advisory services	-
Non-statutory audit services	-
	396 950,00

Furthermore, it should also be noted that, as established in the Remuneration Policy of the Management and Supervisory Bodies of the Company, 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 chairperson 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 Chairperson and Vice-Chairperson of the General Meeting Board, during the 2023 financial year, was:

Chairperson - José Luciano Vaz Marques: 5.000,00€ (five thousand euros).

Vice-Chairperson - José Mário Ferreira de Almeida: 1.000,00€ (one thousand euros).

#### V. AGREEMENTS WITH REMUNERATIVE IMPLICATIONS

83. Contractual limitations established for the compensation payable for dismissal without fair grounds of a director and its relationship with the variable component of the remuneration.

There is no contractual limit established for the compensation payable for the unfair dismissal of a member of the Board of Directors, considering, firstly, that no contract us signed for the performance of the duties of the position of Director, nor is any agreement signed on any possible compensation payable for fair or unfair dismissal. The existence of a contractual limit under the terms referred to above would be incoherent, in view of the characteristics of the existing relationship between the Company and the members of its management 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 body and senior managers, which establish compensation in the case of resignation, unfair dismissal or termination of employment following a change of control of the company. (Article 29-H(1) (K)).

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 for a possible employee-shareholder system insofar as the voting rights are not directly exercised by them (Article 29-H(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 December 2<sup>nd</sup> 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, S.A. must observe whenever Transactions occur between TD, S.A. 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

(Object)

- 1. The present Regulation on Transactions with Related Parties (hereinafter "Regulation") aims to implement the provisions of Law 50/2020 of August 25th, which transposed into the Portuguese legal system Directive (EU) 2017/828 of the European Parliament and of the Council of May 17th 2017 (hereinafter the Directive on the Shareholders II) who, among several diplomas, amended the Securities Market Code (hereinafter "CVM"), through the establishment of rules and procedures that Teixeira Duarte SA (hereinafter "TD, S.A.") must observe whenever Transactions occur between TD, S.A. or any entity of the Teixeira Duarte Group and the Related Parties.
- The Regulation is complementary to the internal codes and regulations that "TD, S.A." 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, S.A. and its subsidiaries.

Related Parties: A "Related Party" means a party related to TD, S.A. within the meaning of international accounting standards adopted pursuant to Regulation (EC)1606/2002 of the European Parliament and of the Council of July 19<sup>th</sup>, 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 July 19<sup>th</sup>, namely by the International Accounting Standard (IAS) 24 (hereinafter "Transactions").

#### Article 3

(Procedure)

1. Transactions between "TD, S.A." 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.
- 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.
- 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 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 "Clients 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.

#### - end of transcription-

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.

Furthermore, on August 17<sup>th</sup> 2022 the Teixeira Duarte Group's Whistleblowing Policy was approved, which is intended for all directors, employees, other representatives of the company, third parties, shareholders, customers and other stakeholders. The employees of the Teixeira Duarte Group have the duty to report immediately any alleged irregularity of which they are aware or which, in the light of the information at their disposal, may reasonably be expected to have occurred, regardless of the existence of supporting evidence or documentation.

Therefore, given this scope and effective linkage – which has been considered efficient – TD, S.A. is complying with Recommendation II.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 28 of the Notes to the Consolidated Financial Statements as of December 31st 2023.

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 28 of the Notes to the Consolidated Financial Statements as of December 31st 2023.

## II. CORPORATE GOVERNANCE ASSESSMENT

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, S.A. decided to adopt the Portuguese Institute of Corporate Governance (IPCG) Code, in its current version, amended in 2023.

Indication of the location where are available to the public the texts on corporate governance codes to which the issuer is subject (Article 29-H(1)(o)).

The aforementioned Corporate Governance Code issued by the IPCG is available for consultation at www.cgov.pt.

2. Analysis of compliance with the adopted corporate governance code

Under the terms of Article 29-H(1)(n), a statement on the compliance with the corporate governance code to which the issuer is subject should be included, specifying any divergence from that code and the reasons for such 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 (amended 2023) - 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 84 Recommendations, the Company does not adopt 13 and partially adopts three.

	Recommendation	Adoption	Remission
I.	GENERAL PART		
I.1. (1)	The Company explicitly outlines in what terms its strategy seeks to ensure the fulfilment of its long-term objectives.	Yes	53. and 54.
1.1.(2)	The main contributions resulting from that for the community at large.	Yes	Management Report, Chapter III.
1.2.(1)	The Company identifies the main policies and measures adopted regarding the fulfilment of its environmental objectives.	Yes	Management Report, Chapter III, Points 1, 3 and 8.
1.2.(2)	With regard to the fulfilment of its social goals	Yes	Management Report, Chapter

	Recommendation	Adoption	Remission
			III, Points , 1, 6 and 7.
II.	COMPOSITION AND FUNCTIONING OF THE COMPANY'S BODIES		
II.1.1.	The Company establishes mechanisms to ensure, in an adequate and rigorous manner, the timely circulation or disclosure of the necessary information to its bodies, the company secretary, shareholders, investors, financial analysts, other stakeholders, and the general market.	Yes	18., 22., 45. and 55. to 65.
II.2.1.	The Companies establish, beforehand and in abstract, criteria and requirements regarding the profile of members of the company's bodies suitable for the role to be performed, considering individual attributes (such as competence, independence, integrity, availability, and experience) and diversity requirements (with particular attention to gender equality), which may contribute to the improvement of the body's performance and to the balance in its composition.	Yes	16., 18. and 31.
II.2.2.(1)	The management body must have internal regulations — namely concerning the exercise of their respective powers, presidency, frequency of meetings, operation, and framework of duties of its members — fully disclosed on the company's website.	No	18. and 22.
II.2.2.(2)	Idem for the supervisory body.	No	34.
II.2.2.(3)	Idem for the internal committees	Not applicable	27.
II.2.2.(4)	Minutes of the meetings of the management body must be drawn up.	Yes	22.
II.2.2.(5)	Idem for the supervisory body.	Yes	35.
II.2.2.(6)	Idem for the internal committees.	Not applicable	27.
II.2.3.(1)	The composition of the management and supervisory bodies and their internal committees must be disclosed on the company's website.	Yes	62.
II.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.
II.2.4.(1)	A policy for reporting irregularities (whistleblowing) which outlines the main rules and procedures to be adopted when dealing with communication.	Yes	49.
II.2.4.(2)	An internal reporting channel that also allows access by non-employees, in accordance with the provisions of the applicable law.	Yes	49.
II.2.5.(1)	The companies have a specialised committee on corporate governance law.	No	22., 24. and 27.
II.2.5.(2)	Idem for remuneration matters	Yes	66., 67., and 68.
II.2.5.(3)	Idem for the appointment of members of the company's bodies.	No	22., 24. and 27.
II.2.5.(4)	Idem for performance assessment matters	No	22., 24. and 27.
II.3.	The company's relationship with investors and information		

	Recommendation	Adoption	Remission
II.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.
II.3.2.	Each of the company's bodies and committees must, in a timely and appropriate manner, ensure the flow of information 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.
II.4.	Conflict of interests		
II.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 the corporate interest.	Yes	22. and 89.
II.4.2.	The company adopts procedures 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.
II.5.	Transactions with Related Parties		
II.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.
III.	SHAREHOLDERS AND GENERAL MEETING		
III.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.
III.1.(2)	The Company must report in the governance report about its option whenever each share does not correspond a vote.	Not applicable	1. and 12.
III.2.	The company that has issued shares with special plural voting rights identifies, in the governance report, the matters that, by provision of the company's Articles of Association, are excluded from the scope of plural voting.	Not applicable	1.
III.3.	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.
III.4.	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.
III.5.	The company must also implement appropriate means for exercising remote voting rights, including by correspondence and electronically.	Yes	12.

	Recommendation	Adoption	Remission
III.6.	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.
III.7.	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.
IV.	ADMINISTRATION		
IV.1.1.(1)	The management body ensures that the company acts in accordance with its purpose and does not delegate powers, namely regarding: i) defining the company's strategy and main policies.	Yes	21.
IV.1.1.(2)	Organisation and coordination of the corporate structure	Yes	21.
IV.1.1.(3)	Matters that should be considered strategic due to their amount, risk, or special characteristics.	Yes	21.
IV.1.2.	The management body approves, through regulation or equivalent means, the operating regime of executive directors applicable to their exercise of executive functions in entities outside the group.	No	22.
IV.2.1.	Without prejudice to the legal duties of the Chairperson of the Board of Directors, if not independent, the independent directors - or, when these do not exist in sufficient number, non-executive directors - must appoint among themselves a coordinator to, namely, (i) act, whenever necessary, as an interlocutor with the Chairperson 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 VI.1.1.; alternatively, the company may establish another equivalent mechanism to ensure such coordination.	Not applicable	18.
IV.2.2.	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 constructed.	Yes	18.
IV.2.3.	The number of non-executive directors exceeds that of executive directors.	No	18.
IV.2.4.	The number of non-executive directors who meet the independence requirements must be plural and cannot be less than one-third of the total number of non-executive directors. For the purposes of this recommendation, a person is considered independent if they are not associated with any specific interest group in the company, nor are they in any circumstance likely to affect their impartiality in analysis or decision-making, namely due to: ().	No	18.

	Recommendation	Adoption	Remission
IV.2.5.	The provision in paragraph (i) of the previous recommendation does not prevent the qualification of a new director as independent if, between the end of their functions in any organ of the company and their new appointment, at least three years (cooling-off period) have elapsed.	Not applicable	18.
V.	SUPERVISION		
V.1.(1)	Regarding the competencies conferred upon it by law, the supervisory board is informed of the strategic guidelines prior to their final approval by the board of directors.	Yes	50. and 51.
V.1.(2)	With regard to the competencies conferred upon it by law, the supervisory board evaluates and pronounces on the risk policy prior to its final approval by the board of directors.	Yes	50., 51. and 54.
V.2.(1)	The number of members of the supervisory 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 constructed.	Yes	31.
V.2.(2)	Idem regarding the number of members of the committee for financial matters	Not applicable	27.
VI.	PERFORMANCE ASSESSMENT, REMUNERATION AND APPOINTMENTS		
VI.1.	Annual Performance Assessment		
VI.1.1.(1)	The management body - or commission with competences in the matter, composed of a majority of non-executive members - 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.
VI.1.1.(2)	Idem with regard to the performance of the executive committee / executive directors.	No	22., 24. and 25.
VI.1.1.(3)	Idem with regard to the performance of the company's commissions.	Not applicable	22. and 24.
VI.2	Remunerations		
VI.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.	No	67.
VI.2.2.	The remuneration of the members of the management and supervisory bodies and of the commissions of the company is to be set by the remuneration committee or by the general meeting, following a proposal by that committee	Yes	66. and 67.
VI.2.3.	The company discloses in the corporate governance report, or in the remuneration report, the termination of functions of members of the company's bodies or commissions, indicating the amounts of all charges related to the termination of functions borne by the company, for any reason, in the financial year in question.	Yes	76. and 80.

	Recommendation	Adoption	Remission
VI.2.4.	To provide information or clarifications to the shareholders, the chairperson or another member of the remuneration committee must be present at the annual general meeting and at any other meeting if the respective agenda includes matters related to the remuneration of the members of the company's bodies and commissions, or if such presence has been requested by shareholders.	Yes	67.
VI.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.
VI.2.6.	The remuneration committee ensures that those services are provided independently.	Yes	67.
VI.2.7.	Providers of these services will not be hired, either by the company itself or by others that are in a relationship of control or group with it, to provide the company with any other services related to the competencies of the remuneration committee, without express authorisation from the committee.	Yes	67.
VI.2.8.	With a view to aligning interests between the company and the executive administrators, a portion of their remuneration is variable in nature, reflecting the sustained performance of the company and not encouraging the assumption of excessive risks.	Yes	69., 70. and 71.
VI.2.9.	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.
VI.2.10.	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.
VI.2.11.	The remuneration of non-executive directors does not include any component whose value depends on the performance of the company or its value.	Not applicable	18. and 66.
VI.3.	Appointments		
VI.3.1.	The company promotes, in terms it deems appropriate, but in a demonstrable manner, that proposals for the election of members of the company's bodies are accompanied by justification regarding the suitability of each candidate for the position to be held.	Yes	16. and 17.
VI.3.2.	The committee for the appointment of members of corporate bodies includes a majority of independent administrators.	Not applicable	27.
VI.3.3.	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.
VI.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.
VII.	INTERNAL CONTROL		

	Recommendation	Adoption	Remission
VII.1.(1)	The management body must discuss and approve the strategic plan.	Yes	53. and 54.
VII.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.
VII.2.	The company has a specialised committee or a risk committee composed of experts in risk matters that regularly reports to the management body.	No	54.
VII.3.	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.	Yes	54.
VII.4.	The internal control system, comprising 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.	Yes	51. and 54.
VII.5.	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.
VII.6.(1)	Based on its risk policy, the company establishes a risk management function, identifying (i) the key risks to which it is subject in the course of its business activities.	Yes	53. and 54.
VII.6.(2)	(ii) the probability of their occurrence and their impact,	Yes	53. and 54.
VII.6.(3)	(iii) the instruments and measures to be adopted for their mitigation	Yes	53. and 54.
VII.6.(4)	(iv) monitoring procedures, aimed at follow-up.	Partial	53. and 54.
VII.7.	The company establishes processes to collect and process data related to environmental and social sustainability, to alert the board of directors about the risks the company may be incurring, and to propose strategies for their mitigation.	Yes	Management Report, Chapter III. Point 1
VII.8.	The company provides information on how climate change is taken into account within the organisation and on how it weighs climate risk analysis in decision-making processes.	Yes	Management Report, Chapter III. Points 1. and 8.
VII.9.	The company informs, in the governance report, on the terms under which artificial intelligence mechanisms have been used as decision-making tools by corporate bodies.	Not applicable	22. and 34.
VII.10.	The supervisory body pronounces on the work plans and resources allocated to the internal control system services, including risk management, compliance, and internal audit functions, and may propose adjustments deemed necessary.	Yes	50. and 51.
VII.11.	The supervisory body receives reports prepared by internal control services, including risk management, compliance, and internal audit functions, at least when matters related to accountability, identification or resolution of conflicts of interest, and detection of potential irregularities are involved.	Yes	50 and 51.

	Recommendation	Adoption	Remission
VIII.	INFORMATION AND STATUTORY AUDIT		
VIII.1.	Financial Information		
VIII.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.	Partial	55.
VIII.2.	Statutory audit and supervision		
VIII.2.1.	Through regulation, the supervisory body defines, in accordance with the applicable legal framework, the oversight procedures aimed at ensuring the independence of the statutory auditor.	No	45. and 55.
VIII.2.2.(1)	The supervisory body is the main interlocutor of the statutory auditor in the company and the primary recipient of their reports,	Yes	45.
VIII.2.2.(2)	being responsible namely for proposing their remuneration and ensuring that adequate conditions for service provision are maintained within the company.	Partial	45. and 69.
VIII.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 September 12<sup>th</sup> 2022, "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, whose Legal Framing, Introduction and Application Scope are disclosed herein

#### **FRAMEWORK**

Teixeira Duarte, S.A. (TD, S.A.) has always assumed as a cause to ensure a dignified treatment to its employees, male and female, respecting their human and labour rights, including an effective equality among them all.

The law no. 62/2017, of August 1<sup>st</sup> determined that the administration and supervisory organs of the companies issuing shares admitted to negotiation in regulated market must progressively evolve to a balanced composition in terms of gender, which is complied with by Teixeira Duarte, S.A.

The same piece of legislation establishes that the companies traded on the stock exchange have to approve annual equality plans to achieve effective equal treatment and opportunities for women and men, fostering the elimination of gender-based discrimination and promoting the balance between personal, family and professional life, and must publish these plans on the respective website, until September 15th of each year, under the terms of the normative order no. 18/2019, of June 21st.

Given this legal framing, on the 14<sup>th</sup> of September 2021, Teixeira Duarte, S.A. Approved on the meeting of the Board of Directors its Equality Plan for 2022 which, associated to internal and external relevant facts for its purpose and for its strategic guidance, served as base for the elaboration of the Equality Plan for 2023 which is now presented.

#### INTRODUCTION

Teixeira Duarte, S.A. has incorporated, in its management strategy, actions which contribute to make gender equality in the various domains (i.e. respect for the dignity of men and women in the workplace; conciliation between professional, family and personal life and employment quality) a reality within the companies of the Group.

Based on the Mission "Execute, contributing towards the construction of a better world", an objective shared by all employees, man and women, of the Group, regardless of their sector of activity, geography, or work team, Teixeira Duarte adopted several instruments to guide the action of its subsidiary companies, in matters regarding the promotion of gender equality and the prevention of discriminatory practices, among which the following are highlighted:

Teixeira Duarte, S.A. 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.

Conscious of the importance of the opinion of the employees, men and women, for the improvement of the organisations with the implementation of measures which, effectively, meet the interests of the worker, Teixeira Duarte implemented a channel of ideas, accessible through the Corporate Portal at www.canaldeideias.teixeiraduarte.pt, where suggestions and measures can be submitted which may be considered as important for the conciliation of the professional, family and personal life.

In spite of CITE's report conclusions on the Teixeira Duarte, S.A.'s Annual Equality Plan for 2022 stating that it complies with all applicable legal requirements, Teixeira Duarte, S.A., grounded on its culture and on its objectives with regard to equality, presents its Equality Plan for 2023 which, aligned with the guiding lines comprised in the "Guide for the implementation of Equality Plans for Companies" established by the Ministerial Order no. 18/2019, has as objective the disclosure of new measures to be implemented, as well as update and divulge procedures and practices already implemented and in force within the Group Teixeira Duarte, within the scope of gender equality as defined in the Portuguese legislation.

The Equality Plan, devised for 2023, represents the commitment of Teixeira Duarte, S.A. to the measures there included and shall be monitored by a work group (Internal Task Force) through the evaluation of the fulfilment of the goals set forth for each one of the measures, with the intention of incorporating new measures and / or readjusting the existing ones.

This work group is composed of four members – two men and two women – of different activity sectors within the Teixeira Duarte Group (Sustainability / Human Resources / Construction / Concessions and Services) whose action is followed by the Board of Administrators.

#### APPLICATION SCOPE

Teixeira Duarte, S.A., as top traded company of the Group Teixeira Duarte does not have employees other than the members of the social bodies and has in force a policy of Diversity of the Administration and Supervisory Bodies, approved by the General Assembly.

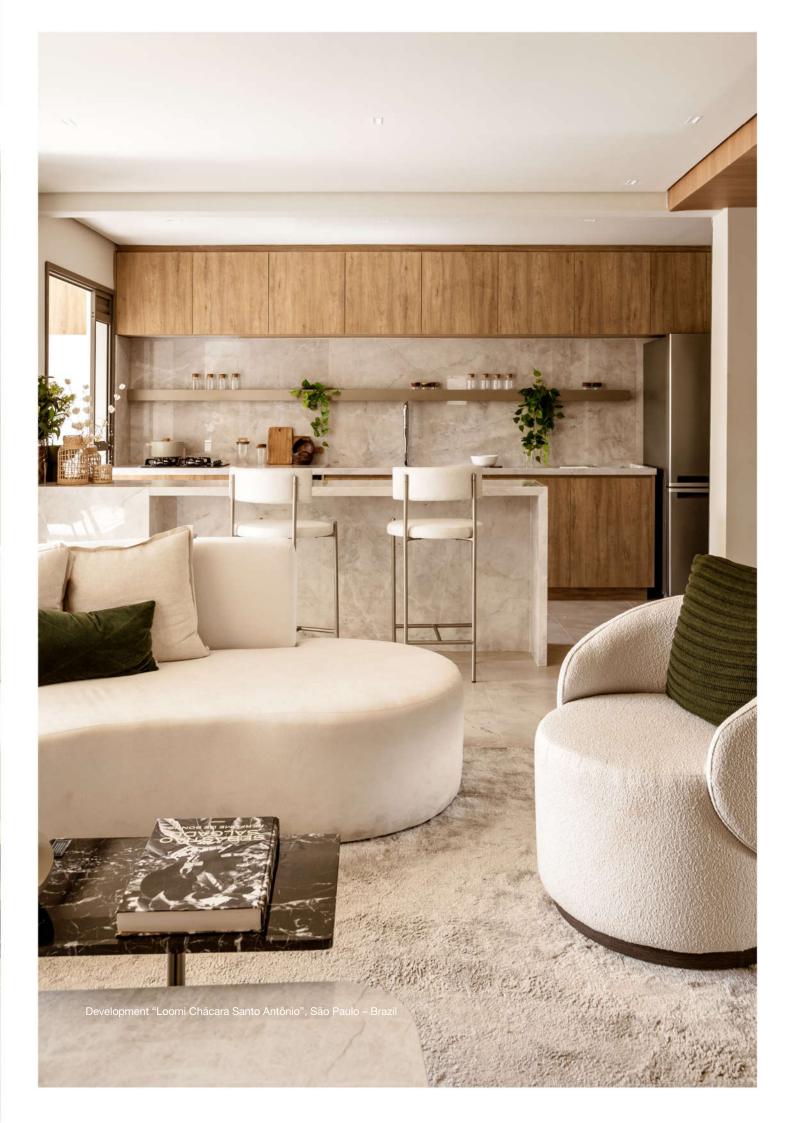
In this circumstance, and considering that the Teixeira Duarte Group companies operate in six different sectors (Construction, Concessions and Services, Real Estate, Hospitality, Distribution and Automotive) and in 22 countries with very different cultures and legal frameworks, it is understood that 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 2023 by Teixeira Duarte, S.A., as the top listed company of the Teixeira Duarte Group, i.e., it is to be applied to itself and extended to all subsidiaries integrated in its consolidation and management perimeter - in a manner appropriate to their operating realities, both geographic and sectoral — clarifying the meanings and scope of the following expressions used throughout this document:

**Teixeira Duarte:** It is the identity of a Corporate Group which presents itself through its trade mark: a Portuguese Group founded in a House of Engineering – something inherent to its genesis and to its founder – who, with spirit of enterprise and the support of his human and technical resources, spread, for a century, its activity to other sectors and markets with an identity lived and defended by all, men and women, with pride and tender.

Teixeira Duarte Group: Teixeira Duarte, S.A. and the group of all its subsidiary entities.

The plan for equality 2023 can be consulted at the address: <a href="https://www.teixeiraduarte.pt/wp-content/uploads/2022/09/Plano-para-a-lqualdade-Teixeira-Duarte-2023.pdf">https://www.teixeiraduarte.pt/wp-content/uploads/2022/09/Plano-para-a-lqualdade-Teixeira-Duarte-2023.pdf</a>



# Individual Financial Statements 2023

Individual Financial Statements 2023

**REPORT AND ACCOUNTS 2023** 

## I. BALANCE SHEET

Items	Notes	31/12/2023	31/12/2022
Asset			
Non-current asset:			
Goodwill	6 and 7	6.501	9.751
Financial holdings – equity method	7	972.908	1.015.926
Deferred tax assets	12	14.231	18.041
		993.640	1.043.718
Current asset:			
Clients	13.1 and 20	5.713	9.385
Government and other public entities	13.1	3.842	9.025
Other accounts receivable	13.1	27.171	19.209
Deferrals	13.1	472	1.413
Cash and bank deposits	4	65	98
		37.263	39.130
Total assets		1.030.903	1.082.848
Equity and Liabilities			
Equity:			
Subscribed capital	21	210.000	210.000
Legal reserves	21	42.000	42.000
Other Reserves	21	242.551	242.551
Retained earnings:			
Retained earnings		(161.473)	(137.647)
Undistributed profits - equity mode		(281.244)	(258.336)
Adjustments / Other equity changes:			
Undistributed profits - equity mode		281.244	258.336
Other adjustments in financial assets		(163.402)	(95.995)
		169.676	260.909
Net income of the period	21	(22.313)	(23.826)
EQUITY TOTAL		147.363	237.083
Liabilities			
Non-current liabilities:			
Financing obtained	13.2 and 20	191.788	207.375
Other payable debts	13.2 and 20	46.746	89.246
		238.534	296.621
Current liabilities:			
Trade creditors	13.2 and 20	87.828	87.202
Government and other public entities	13.2 and 20	6.470	6.474
Financing obtained	13.2 and 20	150.436	112.070
Other payable debts	13.2 and 20	400.272	343.398
		645.006	549.144
TOTAL LIABILITIES		883.540	845.765
EQUITY AND LIABILITIES TOTAL		1.030.903	1.082.848

 $\label{eq:continuous} \mbox{(Amounts in thousands of euros)}$  The Appendix is part of the Balance Sheet as of December 31  $^{st}$  2023.

The Chartered Certified Accountant

The Board of Directors

## II. INCOME STATEMENT BY NATURES

Income and expenses	Notes	2023	2022
Sales and services rendered	9	3.512	4.102
Gains / Losses attributable to subsidiaries, associated companies and joint ventures	7 and 8	28.089	4.901
External supplies and services	17	(3.209)	(2.847)
Expenses with personnel	16	(981)	(1.059)
Other Income	18	1.046	3.931
Other Expenses	19	(309)	(160)
Income before depreciation, financing costs and taxes		28.148	8.868
Expenses with depreciation and amortisation	6 and 7	(3.250)	(3.251)
Operating income (before financing costs and taxes)		24.898	5.617
Interests receivable and similar income	9 and 15	-	144
Interests payable and similar costs	15	(50.328)	(30.424)
Income before taxes		(25.430)	(24.663)
Income Tax Period	12	3.117	837
Net income of the period		(22.313)	(23.826)

 $\hbox{(Amounts in thousands of euros)} \\$  The Appendix is part of the Income Statement by Activity as of December 31st 2023.

The Chartered Certified Accountant The Board of Directors

## III. STATEMENT OF CHANGES IN EQUITY

	_	Equity attributable to equity holders							
Description		Notes	Subscribed capital	Legal reserves	Other Reserves	Retained earnings	Adjustments to financial assets of subsidiaries and associated companies	Net income of the period	Total
Balance on January 1st 2022	1	21	210.000	42.000	242.551	(374.258)	211,480	(125.858)	205,915
Changes in the period:									
Application of the equity method		7	-	-	-	-	54,994	-	54,994
Appropriation of net income			-	-	-	(125.858)	-	125,858	-
Equity Method - non-attributed profit			-	-	-	104,133	(104.133)	-	-
	2		-	-	-	(21.725)	(49.139)	125,858	54,994
Net income of the period	3	21						(23.826)	(23.826)
Comprehensive income for the period	4=2+3								31,168
	5		-	-	-	-	-	-	-
Balance on December 31st 2022	6=1+2+3	21	210,000	42,000	242,551	(395.983)	162,341	(23.826)	237.083
Balance on January 1st 2023	7	21	210.000	42.000	242.551	(395.983)	162,341	(23.826)	237,083
Changes in the period:									
Application of the equity method		7	-	-	-	-	(67.407)	-	(67.407)
Appropriation of net income		21	-	-	-	(23.826)	-	23,826	-
Equity Method - non-attributed profit			-	-	-	(22.908)	22,908	-	-
	8		-	-	-	(46.734)	(44.499)	23.826	(67.407)
Net income of the period	9	21						(22.313)	(22.313)
Comprehensive income for the period	10=8+9								(89.720)
Balance on December 31st 2023 1	2=7+8+9	21	210.000	42.000	242.551	(442.717)	117,842	(22.313)	147,363

(Amounts in thousands of euros)

The Appendix is part of the Statement of changes in equity as of December 31st 2023.

The Chartered Certified Accountant

The Board of Directors

# IV. CASH-FLOW STATEMENT

Description	Notes	2023	2022
Operating activities:			
Receipts from clients		6.729	3.170
Payment to suppliers		(4.126)	(2.847)
Payment to staff		(779)	(587)
Cash flow generated by operating activities		1.824	(264)
Payment / Receipt of income tax		8.696	(13.275)
Other receipts / payments related to the operating activity		(730)	742
Cash-flows of operating activities (1)		9.790	(12.797)
Investment activities:			
Payments relating to:			
Other Assets - Related Parties		-	(19.833)
Revenue related to:			
Financial investments	4	244	-
Interests and similar gains		43	104
Dividends	4	3.700	3.350
Other Assets - Related Parties		-	20.853
Cash-flows of investment activities (2)		3.987	4.474
Financing activities:			
Revenue related to:			
Loans obtained	13.2	72.100	176.900
Loans obtained - Related Parties	13.2	104.692	91.130
Payments related to:			
Loans obtained	13.2	(76.416)	(184.202)
Interests and similar gains		(36.589)	(23.648)
Loans obtained - Related Parties	13.2	(77.597)	(51.880)
Cash-flows of financing activities (3)		(13.810)	8.300
Variation of cash and of cash equivalents (1+2+3)		(33)	(23)
Cash and cash equivalents in the beginning of the period	4	98	121
Cash and cash equivalents in the end of the period	4	65	98

 $\label{eq:continuous} \mbox{(Amounts in thousands of euros)}$  The Appendix is part of the Statement of cash-flow as of December 31st 2023.

The Chartered Certified Accountant The Board of Directors

# **APPFNDIX**

#### 1. INTRODUCTORY NOTE

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 November 30<sup>th</sup> 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 values in this appendix are expressed in thousands of euros.

#### 2. ACCOUNTING BENCHMARK

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 July 13<sup>th</sup>, with the rectifications of the Declaration of Rectification 67B/2009 of September 11<sup>th</sup>, and with the amendments introduced by Law 20/2010 of August 23<sup>rd</sup>, and by Decree-Law 98/2015 of June 2<sup>nd</sup>, 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 June 26<sup>th</sup>, with subsequent amendments being made to the Ordinances and Notices related to the accounting instruments comprising the SNC.

No provisions of the Accounting Normalisation System were removed in view of the need for them to give a true and appropriate picture of the entity's assets, liabilities and results, so there is no effect on the financial statements arising from this situation.

# 3. MAIN ACCOUNTING POLICIES

# 3.1 MEASUREMENT BASES

The financial statements were prepared in accordance with the historical cost convention, on the assumption of continued operations, from the Company's books and accounting records, maintained in accordance with the Accounting and Financial Reporting Standards of the Accounting Normalisation System (SNC - Sistema de Normalização Contabilística).

# 3.2. RELEVANT ACCOUNTING POLICIES

#### **Assumption of Continuity**

The attached financial statements were prepared on the assumption of continued operations, based on the Company's books and accounting records, maintained in accordance with the Accounting and Financial Reporting Standards of the SNC.

# a) Financial investments

Financial investments in subsidiary companies are registered by the equity method, and the participation initially accounted for at the acquisition cost, which was increased or deducted from the difference between that acquisition cost and the value proportional to the equity of those companies reported at the date of acquisition or of the first application of said 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 where the acquisition cost is less than the fair value of the net assets identified, the calculated difference (negative Goodwill) is recorded as a gain for the period in which the acquisition takes place, under the heading "Other income".

Amortisations are calculated using the straight-line method in accordance with the usefulness period expected by the company for the *Goodwill* concerned. Amortisation is undertaken according to the following estimated service life:

Years of useful life
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 losses in subsidiaries exceed the investment in these entities, a provision is recognised up to the limit of the participation in the said entities.

#### b) Accrual Basis

Income and expenses are recorded according to the accrual basis of accounting, whereby they are recognised as they are generated.

Income and expenses whose true value is not known are estimated based on the best information available at the time of preparation of the financial statements.

The differences between the amounts received and paid and the corresponding income and costs are recorded under the headings "Other receivable credits" and "Deferrals" in assets and under "Other payable debts" and "Deferrals" in liabilities.

#### c) Costs with financing obtained

Expenses with financing obtained are recognised in the income statement of the period to which they relate, except to the extent that the financial charges of loans obtained directly related to the acquisition, construction and production of assets that take a substantial period of time to be prepared for the intended use are capitalised, being part of the cost of the asset. The capitalisation of these charges begins after the start of the construction preparation or development activities 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 income generated from loans obtained in advance and allocated to a specific investment is deducted from the financial costs eligible for capitalisation.

#### d) Revenue

Revenue associated with a service provision is recognised with reference to the completion phase of the transaction at the balance sheet date when the outcome of a transaction can be reliably estimated. The outcome of a transaction can be reliably estimated when all the following conditions are met:

- The amount of revenue can be reliably measured;
- The economic benefits associated with the transaction are likely to flow to the Company;
- The completion phase of the transaction at the balance sheet date can be reliably measured; and
- The costs incurred or to be incurred in connection with the transaction can be reliably measured.

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.

# e) Foreign currency balances and transactions

Transactions in foreign currency (currency other than the Company's operating currency) are recorded at the exchange rates of transaction dates. On each reporting date, the carrying amounts of monetary items denominated in foreign currency are updated at the exchange rates of that date.

The exchange rate differences calculated on the date of receipt or payment of transactions in foreign currency and those resulting from the above updates are recorded in income and financing expenses for the period in which they are generated.

#### f) Financial Instruments

Financial assets and liabilities are recognised when the company becomes a party to its contractual relationship.

#### Cash and Bank Deposits

The amounts included in the Cash and bank deposits item correspond to cash amounts, 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 receivables)

Receivables are measured, when initially recognised, at their fair value and subsequently at their amortized cost, which doesn't usually differ from their nominal value. When there is evidence that there is an impairment, the corresponding adjustment in results is registered. The recognised adjustment is measured by the difference between the value at which receivables are recognised and the current cash flow value discounted at the effective interest rate determined at the time of initial recognition.

#### Investments

Investments are recognised on the date in which the inherent risks and advantages are substantially transferred. They are initially recorded at their acquisition value, which is the fair value of the price paid, including transaction expenses.

#### Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the contractual substance regardless of the legal form they take. Equity instruments are contracts that show a residual interest in the Company's assets after liability deduction.

The equity instruments issued by the Company are recorded at the received amount net of costs incurred with their issuance.

# Accounts payable (Suppliers and Other debts payable)

Accounts payable are initially recognised at their fair value and subsequently at their amortised cost, which does not usually differ from their nominal value.

#### Financing obtained and granted

Financing obtained is initially recorded and recognised in liabilities at the nominal value received, net of expenses with the issuance of these loans and subsequently measured by the amortized cost method. Financial expenses, calculated according to the effective interest rate and including premiums to be paid, are recorded in accordance with the accrual basis and added to the book value of the loan if not settled during the period.

Financing obtained is initially recorded and recognised in liabilities at the nominal value received, net of expenses with the issuance of these loans and subsequently measured by the amortized cost method. Financial expenses, calculated according to the effective interest rate and including premiums to be paid, are recorded in accordance with the accrual basis and added to the book value of the loan if not settled during the period.

# g) Pensions Liabilities

The Company provides its employees with retirement insurance constituted within the framework of a social and incentives policy for workers. Characterized by its optional nature, it is by the exclusive decision of Management that contributions are made at each moment that they appear appropriate, considering performance and the economic and financial situation. Thus, contributions made are registered as an expense on the date on which they are due.

Without prejudice to its voluntary origin, the availability of contributions made by the Company are exclusively those provided for in the applicable tax legislation.

#### h) Income tax

The Company is subject to the Special Group Tax Regime (RETGS – Regime Especial Tributação de Grupos Sociedades) provided for in Article 69 of the Corporate Income Tax Code, of which it has been the controlling company since January 1st 2012.

The "Income tax for the period" booked in the income statement is the sum of the current tax and the deferred tax.

The current income tax is calculated based on the Company's taxable income in accordance with the tax rules in force. The taxable income may differ from the accounting results, as they can exclude several losses and gains that can only be deductible or taxable in future accounting periods, as well as losses and gains which will never be deductible or taxable.

The deferred tax results from temporary differences between the amount of assets and liabilities for financial reporting purposes (carrying amount) and the respective amounts for tax purposes (tax base), as laid down in NCRF 25 – Income taxes.

The active and passive deferred taxes are calculated and annually evaluated using the tax rates in force or announced to be in force at the expected date for the reversion of the temporary differences.

Deferred tax assets are recognised only when there are reasonable expectations of enough future tax profits for their use, or in situations where there are taxable temporary differences that compensate for the temporary deductible differences in the period of their reversal. Deferred tax liabilities are recognised for all taxable temporary differences.

At the end of each period, these deferred taxes are reviewed and their amount adjusted, according to expectations of their future use.

Deferred taxes are recorded as expenditure or income for the period, unless they result from amounts recorded directly in equity, in which case the deferred tax is also recorded under the same item.

#### i) Contingent Assets and Liabilities

Contingent assets are possible assets arising from past events and whose existence will only be confirmed by the occurrence, or not, of one or more uncertain future events not entirely under the entity's control.

Contingent assets are not recognised in the entity's financial statements but are disclosed when a future economic benefit is likely.

Contingent liabilities are defined as: (i) possible obligations arising from past events and whose existence will only be confirmed by the occurrence, or not, of one or more uncertain future events not entirely under the entity's control; or (ii) present obligations arising from past events, but which are not recognised because a flow of resources affecting economic benefits is not likely to be necessary to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the financial statements of the entity, and the same 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 MANAGEMENT BODY

In the preparation of the financial statements, the Company adopted certain assumptions and estimates that affect the assets and liabilities, income and expenses reported. All estimates and assumptions made by the management body were done so based on its best existing knowledge, at the approval date of the financial statements, events and ongoing transactions.

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.

Estimates were determined based on the best information available at the time of preparation of the financial statements and based on the best knowledge and experience of past and/or current events. However, situations may occur in subsequent periods that, not being predictable to date, were not considered in these estimates. Changes to these estimates, which occur after the date of the financial statements, will be corrected in the income statement in a forward-looking manner.

#### 4. CASH-FLOW

# Cash and Bank Deposits

As of December 31st 2023 and 2022, the cash and cash deposits were detailed as follows:

	31/12/2023	31/12/2022
Cash	-	2
Bank deposits	65	96
	65	98

# Flows of investment activities

Receipts from Financial investments in the periods ended December 31st 2023 and 2022, refer to the following operations:

	2023	2022
Sale of stake in Lagoas Park, S.A.	244	-
	244	_

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.

Receipts from dividends in the periods ended December 31st 2023 and 2022, were as follows:

	2023	2022
TDGI - Tecnologia de Gestão de Imóveis, S.A.	3.700	3.350
	3.700	3.350

# 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 December 31st 2023 and 2022, were as follows:

	2023	2022
Executive Directors:		
Short-term benefits	692	718
Supervisory Board:		
Short-term benefits	66	66
	758	784

# Balances and transactions

The prevailing terms or conditions between the Company and its related parties are substantially identical to those normally contracted, accepted and practised between independent entities in comparable transactions.

The main balances in the periods ended December 31st 2023 and 2022, with related parties can be broken down as follows:

	Trade deb	otors (Note 5.1)	Trade cred		Financing (Note	obtained 13.2)	Defen	rals		(Note 13.1)	Other ac payable (N	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Subsidiaries:												
TEIXEIRA DUARTE - E.C., S.A.	249	2160	87081	86661	40700	77541	-	257	3602	2323	427260	419183
TEIXEIRA DUARTE - E.C., S.A. (Branch of Angola) TEIXEIRA DUARTE - E.C., S.A. (Permanent Establishment	1,799	1799	-	-	-	-	-	-	-	-	-	-
Alcoria)	-	162	-	-	-	-	-	-	-	-	-	-
TEIXEIRA DUARTE - E.C., S.A. (Branch of Venezuela)	-	15	-	-	-	-	-	-	-	-	-	-
TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.	-	-	91	-	63.935	-	-	-	-	-	8.506	4.186
TDGI - Tecnologia de Gestão de Imóveis, S.A.	76	360	-	-	-	-	-	-	4.139	2.862	-	-
	2124	4496	87172	86661	104635	77541	-	257	7741	5185	435766	423369
Other related parties:												
ALVALADE - Empreend. Turísticos e Hoteleiros, Lda	-	276	-	-	-	-	-	-	-	-	-	-
AUTO COMPETIÇÃO ANGOLA (SU), Lda	126	126	-	-	-	-	-	-	-	-	-	-
C + P.A Cimento e Produtos Associados, SA	-	-	-	-	-	-	-	-	2.478	1.496	-	-
CND - Companhia Nacional de Distribuição (SU), Lda	915	1.099	-	-	-	-	-	-	-	-	-	-
COMÉRCIO DE AUTOMÓVEIS (SU), Lda	151	151	-	-	-	-	-	-	-	-	-	-
DPLG-Desenv. Term. Especial Content. Porto Guaira, Soc Uni Lda	-	-	-	-	-	-	-	-	3	2	-	-
EDUCARE - Actividades Educativas e Culturais (SU), Lda	69	69	-	-	-	-	-	-	-	-	-	-
EMPA, SA - Serviços de Engenharia	219	219	-	-	-	-	-	-	-	-	-	-
EPOS - Empresa Portuguesa de Obras Subterrâneas, SA	-	238	-	-	-	-	-	-	4.948	4.241	-	-
ESTA - Gestão de Hotéis, SA	-	-	-	-	-	-	-	-	366	45	-	-
GO CORP TRAVEL SOLUTIONS - Agência de Viagens, SA	-	-	-	-	-	-	-	-	1.797	1.141	-	-
HOTEL BAÍA (SU), Lda	_	311	-	_	-	-	-	_	-	-	-	_
HOTEL TRÓPICO, SA	_	63	-	_	-	-	-	_	-	-	-	_
IMOPEDROUÇOS - Sociedade Imobiliária, SA	-	-	-	-	-	-	-	-	-	69	-	-
IMOTD - Sociedade Gestora de Participações Sociais, SA	-	-	-	-	-	-	-	-	497	-	-	4.117
LAGOAS HOTEL, S.A.	-	-	1	2	-	-	-	-	-	-	354	524
MALANGA – Investimentos Imobiliários, Unipessoal Lda	-	-	-	-	-	-	-	-	-	-	4	4
QUINTA DE CRAVEL - Imobiliária, SA	-	-	-	-	-	-	-	-	-	-	343	290
SINERAMA - Organizações Turísticas e Hoteleiras, S.A.	-	-	-	-	-	-	-	-	-	141	-	-
SOMAFEL - Engenharia e Obras Ferroviárias, SA	-	-	-	-	-	-	-	-	17	17	-	-
TD VIA - Sociedade Imobiliária, SA	-	-	-	-	-	-	-	-	-	-	1.159	981
TDA - Comércio e Indústria (SU), Lda	970	1.010	-	-	-	-	-	-	-	-	-	-
TDH - Sociedade Gestora de Participações Sociais, SA	-	-	-	-	-	-	-	-	379	50	-	-
TDHC - Instalações para Desporto e Saúde, SA	-	-	-	-	-	-	-	-	-	-	-	115
TDO - Investimento e Gestão, SA	-	52	-	16	-	-	-	-	4.302	2.602	12	330
TDO - Sociedade Gestora de Participações Sociais, SA	-	-	-	-	-	-	-	-	1.350	854	-	-
TDSP - Participações, Ltda	-	-	-	-	-	-	-	-	-	-	20	-
TDGI - Tecnologia de Gestão de Imóveis, Lda	193	222	-	-	-	-	-	-	-	-	-	-
TEDAL - Participações e Distribuição, SA	-	-	-	-	-	-	-	-	-	-	-	4
TEDAL - Sociedade Gestora de Participações Sociais, SA	-	-	-	-	-	-	-	-	1.516	821	-	-
TEDAL II - Distribuição e Investimentos, SA	-	-	-	-	-	-	-	-	-	-	-	7
TEDAL III- Automóveis e Investimentos, S.A.	-	-	-	-	-	-	-	-	-	-	-	4
TEDAL IV- Participações e Automóveis, S.A.	-	-	-	-	-	-	-	-	-	29	-	-
TEIXEIRA DUARTE – Distribuição, SA	-	37	-	-	-	-	-	-	1.387	908	-	-
TEIXEIRA DUARTE - Engenharia e Construções (Angola), Lda	742	742	-	-	-	-	-	-	-	-	-	-
TEIXEIRA DUARTE - Engenharia e Construções (Moçambique), Lda	69	69	-	-	-	-	-	-	-	-	-	-
TEIXEIRA DUARTE REAL ESTATE, SA	-	-	-	-	-	-	-	-	-	-	406	166
TRANSBRITAL - Britas e Empreend. Imobiliários, SA	-	-	-	-	-	-	-	-	-	-	151	107
UTE DE VIANA	-	-	-	-	-	-	-	-	-	-	9	-
V8 - Gestão Imobiliária, SA	-	-	-	-	-	-	-	-	32	-	-	47
Others	135	173	-	-	-	-	-	-	-	-	-	-
	3.589	4.857	1	18	-	-	-	-	19.072	12.416	2.458	6.696
	5.713	9.353	87.173	86.679	104.635	77.541	-	257	26.813	17.601	438.224	430.065

In the periods ended December 31st 2023, and 2022, the "Other credits receivable" item includes amounts of 3.093 thousand euros and 2.036 thousand euros, respectively, relating to services provided but not yet invoiced (Note 13.1).

In the periods ended December 31st 2023, and 2022, the "Other credits receivable" item includes amounts of 22.132 thousand euros and 14.548 thousand euros, respectively, which correspond to receivables under the Special Taxation Regime for Group of Companies (RETGS) (Note 13.1).

In the periods ended December 31st 2023, and 2022, the "Other credits receivable" item includes amounts of 1.588 thousand euros and 1.016 thousand euros, respectively, which correspond mainly to debt assumption contracts between related parties (Note 13.1)

In the periods ended December 31st 2023, and 2022, the "Other Debts Payable" item includes amounts of 12.281 thousand euros and 7.594 thousand euros, respectively, which correspond essentially to interests to be paid (Note 13.2).

In the periods ended December 31st 2023, and 2022, the "Other Debts Payable" item includes amounts of 36.346 thousand euros and 32.903 thousand euros, respectively, which correspond to receivables under the Special Taxation Regime for Group of Companies (RETGS) (Note 13.2).

In the periods ended December 31st 2023, and 2022, the "Other Debts Payable" item includes the amounts of 389.568 thousand euros, which corresponds to a debt to a related party (Note 13.2).

The main transactions carried out in the periods ended December 31st 2023 and 2022, with related parties, can be detailed as follows:

	Rendered service	es (Note 9)	Interests receive similar income (No. 15)		External supp services (No		Interests and si paid (Not		Other expenses	(Note 19)
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Subsidiaries:										
TEIXEIRA DUARTE - Engenharia e Construções, S.A.	3.528	3.310	-	144	24	31	33.218	19.912	-	-
TEIXEIRA DUARTE - Engenharia e Construções, S.A. (Branch of Venezuela)	-	-	-	-	-	-	-	-	15	-
TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.	-	_	_	_	_	_	743	_	-	-
TDGI - Tecnologia de Gestão de Imóveis, S.A.	_	77	_	_	_	_	_	_	_	_
	3.528	3.387	-	144	24	31	33.961	19.912	15	-
Other related parties:										
ALVALADE - Empreend. Turísticos e Hoteleiros, Lda	_	48	_	_	_	-	-	_	_	_
CND – Companhia Nacional de Distribuição (SU), Lda		107								
EMPA, SA - Serviços de Engenharia		92								
EPOS - Empresa Portuguesa de Obras Subterrâneas, SA	_	193	_	_	_	_	-	_	_	_
GO CORP TRAVEL SOLUTIONS – Agência de Viagens, SA	-	-	-	-	1	1	-	-	-	-
HOTEL BAÍA (SU), Lda	_	36	_	_	-	_	_	_	_	_
LAGOAS HOTEL, S.A.	_	_	_	_	11	4	_	_	27	_
TDA - Comércio e Indústria (SU), Lda	_	(2)	_	_	_	_	_	_	_	_
TEIXEIRA DUARTE – Distribuição, SA	_	30	_	_	_	_	_	_	_	_
TDO - Investimento e Gestão, SA	_	43	_	_	_	_	_	1035	_	_
TEIXEIRA DUARTE - Engenharia e Construções (Angola), Lda	-	21	-	_	_	_	_	_	_	_
TEIXEIRA DUARTE - Engenharia e Construções (Moçambique), Lda	-	69	-	-	-	-	-	-	-	-
Others	(16)	78	-	-	(1)	-	-	-	-	-
	(16)	715	-	-	11	5	-	1.035	27	-
·	3.512	4.102	-	144	- 35	36	- 33.961	20.947 -	42	-

#### 6. GOODWILL

The amounts related to Goodwill in the periods ended December 31st 2023 and 2022 were:

		31/12/2023	
	Gross amounts	Accumulated amortisations	Net amounts
Investments in subsidiaries - TDGI, S.A. (Note 7)	32.504	(26.003)	6.501
	32.504	(26.003)	6.501
		31/12/2022	
	Gross amounts	Accumulated amortisations	Net amounts
Investments in subsidiaries - TDGI, S.A. (Note 7)	32.504	(22.753)	9.751
	32504	(22.753)	9.751

In the period ended December 31st 2023, based on the forecast business plan of the subsidiary TDGI,S.A., management did not identify any indicators of impairment.

# 7. FINANCIAL HOLDINGS - EQUITY METHOD

As of December 31st 2023 and 2022, the Company had recorded the following different investment amounts under the item "Financial holdings - equity method":

	31/12/2023	31/12/2022
	Net amounts	Net amounts
Investments in subsidiaries	972.908	1.015.926

As of January 1st 2018, Teixeira Duarte considered the companies in Angola and Venezuela as belonging to hyperinflationary economies, complying with the application of IAS 29, with significant impacts on the companies' equity. However, on January 1st 2019, Teixeira Duarte suspended this application in Angolan companies because it was no longer considered a hyperinflationary economy.

Additionally, on December 31st 2018, Teixeira Duarte changed the measurement model of a set of "homogeneous class" assets, from the cost model to the revaluation model, with a significant impact on the increase in the equity of the companies holding these assets.

Thus, for the purpose of the application of the equity method, the financial statements of the companies include as of December 31st 2023 and 2022, the set of impacts mentioned above, with relevant effect on the Company's equity capital.

# **Subsidiary Companies**

As of December 31st 2023 and 2022, the Company had a participation in the following subsidiaries:

	_	Effective percentage holding		
Corporate name	Head Office	31/12/2023	31/12/2022	
TEIXEIRA DUARTE - Engenharia e Construções, S.A.	Edifício 2, Lagoas Park, Oeiras	100.00%	100.00%	
TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.	Edifício 2, Lagoas Park, Oeiras	100.00%	100.00%	
TDGI - Tecnologia de Gestão de Imóveis, S.A.	Edifício 2, Lagoas Park, Oeiras	100.00%	100.00%	

The main financial information, adjusted for the purposes of application of the equity method for subsidiary companies as of December 31st 2023 and 2022, is as follows:

	Assets		Liabilities		Income		Net income	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	2023	2022	2023	2022
TEIXEIRA DUARTE - Engenharia e Construções, S.A.	1.154.090	1.254.088	917.492	975.767	467.169	499.450	(2.503)	(21.620)
TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.	949.726	955.061	227.027	226.747	45.595	50.911	26.896	22.881
TDGI - Tecnologia de Gestão de Imóveis, S.A.	34.678	33.317	21.067	19.735	53.440	51.205	3.696	4.453
-	2.138.494	2.242.466	1.165.586	1.222.249	566.204	601.566	28.089	5.714

The equity holdings in subsidiary companies had the following changes in the period ended December 31st 2023 and 2022:

	Equity holdings	Goodwill	Total
Balance on January 1st 2022	957.981	13.002	970.983
Amortisation	-	(3.251)	(3.251)
Effects of the application of the equity method			
- Effect on the income of the period	4.901	-	4.901
- Effect on equity	54.994	-	54.994
- Dividends received	(1.950)	-	(1.950)
Balance on December 31st 2022	1.015.926	9.751	1.025.677
Balance on January 1st 2023	1.015.926	9.751	1.025.677
Amortisation	-	(3.250)	(3.250)
Effects of the application of the equity method			
- Effect on the income of the period	28.089	-	28.089
- Effect on equity	(67.407)	-	(67.407)
- Dividends received	(3.700)	-	(3.700)
Balance on December 31st 2023	972.908	6.501	979.408

The detail of the investment in subsidiaries in the periods ended December 31st 2023 and 2022 is as follows:

	Equity holdings	
	31/12/2023	31/12/2022
TEIXEIRA DUARTE - Engenharia e Construções, S.A.	236.598	287.319
TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.	722.699	715.025
TDGI - Tecnologia de Gestão de Imóveis, S.A.	13.611	13.582
	972 908	1 015 926

The effect of the application of the equity method in the periods ended December 31st 2023 and 2022, may be detailed as follows:

	Gains / Losses		Adjustments in equity		Dividends	
	2023	2022	31/12/2023	31/12/2022	2023	2022
TEIXEIRA DUARTE - Engenharia e Construções, S.A.	(2.503)	(21.707)	(48.218)	16.295	_	_
TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.	26.896	22.155	(19.222)	38.146	-	-
TDGI - Tecnologia de Gestão de Imóveis, S.A.	3.696	4.453	33	553	(3.700)	(1.950)
	28.089	4.901	(67.407)	54.994	(3.700)	(1.950)

#### 8. GAINS / LOSSES ATTRIBUTED TO SUBSIDIARIES

	2023	2022
Income:		
Application of the equity method	30.592	26.608
	30.592	26.608
Expenses:		
Application of the equity method	(2.503)	(21.707)
	(2.503)	(21.707)
	28.089	4.901

#### 9. REVENUE

In the periods ended December 31st 2023 and 2022, the revenue recognised by the company was broken down as follows:

	2023	2022
Services rendered	3.512	4.102
Interests (Note 15)	-	144
	3.512	4.246

In the periods ended December 31st 2023 and 2022, the revenue with related parties reached the amounts of 3.512 thousand euros and 4.102 thousand euros, respectively (Note 5).

In the periods ended December 31st 2023 and 2022, the services rendered by the Company were geographically distributed as follows:

	2023	2022
Angola	-	288
Brazil	-	92
Mozambique	-	69
Portugal	3.512	3.653
	3.512	4.102

# 10. CONTINGENT LIABILITIES

# Contingent Liabilities - Tax Inspections:

As a result of inspections carried out by the Tax and Customs Authority (AT) regarding the calculation of Corporate Income Tax (IRC) for the periods of 2017, 2018, 2019, and 2020 owed by the taxed group under the Special Taxation Regime for Groups of Companies (RETGS), article 69 and following of the Corporate Income Tax Code, of which TEIXEIRA DUARTE, S.A. is the current parent company, the following corrections were made:"

	Corrected tax
2017	663
2018	871
2019	528
2020	466
	2528

This correction stems from the Tax and Customs Authority (TA) having a different understanding regarding the use of deductions from the taxable amount provided for in article 90 of the Corporate Income Tax Code for Municipal and State Surcharges determined under the application of RETGS, which was judicially contested by TEIXEIRA DUARTE, S.A., as the parent company It is informed that this correction, also made by the AT for the periods from 2013 to 2016, had been contested by TEIXEIRA DUARTE, S.A., and was upheld in its favour even at the administrative level. In January 2024, TEIXEIRA DUARTE, S.A. obtained a favourable decision regarding the 2017 process, from which the TA did not appeal to higher courts, and the cancellation of the corresponding bank guarantee was subsequently requested.

TEIXEIRA DUARTE, S.A., as the parent company, was also notified of the Conclusions Report on the inspection conducted by the AT on the IRC due under the RETGS for the period of 2015, which determined a correction to the taxable income calculated, in the amount of 22.710 thousand euros. This correction, concerning the use of 'slack' identified in previous periods, related to Net Financing Costs (under article 67 of the Corporate Income Tax Code), was subject to dispute.

Moreover, TEIXEIRA DUARTE, S.A., as the parent company, was notified of the Conclusions Report on the inspection conducted by the TA on the IRC due under the RETGS for the period of 2018, which determined a correction to the taxable income calculated, in the amount of 6.305 thousand euros. This correction was promptly contested, as the AT did not substantiate its reasoning.

The subsidiary TEIXEIRA DUARTE – Engenharia e Construções, S.A., a company whose share capital is directly owned by 100% by TEIXEIRA DUARTE, S.A., was subject to a correction by the Tax and Customs Authority (TA) to the taxable profit for the period of 2018, in the amount of 3.495 thousand euros, for the period of 2019, in the amount of 9.264 thousand euros, and for the period of 2020, in the amount of 2.516 thousand euros (which includes both favourable and unfavourable corrections). Disagreeing with the interpretation of the Tax Authority (TA) in refusing the tax deductibility of impairment losses on receivables, TEIXEIRA DUARTE, S.A., as the parent company, contested the amount of 2.826 thousand euros for the year 2018, 4.641 thousand euros for the year 2019, and 2.535 thousand euros for the year 2020. Also, not agreeing with the TA's correction regarding the reversal of taxed impairment losses, TEIXEIRA DUARTE, S.A., as the parent company, contested the amount of 3.504 thousand euros for the year 2019. Finally, the corrections for the year 2020 include the non-deductibility of 709 thousand euros related to cross-border transfers and their respective autonomous taxation, which were also contested.

Following inspections carried out for the years 2011 and 2013 by the Tax and Customs Authority (TA) on the accounting elements of TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A., a company whose share capital is directly owned by 100% by TEIXEIRA DUARTE, S.A., the AT made corrections to the initially calculated tax losses, as detailed below:

	Calculated tax loss	TA correction
2011	12.779	3.212
2013	26.221	5.000

The correction of the period of 2011 (*id est* 3.212 k€) results from the disregard, as a taxable expense, of the financial charges incurred with the investment made in owned companies, under the form of ancillary payments subject to the supplementary provisions regime.

Given that TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. is subject to Corporate Income Tax (IRC) under the Special Regime for Taxation of Groups of Companies, the correction to the tax loss for 2011 resulted in additional IRC assessments and compensatory interest issued to the parent company of that period (i.e., TEIXEIRA DUARTE - Engenharia e Construções, S.A.), which contested them judicially. Regarding this matter, and based on fundamentally similar supporting arguments from the Tax Authority (TA), TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. was notified of similar corrections for the periods of 2007, 2008, 2009, 2010, and 2012. It is informed that as of December 31st 2023, the parent companies of those periods obtained favourable decisions from Higher Courts, expecting a similar outcome for the period still in dispute.

The correction to the tax loss for the year 2013, amounting to 5 million euros, solely relates to the incorrect application, according to the TA, of Article 51 of the Corporate Income Tax Code. This correction was judicially contested by TEIXEIRA DUARTE, S.A., as the parent company.

# Contingent Liabilities - State Aid (ZFM - Madeira Free Trade Zone):

The entities TDO – Investimento e Gestão, S.A. and TDO – Sociedade Gestora de Participações Sociais, S.A., indirectly owned 100% by TEIXEIRA DUARTE, S.A., maintained economic activities in the Madeira Free Trade Zone (ZFM) from 2012 to 2016 and from 2012 to 2017, respectively, having benefited from tax advantages under the legal framework applicable to entities based in the ZFM.

Following a Decision by the European Commission, these tax benefits were considered 'illegal state aid' to which the company was not entitled. The Decision was contested by the Portuguese Republic and the Autonomous Region of Madeira before the General Court of the European Union. Since the appeal to the General Court of the European Union was dismissed, an appeal has been lodged with the Court of Justice of the European Union, and there has been no decision to date. Following the unsuccessful challenge, an appeal was lodged with the Court of Justice of the European Union, and there has been no decision to date.

Subsequent to the aforementioned, the Tax Authority (TA) issued corporate income tax assessments for the respective years, totalling 12.382 thousand euros. In December 2023, judicial appeals were filed against these assessments, and there has been no decision yet. As indicated by the TA's website, the enforcement of these assessments was suspended at the end of 2023.

Considering the facts described above and based on the legal opinion provided by an external lawyer, which concludes that the risk of unsuccessful legal challenges is not probable, the Management of 'TEIXEIRA DUARTE, S.A.' believes that the events mentioned do not meet the recognition criteria for provisions in the subsidiaries.

#### Other contingencies

In a price-fixing operation amounting to 4.000.000 euros, TDVIA – Sociedade Imobiliária, S.A., a company indirectly owned 100% by TEIXEIRA DUARTE, S.A., as of December 31<sup>st</sup> 2023, assumed the risk and obligation to pay third parties variable amounts in the future for the acquisition of land, which are currently not determinable due to conditional variables such as future selling price, based on gross built-up area or potential for construction.

#### 11. EFFECTS FROM EXCHANGE RATE CHANGES

The rates used to convert Asset and liabilities expressed in foreign currency to euros as of December 31st 2023 and 2022, are the following:

<u>-</u>	<u></u>	Closing exchange rate			
Currency	31/12/2023	31/12/2022	Variation		
US Dollar (USD)	1,1050	1,0666	((3,60)%)		

#### 12. INCOME TAX

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

The Company is subject to Corporate Income Tax, at the rate of 21%, incurring on taxable income. If taxable profit is determined for the period, it is also subject to Municipal Surcharge, with a rate that can vary up to a maximum of 1,5%, as well as State Surcharge, applicable to the portion of taxable profit exceeding the amounts of 1.500.000 euros, 7.500.000 euros and 35.000.000 euros, at rates of 3%, 5%, and 9%, respectively. It is also subject to autonomous taxation, on fees and expenditure, charges and expenses provided for in Article 88 of the Corporate Income Tax Code.

According to the Corporate Income Tax Code, tax losses incurred in tax periods from 2017 onwards are deductible from taxable profits of one or more of the five subsequent tax periods.

Due to changes adopted in the context of the COVID-19 pandemic, tax losses incurred in the tax periods of 2020 and 2021 are deductible for twelve tax periods.

The deduction of carry forward tax losses is limited to 70% of the taxable profit for each period. This limit is increased by 10 percentage points when it results from the deduction of tax losses incurred in the tax periods of 2020 and 2021.

It should be noted that, following the approval of the State Budget Law for 2023, which entered into force on January 1<sup>st</sup> 2023, tax losses available for carry forward as of that date are now subject to an unlimited carry forward period, although their deduction is now limited to 65% of the taxable profit for each period (with the 10 pp increase remaining applicable when the deduction involves tax losses incurred in the tax periods of 2020 and 2021)

According to current legislation, tax returns in Portugal are subject to review and correction by the tax authorities for a period of four years, except where there has been deduction of tax losses, or inspections, ongoing complaints or challenges, cases where, depending on the circumstances, that period may be extended or suspended.

The Board of Directors considers that any corrections resulting from tax revisions / inspections to those statements will not have a significant effect on the financial statements reported on December 31st 2023.

The "Period Income Tax" recorded in the income statement represents the sum of the current and deferred tax, being the latter the recognition of temporary differences between the accounting and tax results, as provided for in NCRF 25 - Income taxes.

The ratio, between accounting expenditure and profit, in the periods ended December 31st 2023 and 2022, is as follows:

	2023	2022
Net income of the period	(22.313)	(23.826)
Adjustments to taxable profit:		
Permanent differences:		
- to add	6.597	25.894
- to deduct	(35.395)	(31.327)
Temporary differences:		
- to add	49.328	29.280
Tax loss	(1.783)	21
Tax base	-	21
Separate taxation	2	-
Others	3.766	-
Current tax	3.769	1.652
Deferred tax	(652)	(815)
Income tax expenses	3.117	837

The changes in deferred tax assets and liabilities in the periods ended December 31st 2023 and 2022, were as follows:

				31/12/202	23							
	Opening Establishment Reversal		al	Currency		Closing						
	balance	Net income	Equity	Net income	Equity	translation differences	Adjustment	balance				
Deferred tax assets:												
Reportable tax losses	18.009	374	-	(1.026)	-	-	(3.126)	14.231				
International double taxation	32	-	-	-	-	-	(32)	-				
	18.041	374	-	(1.026)	-	-	(3.158)	14.231				
				31/12/202	22							
	Opening -	Establishn	nent	Revers	al	Currency		Closing				
	balance	Net income	Equity	Net income	Equity	translation differences						balance
Deferred tax assets:												
Reportable tax losses	18.825	-	-	(815)	-	-	(1)	18.009				
International double taxation	39	-	-	-	-	-	(7)	32				
	18.864	-	-	(815)	-	_	(8)	18.041				

Verified constitutions / reversals 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 December 31st 2023 and 2022 refers, respectively, to the use and reinforcement of tax losses under the Special Taxation Regime for Corporate Groups (RETGS).

#### 13. FINANCIAL INSTRUMENTS

In the periods ended December 31st 2023 and 2022 current and non-current financial assets and liabilities had the following breakdown:

#### 13.1 FINANCIAL ASSETS

#### Clients

As of December 31st 2023 and 2022 the item "Clients" was broken down as follows:

	31/12/2023		
	Non Group	Group (Note 5)	Total
Clients - current account	-	5.713	5.713
		31/12/2022	
	Non Group	Group (Note 5)	Total
Clients - current account	32	9.353	9.385

The credit risk of the balance of Trade debtors is detailed in note 20.

In the periods ended December 31st 2023 and 2022, the clients with related parties reached the amounts of 5.713 thousand euros and 9.353 thousand euros, respectively (Note 5).

# Other accounts receivable

As of December 31st 2023 and 2022 the item "Other accounts receivable" was broken down as follows:

	31/12/2023	31/12/2022
	Current	Current
Debtors for accrued income	-	1.254
Debtors due to accrued income - Related Parties (Note 5)	3.093	2.036
	3.093	3.290
Other debtors:		
Advance payments to trade creditors	354	354
RETGS - Related Parties (Note 5)	22.132	14.548
Related Parties (Note 5)	1.588	1.016
Others	4	1
	24.078	15.919
	27.171	19.209

As of December 31st 2023 and 2022 the item Debtors due to accrued income corresponds to services rendered but not yet invoiced as of the reporting date and includes amounts with related parties totalling 3.093 thousand euros and 2.036 thousand euros, respectively (Note 5).

In the periods ended December 31st 2023 and 2022, the Other accounts receivable with related parties reached the amounts of 26.813 thousand euros and 17.601 thousand euros, respectively (Note 5).

# Government and other public entities

As of December 31st 2023 and 2022 the item "Government and other public entities" was broken down as follows:

	31/12/2023	31/12/2022
Government and other public entities:		
Income tax	3.669	9.025
Value added tax	173	-
	3.842	9.025

# **Deferrals**

As of December 31st 2023 and 2022 the item Deferrals had the following breakdown:

	31/12/2023	31/12/2022
Deferrals:		
Costs to be recognised	472	1.413
	472	1.413

# 13.2 FINANCIAL LIABILITIES

# **Trade-Creditors**

As of December 31st 2023 and 2022 the item Trade creditors had the following breakdown:

	31/12/2023			
	Non-Group	Group (Note 5)	Total	
Trade creditors - current account	654	87.173	87.827	
		31/12/2022		
	Non-Group	Group (Note 5)	Total	
Trade creditors - current account	523	86.679	87.202	

The liquidity risk of the balance of Suppliers is detailed in note 20.

In the periods ended December 31st 2023 and 2022, the trade creditors with related parties reached the amounts of 87.173 thousand euros and 86.679 thousand euros, respectively (Note 5).

# Other payable debts

As of December 31st 2023 and 2022 the item Other payable debts had the following breakdown:

	31/12/2023		31/12/	/2022
	Current	Non-current	Current	Non-current
Creditors due to accrued expenses	8.302	-	660	-
Creditors due to accrued expenses - Staff	401		372	
Creditors due to accrued expenses - Related Parties (Note 5)	12.281		7.594	
	20.984	-	8.626	-
Other creditors:			-	
RETGS - Related Parties (Note 5)	36.346	-	32.903	-
Related Parties (Note 5)	342.851	46.746	300.322	89.246
Others	91	-	1.547	-
	379.288	46.746	334.772	89.246
	400.272	46.746	343.398	89.246

The liquidity risk of the Other accounts payable balance is detailed in Note 20.

As of December 31st 2023 and 2022 the item Creditors due to accrued expenses corresponds essentially to interests to be invoiced by companies of the Group.

In the periods ended December 31st 2023 and 2022, the Other accounts payable with related parties reached the amounts of 438.224 thousand euros and 430.065 thousand euros, respectively (Note 5).

# Government and other public entities

As of December 31st 2023 and 2022 the item "Government and other public entities" was broken down as follows:

	31/12/2023	31/12/2022
Government and other public entities:		
Income tax	6.426	6.427
Withheld income tax	27	21
Value added tax	-	8
Social Security contributions	17	18
	6.470	6.474

The liquidity risk of the balance of State and other public entities is detailed in note 20.

# Financing obtained

As of December 31st 2023 and 2022 the item Financing obtained (current and non-current) had the following breakdown:

		31/12/2023			
		Current	Non-current	Total	
Bank loans	a)	35.832	186.035	221.867	
Bank overdrafts	a)	6.222	-	6.222	
Securities market - commercial paper	b)	3.747	5.753	9.500	
Subsidiaries, associated companies and joint-ventures	Note 5	104.635	-	104.635	
		150.436	191.788	342.224	

		31/12/2022			
		Current	Non-current	Total	
Bank loans	a)	27.518	198.960	226.478	
Bank overdrafts	a)	6.576	-	6.576	
Securities market - commercial paper	b)	435	8.415	8.850	
Subsidiaries, associated companies and joint-ventures	Note 5	77.541	-	77.541	
		112.070	207.375	319.445	

The liquidity risk of the Financing obtained balance is detailed in note 20.

In the periods ended December 31st 2023 and 2022, the Financing obtained with related parties reached the amounts of 104.635 thousand euros and 77.541 thousand euros, respectively (Note 5).

During the period ended December 31st 2023, the changes in the Financing obtained were as follows:

		31/12/2023				
	Opening	Increase	Decrease	Interest on arrears	Closing	
Bank Loans (a)	226.479	-	(4.612)	-	221.867	
Bank overdrafts (a)	6.576	-	(354)	-	6.222	
Securities market - commercial paper (b)	8.850	72.100	(71.450)	-	9.500	
Subsidiaries, associated companies and joint-ventures	77.540	104.692	(77.597)	-	104.635	
	319.444	176.792	(154.013)	-	342.224	

During the period ended December 31st 2022, the changes in the Financing obtained were as follows:

	31/12/2022				
	Opening	Increase	Decrease	Interest on arrears	Closing
Bank Loans (a)	235.531	-	(8.804)	(248)	226.479
Bank overdrafts (a)	5.073	70.700	(69.198)	-	6.576
Securities market - commercial paper (b)	8.850	106.200	(106.200)	-	8.850
Subsidiaries, associated companies and joint-ventures	38.290	91.130	(51.880)	-	77.540
	287.744	268.030	(236.082)	(248)	319.445

As of December 31st 2023 and 2023, the Financing obtained item relates to several transactions contracted with various financial institutions and related parties, bearing interest at normal market rates.

# (a) Bank loans

As of December 2023, bank loans related to bank overdrafts and escrow accounts bore interest at normal market rates.

Bank loans taken out by the Company correspond essentially to:

Bank	Type of financing	Start date	End date	Financing	Curren	Total financing amount - (€)	Ceiling used Company (€)	Ceiling used rest of the group (€)
Banco BIC, S.A.	Bank loans	02 January 2020	02 July 2025	Grouped	EUR	3,001	-	3.001
Banco BIC, S.A.	Escrow account	07 November 2014	31 December 2033	Grouped	EUR	2,500	-	2,500
Banco BIC, S.A.	Escrow account	06 August 2015	31 December 2033	Grouped	EUR	10,190	10,190	-
Banco Comercial Português, S.A.	Bank loans	05 January 2009	17 June 2035	Grouped	EUR	141,496	141,496	-
Banco Comercial Português, S.A.	Bank loans	12 August 2016	30 December 2033	Grouped	EUR	8,639	-	8,639
Banco Comercial Português, S.A.	Bank loans	27 November 2017	30 December 2033	Grouped	EUR	32,015	32	31,983
Caixa Geral de Depósitos, S.A.	Bank loans	22 September 2014	01 June 2034	Grouped	EUR	80,453	70,149	10,304
Caixa Geral de Depósitos, S.A.	Bank loans	22 September 2014	15 June 2024	Grouped	EUR	2.682	-	2.682
Caixa Geral de Depósitos, S.A.	Bank loans	12 August 2016	30 December 2033	Grouped	EUR	6.099	-	6.099
Novo Banco, S.A.	Bank overdrafts	01 February 2007	31 December 2033	Grouped	EUR	18.283	6.222	6.628
Novo Banco, S.A.	Bank loans	12 August 2016	30 December 2033	Grouped	EUR	8.233	-	8.233
Santander	Escrow account	31 October 2012	31 December 2033	Grouped	EUR	1.039	-	-
•						314.630	228.089	80.069

# (b) Commercial paper

As of December 31st 2023, the Company has been negotiating the following commercial paper programs:

Bank	Type of financing	Start date	End date	Financing	Currency	Total financing amount - (€)	Ceiling used Company (€)	Ceiling used rest of the group (€)
Novo Banco, S.A.	Commercial paper	16 December 2005	13 June 2025	Grouped	Euros	21,300	-	21.300
Novo Banco, S.A.	Commercial paper	30 December 2013	31 December 2033	Grouped	Euros	181.800	-	181,800
Novo Banco, S.A.	Commercial paper	28 December 2015	15 June 2027	Grouped	Euros	98,400	9.500	88.900
Novo Banco, S.A.	Commercial paper	14 January 2016	31 December 2033	Grouped	Euros	12,500	-	12.500
						314,000	9,500	304,500

The financing obtained mentioned above is refundable according to the following repayment periods:

	31/12/2023	31/12/2022
Less than one year	150.435	112.070
1 to 2 years	21.373	27.456
2 to 3 years	21.352	27.215
3 to 4 years	18.739	21.328
4 to 5 years	18.570	18.714
More than 5 years	111.754	112.662
	342.223	319.445

To guarantee the financing obtained above, were set up and various mortgages and pledges (Note 14).

#### 14. GUARANTEES AND COMMITMENTS

# Guarantees

As of December 31st 2023 and 2022, the Company had provided third parties with bank guarantees and sureties, as follows:

	31/12/2023	31/12/2022
Bank guarantees	2.696	2.696

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, 2017 and 2018, 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 December 31st 2023:

Correction period	Bank guarantee amount
2015	125
2016	594
2017	750
2018	1227
	2.696

In addition to the guarantees indicated above, the following pledges and mortgages were also provided:

Bank	Type of financing	Start date	End date	Amount	Collateral
Banco BIC, S.A.	Escrow account	06 August 2015	31 December 2033	10190	BG issued by BIC AO (25M €) to BIC PT; Mortgage building n° 2554 (TD Branch Angola) Commercial Complex and Work Shops Automobile Pole - Talatona
Banco Comercial Português, S.A.	Bank loans	05 January 2009	17 June 2035	141497	Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda   Mortgage of Angolan Hotels: Alvalade and Baía  Mortgage Hotels Mozambique: Avenida and Tivoli Beira
Banco Comercial Português, S.A.	Bank loans	12 August 2016	30 December 2033	8639	Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda   Mortgage of Angolan Hotels: Avalade and Baial Mortgage Hotels Mozambique: Avendia and Tivoil Belira; (i) Plot 25 of the Magnolia Complext (TDGPII), (ii) Land plot designated Troviscais (Transbrital), (iii) Leziria Park II (TDVIA), (v) Vila Rio, 50 plots of land (TDVIA), (v) Land plot designated Jardins da Póvoa and Logistics Park of Póvoa (TDVIA). Full pledge of
Banco Comercial Português, S.A.	Bank loans	27 November 2017	30 December 2033	32015	Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda   Mortgage of Angolan Hotels: Alvalade and Baía  Mortgage Hotels Mozambique: Avenida and Tivoli Beira
Caixa Geral de Depósitos, S.A.	Bank loans	22 September 2014	01 June 2034	80453	Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda   Mortgage of Angolan Hotels: Alvalade and Baía  Mortgage Hotels Mozambique: Avenida and Tivoli Beira
Caixa Geral de Depósitos, S.A.	Bank loans	22 September 2014	15 June 2024	2682	Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda   Mortgage of Angolan Hotels: Alvalade and Baía  Mortgage Hotels Mozambique: Avenida and Tivoli Beira
Caixa Geral de Depósitos, S.A.	Bank loans	12 August 2016	30 December 2033	6099	Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda   Mortgage of Angolan Hotels: Avalade and Baiaj Mortgage Hotels Mozambique: Avendia and Tivoli Beria; (i) Plot 26 of the Magnólia Complext (TDGPII), (ii) Land plot designated Troviscais (Transbrital), (iii) Leziria Park II (TDVIA), (v) Vila Rio, 50 plots of land (TDVIA), (v) Land plot designated Jardins da Póvoa and Logistics Park of Póvoa (TDVIA). Full pledge of
Novo Banco, S.A.	Bank loans	12 August 2016	30 December 2033	8233	Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda   Mortgage of Angolan Hotels: Alvalade and Baiaj Mortgage Hotels Mozambique: Avendia and Tivoli Beria; (i) Plot 26 of the Magnólia Complext (TDGPII), (ii) Land plot designated Troviscais (Transbrital), (iii) Leziria Park II (TDVIA), (iv) Vila Rio, 50 plots of land (TDVIA), (v) Land plot designated Jardins da Póvoa and Logistics Park of Póvoa (TDVIA), Full pledge of
Novo Banco, S.A.	Bank overdrafts	01 February 2007	31 December 2033	6222	Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda   Mortgage of Angolan Hotels: Alvalade and Baía  Mortgage Hotels Mozambique: Avenida and Tivoli Beira
Novo Banco, S.A.	Commercial paper	16 December 2005	13 June 2025	21300	Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda   Mortgage of Angolan Hotels: Avalade and Baia  Mortgage Hotels Mozambique: Avenida and Tivoli Beira. ; Pledge 4.183.333 Shares of BCP (TDGPII) + Pledge 426.667 Shares of BCP (TEDAL).
Novo Banco, S.A.	Commercial paper	30 December 2013	31 December 2033	181800	Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda   Mortgage of Angolan Hotels: Alvalade and Baiaj Mortgage Hotels Mozambique: Avendia and Tivoli Beira; Pledge of: (i) All shares of EPOS, (ii) All shares of C+PA, (iii) 892.131 participation units of the Closed investment fund TDF and mortgage of: (i) Industrial pole of Montijo (TDGPII), (ii) 9 land plots (V8), (iii) 7 land plots (Quinta do Cravel).
Novo Banco, S.A.	Commercial paper	28 December 2015	15 June 2027	98400	Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda   Mortgage of Angolan Hotels: Avalade and Baía  Mortgage Hotels Mozambique: Avendia e Tivoli Beira; Pledge of 1.045.610 shares of Recolte Espanha + Pledge of 50% of the shares of TDE
Novo Banco, S.A.	Commercial paper	14 January 2016	31 December 2033	12500	Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda   Mortgage of Angolan Hotels: Alvalade and Baia  Mortgage Hotels Mozambique: Avenida e Tivoli Beira ; Pledge of all TDGI shares

As of December 31st 2023 the Company had issued comfort letters in favour of Group companies as follows:

	Currency Amount	Currency	(Amount in thousands of
Recolte, Servicios y Medioambiente	584.758	EUR	585
TEIXEIRA DUARTE - Engenharia e Construções, S.A.	1.600.000	EUR	1.600
	2.184.758	EUR	2.185

# Sureties

As of December 31st 2023, the Company had provided the following surety:

	31/12/2023	31/12/2022
Sureties	10.139	10.139
	10 139	10 139

The surety was issued for the purposes of suspending a tax enforcement procedure initiated 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.

#### 15. FINANCIAL RESULTS

In the periods ended December 31st 2023 and 2022, Financial results were broken down as follows:

	2023	2022
Financial expenses and losses:		
Supported interests	(46.662)	(27.024)
Unfavourable exchange rate differences	(4)	-
Other financing expenses	(3.662)	(3.400)
	(50.328)	(30.424)
Financial income and gains:		
Interests obtained (Note 9)	-	144
	-	144
	(50.328)	(30.280)

In the period ended December 31st 2022, the interests earned with related parties amounted to 144 thousand euros.

In the periods ended December 31st 2023 and 2022, the Interests born with related parties reached the amounts of 33.961 thousand euros and 20.947 thousand euros, respectively (Note 5).

#### **16. STAFF EXPENSES**

Throughout the periods ended December 31st 2023 and 2022, the average number of employees hired directly by Portugal was 9 and 10 people, respectively.

In the periods ended on those dates, staff expenses had the following break down:

	2023	2022
Remuneration of the corporate bodies	722	724
Staff remuneration	15	13
Compensations	-	119
Charges on remunerations	151	137
Insurances covering accidents at work and occupational diseases	4	-
Social work costs	36	34
Other expenses with staff	53	32
	981	1.059

# 17. EXTERNAL SUPPLIES AND SERVICES

In the periods ended December 31st 2023 and 2022, the heading External supplies and services had the following breakdown:

	2023	2022
Expert services	613	365
Materials	1	1
Energy and fluids	1	1
Travel, accommodation and transport	63	131
Sundry services	2.531	2.349
	3.209	2.847

In the periods ended December 31st 2023 and 2022, the item Sundry services includes the amount of 2.428 thousand euros and 2.283 thousand euros, respectively, corresponding to the use of the head office building at Lagoas Park.

In the periods ended December 31st 2023 and 2022, the External supplies and services with related parties reached the amounts of 35 thousand euros and 36 thousand euros, respectively (Note 5).

#### 18. OTHER INCOME

In the periods ended December 31st 2023 and 2022 Other income and gains were as follows:

	2023	2022
Other supplementary income	-	55
Estimated surplus for tax	1.032	3.067
Indemnity	-	7
Others	14	802
	1.046	3.931

In the period ended on December 31st 2022, the item Estimated surplus for tax, includes the amount of 1.887 thousand euros referring to legal proceedings, relating to IRC, with favourable decisions for the Company.

In the period ended on December 31st 2022, the item Others, includes the amount of 446 thousand euros referring to indemnity interest, from the proceedings mentioned above.

#### 19. OTHER EXPENSES

In the period ended on December 31st 2023 and 2022 the heading "Other expenses and losses" was broken down as follows:

	2023	2022
Taxes and fees	39	37
Unrecoverable debt	18	50
Levies	1	-
Others	251	73
	309	160

# 20. FINANCIAL RISK MANAGEMENT

# General Principles

The Company is exposed to a set of financial risks resulting from its activity, of which the following should be emphasized:

- Interest rate risks arising from financial liabilities;
- Credit risk, particularly from trade debtors' credits related to the company's operating activity;
- Liquidity risk, regarding the maintenance of a cash-flow balance.

The Company's Financial Management ensures centralized management of financing operations, investment of cash surpluses, foreign exchange transactions as well as the management of the company's counterpart risk.

Moreover, it is responsible for the identification, quantification and proposal and implementation of management / mitigation measures of the financial risks to which the Company is exposed.

The main financial risks to which the Company is exposed, and the main measures implemented in the scope of its management are detailed below.

# (a) Interest Rate Risk

The purpose of the interest rate risk management policy is to minimise the cost of debt subject to maintaining a low level of financial burden volatility.

As of December 31st 2023 and 2022 financial liabilities consist entirely (100%) of variable interest rate.

If market interest rates had been 1% lower during the periods ended December 31st 2023 and 2022, the financial results of those periods would have decreased by 3.296 thousand euros and 2.810 thousand euros, respectively. If the same market interest rates had, on the contrary, been 1% higher during the same periods, financial results would have already increased by 3.296 thousand euros and 2.810 thousand euros, respectively.

#### (b) Credit Risk

As of December 31st 2023 and 2022, the balances of accounts receivable from clients (Note 13.1) for which no adjustments were recorded, given that the Board of Directors considers that they are achievable, are as follows:

	31/12/2023	31/12/2022
Balances:		_
Not dues	278	2.626
Up to 180 days	-	1.047
From 180 to 360 days	211	-
More than 360 days	5.224	5.712
	5.713	9.385

(a) In the periods ended on December 31st 2023 and 2023, the balances of accounts receivable with more than 360 days, in the amounts of 5.224 thousand euros and 5.712 thousand euros, respectively, are with related parties.

# c) Liquidity Risk

This risk can occur if sources of financing, such as operating cash flows, divestment, credit lines and cash flows from financing operations, do not meet financing needs such as cash outflows for operating and financing activities, investments, shareholder compensation and debt repayment.

To mitigate this risk, the Company seeks to maintain a net position and an average debt maturity that allows it to repay its debt within appropriate time frames.

Financial liabilities maturing up to one year are, whenever it's considered appropriate, replaced with medium and long-term maturity.

The maturity of financial liabilities (Note 13.2), as of December 31st 2023 and 2022, is as follows:

_	31/12/2023				
	Up to 1 year	From 1 to 2 years	From 2 to 3 years	More than 3 years	Total
Trade-Creditors	87.827	-	-	-	87.827
Financing obtained	150.435	21.373	21.352	149.063	342.223
Government and other public	6.471	-	-	-	6.471
Other payable debts	400.272	46.746	-	-	447.018
	645.005	68.119	21.352	149.063	883.539

_	31/12/2022							
	Up to 1 year	From 1 to 2 years	From 2 to 3 years	More than 3 years	Total			
Trade-Creditors	87.202	-	-	-	87.202			
Financing obtained	112.070	27.456	27.214	152.705	319.445			
Government and other public	6.474	-	-	-	6.474			
Other payable debts	343.398	42.500	46.746	-	432.644			
	549.144	69.956	73.960	152.705	845.765			

#### 21. CAPITAL

#### **Share Capital**

As of December 31st 2023 and 2022, the Company's paid-in capital is fully subscribed and fulfilled, consisting of 420 000 000 shares with a nominal value of 0,50 euro each.

As of December 31st 2023 and 2022, the Company's share capital was 210.000 thousand euros.

#### Legal Reserve

Commercial legislation states that at least 5% of the annual net income must be allocated to the strengthening of the Legal Reserve until it represents at least 20% of capital. This reserve is not distributable unless in the event of the Company's liquidation but can be used to absorb losses after the other reserves have been exhausted or incorporated into the capital.

As of December 31st 2023 and 2022, the Legal reserve, inferior to 20% of the capital, was 42.000 thousand euros

#### Other Reserves

Other reserves are composed solely and exclusively of free reserves. As of December 31st 2023 and 2022, Other reserves were on the amount of 242.551 thousand euros.

# Appropriation of net income

By decision of the General Meeting, held on May 24<sup>th</sup> 2023, the accounts of the period 2022 were approved and was decided that the Net Result in the negative amount of 23.825.798,16 € (twenty-three million, eight hundred twenty-five thousand, seven hundred ninety-eight and sixteen cents) should be applied as follows:

	Amount
Retained earnings	(23.826)

In accordance with the management Report, the proposal for the allocation of results in the period ended December 31st 2023, of a negative amount of 22.313.320,96 € (twenty-two million three hundred thirteen thousand three hundred twenty euros and ninety-six cents) is as follows:

	Amount
Retained earnings	(22.313)
	(22.313)

# 22. OTHER INFORMATION

The Board of Directors approved and authorised the issuance of the financial statements for the period of 2023 no on April 24th 2024.

The Board of Directors declares that the Company does not have overdue debts.

The Board of Directors declares that the Company's situation before the Social Security is settled, complying with legal deadlines.

# **Additional Disclosures**

Total fees invoiced by a statutory auditor's company for the statutory review of the financial statements were as follows:

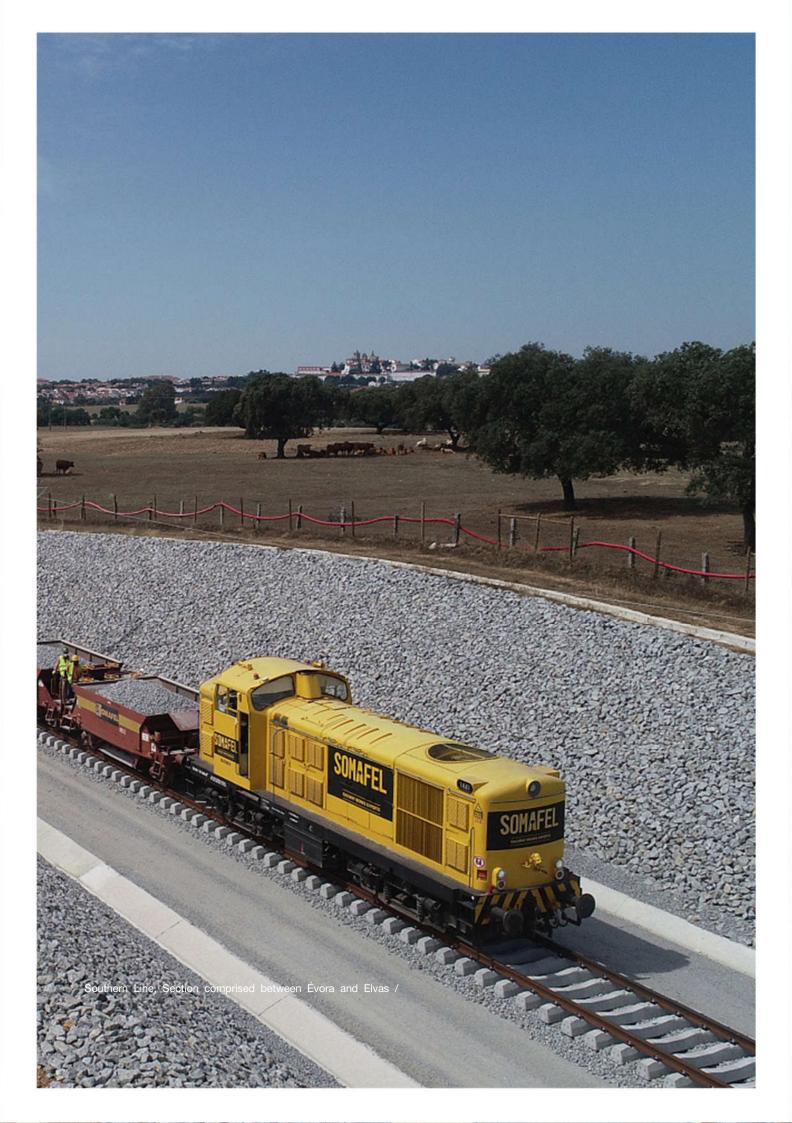
	2023	2022
Statutory Audit Fees	74	62

# 25. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

We have no knowledge of any fact materially relevant, with impact on the financial statements on December 31st 2023, having occurred between the end of the financial year and the present date.

The Chartered Certified Accountant

The Board of Directors



Consolidated Financial Statements 2023

Consolidated Financial Statements 2023

Consolidated Financial Statements 2023

**REPORT AND ACCOUNTS 2023** 

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION ON DECEMBER $31^{\rm ST}$ 2023 AND 2022

	Notes	2023	2022
Non-current assets:			
Goodwill	18	14.336	13.744
Intangible assets	19	18.623	27.822
Tangible fixed assets	20	429.451	480.719
Investment properties	21	133.332	217.393
Usage right	22	18.802	24.953
Investments in associates and joint-ventures	7 and 23	5.980	5.951
Other financial investments at amortised cost	24	-	3.300
Other financial investments at fair value through other comprehensive income	7 and 24	14.211	12.694
Deferred tax assets	26	155.577	165.038
Clients	27	37	4.623
Other accounts receivable	27	1.494	12.818
Other non-current assets	30	4.900	4.900
Total non-current assets		796.743	973.955
Current assets:	0 140	001 100	0.47.770
Inventories	9 and 10	291.430	247.779
Clients	27	148.199	180.877
Other accounts receivable	27	32.077	27.893
Other financial investments at fair value through other comprehensive income	7 and 24	-	10
Cash and cash equivalents - without security deposits	29	86.345	80.668
Cash and cash equivalents - with security deposits	29	15.000	15.000
Other non-current assets	30	99.604	121.457
		672.655	673.684
Non-current assets held for sale	25	49.243	50.856
Total non-current assets		721.898	724.540
Total assets	7	1.518.641	1.698.495
Equity:			
Share Capital	32	210.000	210.000
Adjustments of shareholdings in associates and joint-ventures	23	93	93
Currency conversion adjustments	45	(587.515)	(429.994)
Reserves and retained income	33	518.730	447.557
Consolidated net result of the period	16	(11.750)	(13.267)
Equity attributable to shareholders		129.558	214.389
Non-controlling interests	34	19.759	17.158
EQUITY TOTAL	01	149.317	231.547
Non-current liabilities:		140.017	201.047
Financing obtained	35	506.476	544.753
Provisions	36	43.356	39.949
Lease liabilities	38	16.209	20.887
Deferred tax liabilities	26	91.905	101.665
Advance payments from Clients	37	46.264	35.808
	37	40.204	51.644
Other payable debts			
Other non-current liabilities	39	1.415	1.316
Total non-current liabilities		748,079	796.022
Current liabilities:			
Financing obtained	35	220.694	222.401
Lease liabilities	38	5.292	5.642
Trade-Creditors	37	145.054	160.893
Advance payments from Clients	37	135.273	152.989
Other payable debts	37	19.348	26.336
Other current liabilities	39	87.056	93.435
		612.717	661.696
Non-current assets held for sale	25	8.528	9.230
Total current liabilities		621,245	670.926
TOTAL LIABILITIES	7	1.369.324	1.466.948
EQUITY AND LIABILITIES TOTAL		1,518,641	1.698.495

(Amounts in thousands of euros)

The notes attached are an integral part of the consolidated statement of the financial position for the quarter ending December 31st 2023.

# CONSOLIDATED STATEMENTS OF INCOME FOR THE PERIODS ENDED DECEMBER $31^{\rm ST}$ 2023 AND 2022

	Notes	2023	2022
Operating income:			
Sales and services rendered	7 and 8	767.249	833.878
Other operating income and gains	8	105.695	69.813
Total of operating income	8	872.944	903.691
Operating costs			
Cost of goods sold and of the materials consumed	9	(222.530)	(268.776)
Production changes	10	19.245	17.176
External supplies and services	11	(334.737)	(345.187)
Expenses with staff	12	(212.115)	(202.086)
Expenses with depreciations and amortisations	7, 19, 20 and	(32.785)	(40.057)
Impairment losses in depreciable / amortisable asset sand Goodwill (losses / reversals)	7, 19, 20 and	(1.051)	279
Impairments in receivable accounts (losses / reversals)	27	(3.435)	2.226
Impairments in inventories (losses / reversals)	9 and 10	(584)	779
Provisions (increases/ / reductions)	7 and 36	(4.593)	(1.554)
Other expenses and losses	13	(41.944)	(47.765)
Total of operating costs		(834.529)	(884.965)
Operating results	7	38.415	18.726
Financial costs and losses	7 and 14	(94.671)	(96.727)
Financial income and gains	7 and 14	76.772	66.879
Investment activities results:			
Gains / Losses attributable to associates and joint ventures	7 and 14	501	394
Other investments gains / (losses)	7 and 14	2.897	578
Financial results		(14.501)	(28.876)
Results before taxes	7	23.914	(10.150)
Income tax	15	(26.903)	(4.747)
Consolidated net result of the period		(2.989)	(14.897)
Net income attributable to:			
Equity holders	16	(11.750)	(13.267)
Non-controlling interests	34	8.761	(1.630)
Earnings per share:			
Basic (euros)	16	(0.03)	(0.03)
Diluted (euros)	16	(0.03)	(0.03)
A		(/	(5.00)

(Amounts in thousands of euros)

The notes attached form an integral part of the consolidated statement of the results of the period ending December 31st 2023.

# CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE PERIODS ENDED DECEMBER 31<sup>ST</sup> 2023 AND 2022

	Notes	2023	2022
Consolidated net result of the period		(2.989)	(14.897)
Income and expenses which will not be reclassified for results			
Other equity variations		(876)	(26.122)
Other financial investments at fair value through other comprehensive income, net of taxes	24	666	23
Revaluation surplus, net of taxes	20	88.017	(9,124)
		87.807	(35,223)
Income and expenses which may subsequently be reclassified for results			
Currency conversion adjustments	45	(167,048)	92.158
Adjustments of shareholdings in associates and joint-ventures	23	-	304
		(167,048)	92.462
Result recognised directly in equity		(79.241)	57.239
Comprehensive income of the period		(82.230)	42.342
Comprehensive income attributable to;			
Equity holders		(84.831)	44.291
Non-controlling interests		2.601	(1.949)

(Amounts in thousands of euros)
The notes attached are an integral part of the consolidated statement of the financial position for the quarter ending December 31st 2023.

# CONSOLIDATED STATEMENTS OF THE CHANGES IN EQUITY FOR THE PERIODS ENDED ON DECEMBER 31<sup>ST</sup> 2023 AND 2022

									Reserves and i	retained income			
	Notes	Capital	Adjustments of shareholdings in associates and joint-ventures	Currency conversion adjustments	Reserve Legal	Other Reserve s	Fair value reserve - financial Investments	Revaluation reserve Real estate	Results Appropriat ed	Consolidate d net result	Total equity Attributable to shareholder s	Interests non- controlling	Total
Balance on January 1 <sup>st</sup> 2023	32	210.000	93	(429.994)	42,000	265.877	54	240,679	(101.053)	(13.267)	214,389	17.158	231.547
Comprehensive income of the period:													
Consolidated net result of the period		-	-	-	-	-	-	-	-	(11.750)	(11.750)	8,761	(2.989)
Variation in the currency conversion adjustments	45	-	-	(157.521)	-	-	-	-	-	-	(157.521)	(9.527)	(167.048)
Variation of the fair value of other investments through other comprehensive income, net of taxes	24	-	-	-	-	-	666	-	-	-	666	-	666
Revaluation surplus, net of taxes	20	-	-	-	-	-	-	84,728	-	-	84,728	3,289	88,017
Purchase of non-controlling interests	34	-	-	-	-	-	-	-	506	-	506	(506)	-
Others		-	-	-	-	-	-	(5.850)	4,390	-	(1.460)	584	(876)
Operations with equity owners for the period: Application of the consolidated net income Transfer to retained earnings		-	-	-	-	-	-	-	(13.267)	13,267	-	-	-
Balance on December 31st 2023		210.000	93	(587.515)	42.000	265,877	720	319,557	(109.424)	(11.750)	129.558	19.759	149,317

				-		Rese	rves and retained	d income					
	Notes	Capital	Adjustments of shareholdings in associates and joint-ventures	Currency conversion adjustments	Reserve Legal	Other Reserve s	Fair value reserve - financial Investments	Revaluation reserve Real estate	Results Appropriat ed	Consolidate d net result	Total equity Attributable to shareholder s	Interests non- controlling	Total
Balance on January 1st 2022	32	210.000	(211)	(518.592)	42,000	265.877	31	260,349	29.784	(119.140)	170,098	19.107	189.205
Comprehensive income of the period:													
Consolidated net result of the period		-	-	-	-	-	-	-	-	(13.267)	(13.267)	(1.630)	(14.897)
Variation in the currency conversion adjustments	45	-	-	88.598	-	-	-	-	-	-	88.598	3.560	92.158
Variation of the fair value of other investments through other comprehensive income, net of taxes	24	-	-	-	-	-	23	-	-	-	23	-	23
Revaluation surplus, net of taxes	20	-	-	-	-	-	-	(9.718)	-	-	(9.718)	594	(9.124)
Effect of the application of the equity method	23	-	304	-	-	-	-	-	-	-	304	-	304
Alienation of non-controlled interests	34	-	-	-	-	-	-	-	4.683	-	4.683	(4.683)	-
Others		-	-	-	-	-	-	(9.952)	(16.380)	-	(26.332)	210	(26.122)
Operations with equity owners for the period: Application of the consolidated net income Transfer to retained earnings		-	-	-	-	-	-	-	(119.140)	119,140	-	-	-
Balance on December 31st 2022		210,000	93	(429.994)	42,000	265,877	54	240,679	(101.053)	(13.267)	214,389	17,158	231,547

(Amounts in thousands of euros)
The notes attached are an integral part of the consolidated statement of changes in equity for the period ended on December 31st 2023

# CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIODS ENDED ON DECEMBER $31^{\rm ST}$ 2023 AND 2022

	Notes	2023	2022
OPERATING ACTIVITIES:			
Receipts from clients		852.924	830,424
Payment to suppliers		(578.462)	(592.423)
Payment to staff		(210.910)	(199.116)
Cash flow generated by operations		63.552	38.885
Payment / Receipt of income tax		6.103	(7.208)
Other receipts / payments related to the operating activity		(44.070)	28.215
Cash-flows of operating activities (1)		25.585	59.892
INVESTMENT ACTIVITIES:			
Receipts related to:			
Financial investments	29	16.151	8.357
Tangible fixed assets and investment properties		122.994	65.611
Intangible assets		36	1
Interests and similar gains		8.478	3.329
Dividends	29	3.349	1.798
		151.008	79.096
Payments related to:			
Financial investments	29	(121)	(500)
Tangible fixed assets and investment properties		(72.388)	(70.860)
Intangible assets		(876)	(8.264)
		(73.385)	(79.624)
Cash-flows of investment activities (2)		77.623	(528)
INVESTMENT ACTIVITIES:			
Receipts related to:			
Financing obtained	35	3.453.402	4.607.730
Payments related to:			
Financing obtained	35	(3.484.860)	(4.622.856)
Lease liabilities		(6.156)	(6.127)
Interests and similar gains		(52.489)	(43.042)
		(3.543.505)	(4.672.025)
Cash-flows of financing activities (3)		(90.103)	(64.295)
Variation of cash and of cash equivalents (1+2+3)		13.105	(4.931)
Change in the perimeter	5	(76)	(34)
Effect of the exchange rate differences		(7.352)	7.786
Cash and cash equivalents in the beginning of the period	29	95.668	92.847
Cash and cash equivalents in the end of the period	29	101.345	95.668

(Amounts in thousands of euros)

The notes attached are an integral part of the consolidated statement of the cash-flows of the period ended on December 31st 2023.

# NOTES ATTACHED TO THE CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31<sup>ST</sup> 2023

#### 1 - INTRODUCTION

Teixeira Duarte, S.A. ("Company" or "TD, S.A.") with head office at Edifício 2 do Lagoas Park, Porto Salvo, Portugal. The Company was incorporated Portugal on November 30<sup>th</sup> 2009, with share capital of EUR 210.000.000, represented by 420.000.000 shares with the nominal value of EUR 0,5 each (Note 32). Its core business is the implementation and management of investments, the coordination and supervision of other companies integrated in or related to its business Group. 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 which are indicated in Note 4. The Group's main activities are: Construction; Concessions and Services; Real Estate; Hospitality; Distribution and Automotive (Note 7).

The stated values will be expressed in thousands of euros, unless expressly indicated. The operations conducted abroad are included in the consolidated financial statements pursuant to the policy described in Notes 2.9 and 2.10.

#### 2 - MAIN ACCOUNTING POLICIES

#### 2.1 - Basis of presentation

The consolidated financial statements 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 January 31st 2023. 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 ("IFRIC"), 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.

# Consolidated Financial Statements 2023

# 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 January 31st 2023:

Effective Dates in the Period		
Standard / Interpretation	Effective date (periods starting on or after)	Content
IAS 1 (amendment) - Disclosure of accounting policies	01-JAN-23	The changes to the disclosure requirements of accounting policies now rely on the definition of "material" instead of "significant," and illustrative examples have been introduced to demonstrate the application of the materiality concept.  These changes are mandatory for financial years beginning on or after January 1st 2023, and must be applied prospectively.
IAS 8 (amendment) - Disclosure of accounting estimates	01-JAN-23	The introduction of the definition of accounting estimate and how it differs from changes in accounting policies, along with clarifications on:  - Measurement in the concept of uncertainty;  - The difference between changes in accounting estimates and corrections of errors;  - The accounting for the effects of changes in accounting estimates.  The application of these changes is mandatory for financial years beginning on or after January 1st 2023.
IFRS 17 (new) - Insurance contract	01-JAN-23	IFRS 17 replaces IFRS 4 - "Insurance Contracts," the interim standard that has been in effect since 2004. IFRS 17 applies to all entities that issue insurance contracts, reinsurance contracts, and investment contracts with discretionary participation features if they also issue insurance contracts. The standard does not apply to policyholders.  IFRS 17 is applied retrospectively with exemptions provided for the transition date.
IAS 12 (amendment) - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	01-JAN-23	The IAS 12 now requires entities to recognize deferred tax on certain specific transactions when their initial recognition gives rise to equal amounts of taxable and deductible temporary differences. These changes are mandatory for accounting periods beginning on or after January 1st 2023.
IAS 12 (amendment) - International Taxation Reform - Model Rules for Pillar II	01-JAN-23	This amendment represents the IASB's response to the questions raised by stakeholders regarding the implementation of the Global Anti-Base Erosion (GloBE) rules of the OECD.
IFRS 17 (amendment) - Initial application of IFRS 17 and IFRS 9 (amendment) - Comparative information	01-JAN-23	This amendment applies only to entities with insurance activities in the initial application of IFRS 17, allowing for an overlay in the classification of a financial asset for which the insurer does not apply retrospective application under IFRS 9.

In the year ended December 31<sup>st</sup> 2023, no material effects were generated in the attached financial statements resulting from the adoption of the standards, interpretations, amendments, and/or revisions mentioned above.

## 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)	Content
IAS 1 (amendment) - Liabilities Classification as Non-current and Current' and 'Non-current Liabilities with Covenants	01-JAN-24	The amendments clarify that liabilities are classified as current or non-current based on the entity's right to defer their settlement beyond 12 months after the reporting date. These amendments are applied retrospectively.
IFRS 16 (amendment) - Lease Liabilities on Sale and Leaseback Transactions	01-JAN-24	This amendment to the leasing standard introduces guidance on the subsequent measurement of lease liabilities related to sale and leaseback transactions that qualify as "sales" under the principles of IFRS 15 - Revenue from Contracts with Customers, with a greater impact when some or all lease payments are variable lease payments that do not depend on an index or rate. This amendment is applied retrospectively.

These standards, although endorsed by the European Union, were not adopted in 2023, since their application is not yet mandatory and no material changes are expected as a result of their application.

## Standards, interpretations, amendments and revisions not yet 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)	Content
IAS 7 and IFRS 7 (amendment) - Suppliers Financing Agreements	01-JAN-24	Supplier financing agreements, or reverse factoring, involve a financier committing to pay the balances owed by an entity to its suppliers, and the entity, in turn, agrees to pay according to the terms and conditions of the agreements, either on the same date or subsequent to the date of payment to the suppliers.
IAS 21- Effects of the exchange rates changes: Lack of interchangeability	01-JAN-25	This amendment is pending endorsement by the European Union. IAS 21 defines the exchange rate that an entity should use when reporting foreign currency transactions or translating the results of a foreign operation when its functional currency is different from the presentation currency of the group. This amendment aims to clarify the circumstances under which a currency is considered to be exchangeable and how the spot exchange rate should be determined when there is a lack of exchangeability of a currency for an extended period. IAS 21 also requires disclosure of information that allows understanding of how the currency that cannot be exchanged for another currency affects, or is expected to affect, the entity's financial performance, financial position, and cash flows, in addition to the spot exchange rate used at the reporting date and how it was determined.

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 December 31st 2023.

Regarding the standards and interpretations issued by the IASB, but not yet endorsed by the European Union, it is not anticipated that the future adoption of these standards will result in significant impacts on the accompanying financial statements.

The Board of Directors has assessed the Group's ability to operate on a going concern basis, based on all relevant information, facts and circumstances of a financial, commercial or other nature, including subsequent events occurring after the reference date of the financial statements, available in the future. As a result of the assessment carried out, the Board of Directors concluded that the Group has adequate resources to maintain its activity and has no intention of ceasing it in the short term. Therefore, the use of the going concern assumption in the preparation of the accompanying consolidated financial statements was considered adequate.

#### 2.2 - Judgements 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.

Such 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.

Contingent liabilities are not recognised in the Consolidated Financial Statements, but are disclosed in the accompanying notes, unless the probability of the existence of an obligation is remote. In relation to these contingent liabilities there are bank guarantees provided by the Group for the development of its activity as well as collaterals from financing obtained, disclosed in Note 40.

#### 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 uncollectibility 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 percentage of completion of each contract is periodically reviewed considering 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) may be adopted as the accounting policy for the subsequent measurement of those 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 is considered to exist when the Group, even if it does not hold the majority of its capital, by virtue of the voting rights held and/or any agreements entered into, has the practical capacity to unilaterally direct the relevant activities of the subsidiary and is exposed to variable returns.

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 Controlling 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 Controlling 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 23) are recorded through the equity method, except when they are classified as held for sale, with the shares initially stated at acquisition cost, which is increased or decreased according to the difference between this cost and the proportional value of the holding in the equity of these companies reported on the date of acquisition or first application of this method.

Pursuant to the equity method, financial holdings are adjusted periodically by the amount corresponding to the participation in the net income of the associates and joint-ventures against "Earnings from associates and joint-ventures", and through other changes in their equity against "Adjustments of holdings in associates and joint-ventures", as well as through the recognition of impairment losses Furthermore, the dividends received from these companies are recorded as a reduction in the value of financial investments.

Losses in associates and joint ventures which exceed the investment made in these entities are not recognised unless the Group has undertaken liabilities for losses concerning the associate or joint venture.

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 or joint-ventures".

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 a cost in the consolidated income statement for the period and is not subject to subsequent reversal.

Upon the disposal of a subsidiary, associate or joint-venture, the corresponding Goodwill is included in the determination of the capital gain or loss.

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 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 costs in the period in which they are incurred.

The internal expenses associated with maintenance and the development of software are recorded as costs in the income statement when incurred, except when these costs are directly associated with projects that are likely to generate future economic benefits for the Group. In these situations, these costs are capitalized as intangible assets.

Amortisations are calculated, after the beginning of use of the assets, using 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 the production, provision of services or for administrative use, are recorded at the acquisition or production cost, including expenses attributable to the purchase, deducted from accumulated depreciation and impairment losses, where applicable.

However, for a homogeneous class of assets, on December 31st 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 may be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised under profit or loss.

If the carrying amount of an asset is decreased as a result of a revaluation, the decrease is recognised under profit or loss. 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 carried out according to the following estimated service lives:

#### Years of useful life

Buildings and other	5 - 50
Basic equipment	3 - 8
Transport equipment	3 - 7
Administrative equipment	2 - 10
Other tangible fixed assets	1 - 4

Improvements and benefits are only recorded as assets in cases when they correspond to the replacement of goods, which are thus written-off, or lead to an increase in future economic benefits.

Current tangible fixed assets represent assets still under construction, recorded at the acquisition cost deducted from 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.

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 sale/write-off date, and are recorded as gains or losses in the income statement under the items "Other operating income" or "Other operating costs", 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.

Moreover, 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.

Leases with a duration equal or inferior to 12 months are excluded from this procedure, as well as low value leases. These are leases with a total contractual value of less than 5.000 euros, which are recorded through profit or loss according to the period to which they refer.

### 2.7- Impairment of non-current assets, except 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 the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised for the difference, and recorded in the income statement under the item "Provisions and impairment losses on depreciable and amortisable assets and Goodwill".

The recoverable amount is either the fair value less costs of disposal 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, less costs directly attributable to the sale. The value in use is the present value of estimated future cash flows that are expected from continued use of the asset and from its disposal at the end of its useful life. The recoverable amount is estimated for each individual asset or, when this is not possible, for the cash-generating unit to which the asset belongs.

The reversal of impairment losses is recorded when there are indications that the recognised impairment losses no longer exist or have decreased. The reversal of impairment losses is recognised in the income statement under the item "Provisions and impairment losses on depreciable and 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" or "Other operating expenses", depending on whether they are gains or losses.

The fair value of each investment property is determined by the evaluations made by the independent specialised entity and in compliance with evaluation criteria generally accepted by the real-estate market.

Costs incurred with investment properties in use, including maintenance, reparations, insurance and taxes, are acknowledged in the income statement for the period to which they relate. 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 controlling 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 or costs in 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.

For the currency of the Venezuelan Bolivar the exchange rate used for the translation of the income statement items was the final exchange rate, as it is a hyperinflationary economy, as explained in Note 2.10.

Pursuant to IAS 21 - Effects of changes in foreign exchange rates ("IAS 21"), the goodwill and fair value corrections determined upon the acquisition of foreign entities are considered in the reporting currency of these entities, and are converted into euros at the exchange rate in force on the reporting date. Exchange rate differences created in this way are recorded under equity, 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, before restatement, 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;
- The restatement of the financial statements in accordance with IAS 29 led to differences between the taxable result and the accounting result. Those differences were accounted for in accordance with IAS 12.

#### Net financial position

In a period of inflation, a company that holds an excess of monetary assets over monetary liabilities (net monetary position - debtor) loses purchasing power and consequently generates a loss; on the other hand, a company that holds an excess of monetary liabilities over monetary assets (net monetary position - creditor) gains purchasing power and consequently generates a gain, to the extent that the assets and liabilities are not indexed to a price level.

The gain or loss on the net monetary position was included in the net income for the period.

On December 31st 2023, this standard is being applied to entities in the Venezuelan and Angolan geographies, with only the former being active in 2023 according to the criteria set forth by the standard. In the case of the Angolan geography, its application remains frozen since 2019.

#### 2.11 - Financing costs

Expenses with financing obtained 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 "(Losses) / Reversals of Impairment of accounts receivable". The recognised adjustment is measured by the difference between the value at which receivables are recognised and the current cash flow value discounted at the effective interest rate determined at the time of 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) Payable accounts

Accounts payable are measured initially at fair value and subsequently at amortised cost in accordance with the effective interest rate method.

## f) Financing obtained

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 - Pensions 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 (in accordance with the tax rules in force in the country where they operate) and takes into consideration 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.

Deferred taxes are recorded as expenditure or income for the period, unless they result from amounts recorded directly in equity, in which case the deferred tax is also recorded under the same item.

At the end of each period, a review of the deferred taxes recorded is carried out, and the amount of the same is adjusted according to the expectations of future use.

### 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 of December 31<sup>st</sup> 2023, 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

Revenue and expenses are recorded on an accrual basis, which applies to all transactions (including transactions with related parties) whereby 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 the 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 five 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.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset together with all substantial risks and rewards of its ownership to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between its carrying amount and the sum of the consideration received or receivable is recognised in the Consolidated Income Statements. In addition, on derecognition of a financial asset represented by a debt instrument recorded at fair value through other income, the accumulated gain or loss on the fair value reserve is reclassified to the consolidated income statements.

However, on derecognition of a financial asset represented by an equity instrument irrevocably designated upon initial recognition as being recorded at fair value through other results, the accumulated gain or loss on the fair value reserve is not reclassified to consolidated profit and loss, but is transferred to the item "Other reserves and retained earnings".

A financial asset and a financial liability shall be offset and the net amount presented in the consolidated statement of financial position when, and only when, an entity:

- (a) currently has a legally enforceable right to set-off the recognised amounts; and,
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

A right of set-off may be currently available or it may depend on a future event (for example, the right may be triggered or may only be exercisable when a certain future event occurs, such as the default, insolvency or bankruptcy of one of the counterparties).

#### 2.25 - Non-Current Assets held for Sale

Non-current assets (or discontinued transactions) are classified as held for sale if their value is callable through a sale transaction, rather than through their continued use. This situation is only considered to occur 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, S.A., by the weighted average number of common shares in circulation during the period.

Diluted earnings per share is calculated by dividing adjusted earnings attributable to TD, S.A. 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 December 31st 2023, there were no changes in accounting policies compared to those considered in the preparation of the financial information for the period ended on December 31st 2022, as well as no significant changes in estimates and no material errors related to previous periods were identified.

## 4 - COMPANIES INCLUDED IN THE CONSOLIDATION PERIMETER

As of December 31st 2023 Teixeira Duarte, S.A. and the following controlled companies were included in the consolidation, using the full consolidation method:

Corporate name	Head Office	% effective participation
INTERNAL MARKET		
CONSTRUCTION		
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	100.00%
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	100.00%
TEIXEIRA DUARTE - Madeira, S.A.	Rua das Pretas, 4 - Fracção 4 D - Funchal	100.00%
CONCESSIONS AND SERVICES		
DPLG - Desenvolvimento do Terminal Especializado de Contentores do Porto de La Guaira, Sociedade Unipessoal,	Rua das Pretas, 4 - Fração 4 D - Funchal	100.00%
Lda. 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%
REAL ESTATE		
EMPREENDIMENTOS 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%
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 AM, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TD VIA - Sociedade Imobiliária, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
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%
V8 - Gestão Imobiliária, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
HOSPITALITY		
ESTA - Gestão de Hotéis, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
GO CORP TRAVEL SOLUTIONS - Agência de Viagens, S.A.	Rua Encosta das Lagoas, nº 8 - Porto Salvo	100.00%
LAGOAS HOTEL, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TDH - Sociedade Gestora de Participações Sociais, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TDHC - Instalações para Desporto e Saúde, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
DISTRIBUTION		
TEIXEIRA DUARTE 1886, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
AUTOMOBILE		
TDO - Investimento e Gestão, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
OTHERS		
C + P.AParticipações e Investimentos, 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%

Corporate name	Head Office	% effective participation
EXTERNAL MARKET		
SOUTH AFRICA		
CONSTRUCTION		
GLOBAL NET DISTRIBUTORS (Pty) Ltd.	10 Ninth Avenue - Northmead, Gauteng 1501	100.00%
Angola  CONCESSIONS AND SERVICES		
EDUCARE - Actividades Educativas e Culturais (SU), Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark), Edifício Teixeira Duarte, nº 387, Luanda	100.00%
TDGI - Tecnologia de Gestão de Imóveis, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark), Edificio Teixeira Duarte, nº 387, Luanda	42.40%
REAL ESTATE		
AFRIMO - Empreendimentos Imobiliários, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark), Edifício Teixeira Duarte, nº 387, Luanda	51.00%
TEIXEIRA DUARTE - Engenharia e Construções (Angola), Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark), Edifício Teixeira Duarte, nº 387, Luanda	100.00%
HOSPITALITY		
ALVALADE - Empreendimentos Turísticos e Hoteleiros, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark), Edifício Teixeira Duarte, nº 387, Luanda	100.00%
ANGOPREDIAL - Empreendimentos Imobiliários (SU), Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark), Edifício Teixeira Duarte, nº 387, Luanda	100.00%
HENDA HOTELARIA, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark), Edifício Teixeira Duarte, nº 387, Luanda	51.00%
HOTEL TRÓPICO, S.A.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark), Edifício Teixeira Duarte, nº 387, Luanda	80.00%
HOTEL BAÍA (SU), Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark), Edifício Teixeira Duarte, nº 387, Luanda	100.00%
DISTRIBUTION		
CND - Companhia Nacional de Distribuição (SU), Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark), Edifício Teixeira Duarte, nº 387, Luanda	100.00%
COM 1 - Comércio e Distribuição, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark), Edifício Teixeira Duarte, nº 387, Luanda	100.00%
DCG - 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%

Corporate name	Head Office	% effective participation
AUTOMOBILE		
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%
OTHERS		
PARINVEST - Participações e Investimentos, S.A.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark), Edifício Teixeira Duarte, nº 387, Luanda	36.00%
ALGERIA		
CONSTRUCTION		
TEIXEIRA DUARTE ALGERIE, SPA	8, Route Ben Aknoun, Rez-de-Chaussée - El Biar - Alger	99.94%
BELGIUM		
CONCESSIONS AND SERVICES		
TDGI, S.A.	Avenue Jean-Monnet, 1, 1348 Louvain-La-Neuve - RPM Bruxelles	100.00%
BRAZIL		
CONSTRUCTION		
EMPA, S.A Berlinoise 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	100.00%
CONCESSIONS AND SERVICES		
PAREDÃO de Minas Energia, S.A.	Rua Paraíba, 1000, 12º andar - Parte Bairro Savassi - Belo Horizonte	100.00%
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%

porate name	Head Office	% effective participation
REAL ESTATE		
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, sala 21 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, .tda.	Rua Iguatemi, nº 448, 10° 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, tda.	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%
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%
TDSP - 23 Empreendimentos Imobiliários SPE, Ltda	Rua Iguatemi, nº 448, 10º andar conjunto 1001, sala 26 Itaim Bibi - São Paulo	100.00%
TDSP - 24 Empreendimentos Imobiliários, Ltda	Rua Iguatemi, nº 448, 10º andar conjunto 1001, sala 27 Itaim Bibi - São	100.00%

Corporate name	Head Office	% effective participation
OTHERS		
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 DE VIANA	Calle Caleruega 76, piso 1.°, Oficina 1, 28033 Madrid	100.00%
CONCESSIONS AND SERVICES		
RECOLTE, Servicios Y Medioambiente, S.A. Sociedade Unipersonal.	Calle Caleruega 76, piso 1.°, 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%
GABON		
CONSTRUCTION		
SOMAFEL GABON, SARL Unipersonnelle	Zone Industrielle Owendo, Libreville, Gabon	100.00%
MACAO		
CONSTRUCTION		
TEIXEIRA DUARTE - Engenharia e Construções (Macau), Lda.	Av. Dr. Mário Soares, nº 25, Edifício Montepio Apr. 26 e 28 – 3º andar, Macau	100.00%
MOZAMBIQUE	Macau	
CONSTRUCTION		
TEIXEIRA DUARTE - Engenharia e Construções	Av. 24 de Julho, nº 11, 3º piso, Polana Shopping, Maputo	100.00%
(Moçambique), Lda. CONCESSIONS AND SERVICES		
TDGI - Tecnologia de Gestão de Imóveis, Lda.	Av. 24 de Julho, nº 11, 3º piso, Polana Shopping, Maputo	100.00%
REAL ESTATE	5, 5, 5, 5, 5, 5, 5, 5, 5, 5, 5, 5, 5, 5	
IMOC - Empreendimentos Imobiliários, S.A.	Av. 24 de Julho, nº 11, 3º piso, Polana Shopping, Maputo	99.99%
IMOPAR - Centro Comercial de Maputo, S.A.	Av. 24 de Julho, nº 11, 3º piso, Polana Shopping, Maputo	100.00%
MALANGA - Empreendimentos Imobiliários, S.A.	Av. 24 de Julho, nº 11, 3º piso, Polana Shopping, Maputo	99.75%
HOSPITALITY		
AVENIDA - Empreendimentos Turísticos e Hoteleiros, Lda.	Av. 24 de Julho, nº 11, 3º piso, Polana Shopping, Maputo	100.00%
SOCIEDADE HOTEL TIVOLI, Lda.	Av. 24 de Julho, nº 11, 3º piso, Polana Shopping, Maputo	65.00%
TIVOLI BEIRA - Hotelaria e Serviços, Lda.	Av. 24 de Julho, nº 11, 3º piso, Polana Shopping, Maputo	100.00%
OTHERS		100.000/
INVESTIMOC, S.A.	Av. 24 de Julho, nº 11, 3º piso, Polana Shopping, Maputo	100.00%
PERU		
CONSTRUCTION		
TEIXEIRA DUARTE PERU - Ingeniería y Construcciones, Sociedad Anonima Cerrada	Avenida Arenales, nº 773, Lima	100.00%
VENEZUELA		
CONSTRUCTION		
CONSORCIO BOYACÁ – LA GUAIRA	Av. San Juan Bosco, Edifício Centra Altamira Piso 5, Oficina 54, Urb. Altamira, Caracas	57.20%
TEGAVEN - Teixeira Duarte y Asociados, C.A.	Av. Venezuela del Rosal con Calle, Mohedano, Torre JWM, Piso 5, Of. 5-2, Urb El Rosal - Caracas	100.00%

#### 5 - CHANGES IN THE CONSOLIDATION PERIMETER

During the period ended on December 31st 2023, the company SINERAMA – Organizações Turísticas e Hoteleiras, S.A. left the perimeter, through the disposal of its stake, whereas, in the previous period, it was fully owned by Teixeira Duarte Group.

The impact of these changes was as follows:

Asset	
Intangible Assets (Note 19)	(2)
Tangible fixed assets (Note 20)	(8.541)
Other financial investments at fair value through other comprehensive income(Note 24)	(4)
Inventories (Note 9)	(7)
Clients	(124)
Cash and cash equivalents	(76)
Other non-current assets	(53)
Total assets	(8.806)
Liabilities	
Deferred tax liabilities (Note 26)	1.354
Trade-Creditors	46
Other payable credits	1
Other current liabilities	117
Total liabilities	1.518
Total net	(7.288)

This sale allowed for a plus-value of 4.107 thousand euros (Note 8), having been received, during the period ended on December 31st 2023, the full amount of this sale (Note 29). The equity of Sinerama, as of the date of its sale, was valued at 6.893 thousand euros.

During the period ended on December 31st 2023, the Group also dissolved and constituted the following companies:

# Dissolutions

- Imopedrouços Sociedade Imobiliária, S.A.;
- Tedal Participações e Distribuição, S.A.;
- Tedal II Distribuição e Investimentos, S.A.;
- Tedal III Automóveis e Investimentos, S.A.;
- Tedal IV Participações e Automóveis, S.A.; e,
- Vila Rio 1 Promoção Imobiliária, S.A.

## Incorporations

- TDSP 24 Empreendimentos Imobiliários, Ltda.; e,
- Teixeira Duarte Madeira, S.A.

## 6 - EXCHANGE RATES

The exchange rates used to convert in euros the assets and liabilities expressed in foreign currency on December 31st 2023 and 2022, as well as the earnings of the operations developed in countries where the functional currency is different from the Euro, in the periods ended December 31st 2023 and 2022, were as follows:

_	Closing	g exchange rate		Average exchange rate			
Currency	2023	2022	Variation	2023	2022	Variation	
Venezuelan Bolivar	39.8167	18.6940	(113,0)%	39.8167	18.6940	(113,0)%	
Algerian Dinar	148.6000	146.0527	(1,7)%	146.9944	149.8946	1.9%	
Kuwaiti Dinar	0.3395	0.3261	(4,1)%	0.3324	0.3231	(2,9)%	
Tunisian Dinar	3.3984	3.3054	(2,8)%	3.3487	3.2330	(3,6)%	
Moroccan Dirham	10.8994	11.1246	2.0%	10.9752	10.6729	(2,8)%	
American Dollar	1.1050	1.0666	(3,6)%	1.0816	1.0563	(2,4)%	
Cape Verde Escudo	110.2650	110.2650	-	110.2650	110.2650	-	
CFA Franc BEAC	655.9570	655.9570	-	655.9570	655.9570	-	
Angolan Kwanza	915.9900	537.4380	(70,4)%	740.5947	499.8238	(48,2)%	
Mozambican Metical	71.3400	68.8500	(3,6)%	69.5092	68.1400	(2,0)%	
Peruvian Novo Sol	4.1030	4.0650	(0,9)%	4.0415	4.0727	0.8%	
Macao Pataca	8.8903	8.5658	(3,8)%	8.7216	8.5174	(2,4)%	
Colombian Peso	4.222,6008	5.134,4075	17.8%	4.662,3228	4,499.1632	(3,6)%	
South African Rand	20,5839	18.1057	(13,7)%	19,8802	17.2858	(15,0)%	
Brazilian Real	5,3516	5.5694	3.9%	5,4086	5.4704	1.1%	

# 7 - INFORMATION BY OPERATING SEGMENTS

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

- Construction;
- Concessions and services;
- Real Estate;
- Hospitality;
- Distribution; and,
- Automobile.

The sales and services rendered and the earnings of each operating segment referred to above, in the periods ended December 31st 2023 and 2022, were as follows:

	Sales and services rendered							
	2023			2022			Operating results	
Segment	External clients	Inter- segmental	Total	External clients	Inter- segmental	Total	2023	2022
Construction (Note 31)	511.188	32.515	543.703	529.663	44.874	574.537	(14.361)	(9.810)
Concessions and services	90.137	5.272	95.409	89.353	6.198	95.551	7.857	6.940
Real Estate	21.694	8.423	30.117	58.987	9.073	68.060	31.877	26.532
Hospitality	40,402	794	41.196	35.977	704	36.681	11.752	(1.332)
Distribution	81.972	1.305	83.277	88.770	1.538	90.308	4.571	(1.306)
Automotive	21.856	1.216	23.072	31.128	2.212	33.340	3.924	2.853
Not included in the segments	-	-	-	-	-	-	(7.205)	(5.151)
Removals	-	(49.525)	(49.525)	-	(64.599)	(64.599)	-	-
	767.249	-	767.249	833.878	-	833.878 -	38.415	18.726
Financial costs and losses (Note 14)							(94.671)	(96.727)
Financial income and gains (Note 14)							76.771	66.879
Results related to investment activities results (Note 14)							3.399	972
Results before taxes							23.914	(10.150)

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

## Other Information:

_	Expenses of fixe	Expenses of fixed capital		(Expenses / reversals with depreciation and amortisation		(Losses:/ reversals of impairments of depreciable / amortisable assets and Goodwill		Provisions (Increases / Reductions)	
Segment	2023	2022	2023	2022	2023	2022	2023	2022	
Construction	38.907	9.252	(16.259)	(16.656)	(1.051)	657	(4.355)	(1.286)	
Concessions and services	1.028	455	(525)	(759)	=	-	(74)	247	
Real Estate	12,275	23.439	(2.589)	(3.648)	-	-	(236)	(325)	
Hospitality	8.749	38.343	(8.690)	(10.772)	-	-	(62)	(4)	
Distribution	1.657	9.886	(3.796)	(5.571)	-	(378)	130	(185)	
Automotive	965	414	(392)	(2.402)	-	-	4	(1)	
Not included in the	-	-	(534)	(249)	-	-	-	-	
	63.581	81.789	(32.785)	(40.057)	(1.051)	279	(4.593)	(1.554)	

The assets and liabilities of the segments and their respective reconciliation with the consolidated total on December 31st 2023 and 2022, are as follows:

				As	sets					
		2023				2022			Liabil	ities
Segment	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	2023	2022
Construction	2.279	1.038	1.199.661	1.202.978	2.039	898	1.309.288	1.312.225	959.968	1.004.003
Concessions and services	-	225	83.576	83.801	-	169	100.678	100.847	41.533	53.554
Real Estate	3.701	1.346	1.223.360	1.228.407	3.912	760	1.302.617	1.307.289	504.637	545.160
Hospitality	-	37	311.702	311.739	-	33	329.705	329.738	106.615	125.878
Distribution	-	16	185.222	185.238	-	18	205.819	205.837	76.496	85.910
Automotive	-	1	181.945	181.946	-	1	196.100	196.101	51.089	61.310
Not included in the segments	-	11.548	1.566.303	1.577.851	-	10.825	1.586.861	1.597.686	906.093	832.360
Removals	-	-	(3.253.319)	(3.253.319)	-	-	(3.351.228)	(3.351.228)	(1.277.107)	(1.241.227)
	5 980	1/1 211	1 / 98 / 50	1 518 641	5 951	12 704	1 679 840	1 698 495	1 369 324	1 /66 9/8

The sales and services rendered and the information regarding non-current non-monetary assets, by geographic segment, are broken down as follows for the periods ended on December 31st 2023 and 2022 respectively:

	Sales and services re	ndered	Non-monetary non-current assets	
Geographic segment	2023	2022	2023	2022
Portugal	346.345	285.104	139.425	213.110
Angola	158.391	178.917	428.371	503.865
Brazil	144.251	208.349	11.995	11.542
Mozambique	33.649	34.149	29.127	28.862
Other markets	84.612	127.358	5.627	7.252
	767.249	833.878	614.544	764.631

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

With regard to Sales and services rendered from Other Markets for the period of 2023, the most representative geography is Kuwait, with a contribution of 52.182 thousand euros.

#### 8 - OPERATING INCOME

In the periods ended December 31st 2023 and 2022, the operating results were as follows:

	2023	2022
Sales and services rendered	767.249	833.878
Other operating income:		
Change in the fair value of investment properties (Note 21)	55.536	38.717
Sale of assets (b)	11.720	9.784
Supplementary income	9.033	4.561
Works for own company c)	2.714	770
Indemnity	586	586
Exchange rate differences	-	444
Corrections to previous periods	350	264
Tax refund	-	89
Other operating income d)	25.757	14.598
	105.695	69.813
	872 944	903 691

a) In the period ended December 31st 2023, the change in fair value of investment properties primarily results from the valuation of developments under construction in Portugal, with a contribution of 28.896 thousand euros. The development "Fábrica 1921", in Lisboa, has the main contribution with an increase in fair value of 27.648 thousand euros, as well as assets held by Angolan entities within the Group, with an impact of 26.202 thousand euros (Note 21).

As of December 31st 2022, the change in fair value resulted, almost exclusively, from the valuation of developments under construction in Portugal, with a contribution of 38.522 thousand euros (Note 21).

b) In the period ended December 31st 2023, the revenues indicated were primarily obtained from the sale of tangible fixed assets amounting to 3.761 thousand euros (4.493 thousand euros in the period ended December 31st 2022), with the sale of investment properties amounting to 2.066 thousand euros (2.386 thousand euros on December 31st 2022).

During the course of the year 2023, the Group sold its stake in the company SINERAMA – Organizações Turísticas e Hoteleiras, S.A., recording a capital gain of 4.107 thousand euros. (Note 5).

During the course of the year 2022, the Group sold a portion of its stake in TDPG – Empreendimentos Imobiliários e Hoteleiros, Ltda., recording a capital gain of 2.905 thousand euros.

- c) Work for the company essentially involves the upgrading of equipment.
- d) As part of the simplification of Teixeira Duarte Group's exposure in the Venezuelan geography, a regularisation plan of balances in the respective entities was carried out in 2023. After approval and registration of the exposure regularisation plan in Venezuela, it resulted in an effect of 19.997 thousand euros in Other Operating Income for the Group, as well as a proportion of 3.182 thousand euros in Other Operating Expenses (Note 13) and 9.065 thousand euros in Client Impairments (Note 27).

In the period ended December 31st 2022, this item essentially includes income of 8.468 thousand euros recognised due to contractual non-compliance.

## 9 - COST OF SALES

During the periods ended  $31^{\rm st}$  2023 and 2022 the costs of sales were calculated as follows:

	Raw materials and consumables	Goods	Total
Gross assets:			
Balance on December 31st 2021	11.787	74.368	86.155
Cost for the period	(154.852)	(113.924)	(268.776)
Purchases	155.323	103.755	259.078
Currency conversion adjustments	635	6.538	7.173
Balance on December 31st 2022	12.893	70.737	83.630
Cost for the period	(136.803)	(85.727)	(222.530)
Purchases	138.540	94.076	232.616
Currency conversion adjustments	(828)	(12.376)	(13.204)
Regularisations	(36)	(629)	(665)
Perimeter variation (Note 5)	(7)	-	(7)
Balance on December 31st 2023	13.758	66.082	79.840
Losses due to accumulated impairment in Inventories:			
Balance on December 31st 2021	1.161	1.672	2.832
Increases	400	75	475
Reductions	(109)	(415)	(524)
Regularisations	(32)	(40)	(72)
Currency conversion adjustments	78	329	407
Balance on December 31st 2022	1.498	1.621	3.118
Increases	439	902	1.341
Reductions	(11)	(123)	(134)
Regularisations	-	(21)	(21)
Currency conversion adjustments	(106)	(699)	(805)
Balance on December 31st 2023	1.819	1.679	3.498
Net value on December 31st 2022	11.395	69.116	80.511
Net value on December 31st 2023	11.939	64.403	76.341

## 10 - CHANGE IN PRODUCTION

The statement of change in production that occurred in the periods ended December 31st 2023 and 2022 is as follows:

	Ongoing products	Finished and intermediate	Total
Gross assets:	and works	products	Total
Balance on December 31st 2021	140.598	2.287	142.885
Production changes	18.143	(967)	17.176
		` '	1.269
Regularisations	1.274	(5)	
Currency conversion adjustments	7.303	-	7.303
Perimeter variation	(587)	<del>-</del>	(587)
Balance on December 31st 2022	166.731	1.315	168.046
Production changes	18.802	442	19.245
Regularisations	25.446	-	25.446
Currency conversion adjustments	2.497	-	2.497
Balance on December 31st 2023	213.476	1.757	215.234
Losses due to accumulated impairment in Inventories:			
Balance on December 31st 2021	1.289	195	1.484
Increases	-	51	51
Reductions	(613)	(168)	(781)
Regularisations	28	(4)	24
Balance on December 31st 2022	704	74	778
Increases	-	49	49
Reductions	(671)	(1)	(672)
Regularisations	(11)	-	(11)
Balance on December 31st 2023	22	123	144
Net value on December 31st 2022	166.027	1.241	167.268
Net value on December 31st 2023	213.454	1.634	215.089

As of December 31st 2023 and 2022 inventories are detailed as follows:

	2023	2022
Raw materials and consumables	11.939	11395
Goods	64.403	69.116
Ongoing products and works	213.454	166.027
Finished and intermediate products	1.634	1.241
	291.430	247.779

As of December 31st 2023 and 2022, real estate developments, shown under products and work in progress, are being developed by the following entities:

	2023	2022
TD VIA - Sociedade Imobiliária, S.A.	78.142	53.837
TDSP - Alta Vista III Empreendimentos Imobiliários SPE, Ltda.	28.881	15211
QUINTA DE CRAVEL - Imobiliária, S.A.	25.938	18.290
TDSP - Princesa Isabel Empreendimentos Imobiliários SPE, Ltda.	16.823	8.911
V8 - Gestão Imobiliária, S.A.	16.431	28.997
TDSP - Furnas Empreendimentos Imobiliários SPE, Ltda.	14.806	12.073
TDSP - Fernandes Moreira Empreend Imobiliários SPE, Ltda.	11.075	9.367
TDSP - Costa Junior Empreend Imobiliários SPE, Ltda.	11.015	9.285
TDSP - 21 Empreendimentos Imobiliários SPE, Ltda	5.964	5.490
TDSP - Bela Vista Empreendimentos Imobiliários, Ltda.	2.555	2.412
TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.	1.517	1.437
TDSP - Maria de Jesus Empreendimentos Imobiliários SPE, Ltda.	60	62
TDSP - Carolina Ribeiro - Empreendimentos Imobiliários SPE, Ltda.	-	258
TDSP - Nilo Empreendimentos Imobiliários SPE, Ltda.	-	203
Others	247	194
	213.454	166.027

As of December 31st 2023 and 2022 the following inventories were pledged as collateral for liabilities:

Geography	2023	2022
Portugal	Mortgage 9 Lots Santa Marinha Design District Development	Mortgage 9 Lots Santa Marinha Design District Development
Portugal	Mortgage of 7 Lots Mafamude	Mortgage of 7 Lots Mafamude
Portugal	Mortgage Lot 26 Magnolia Development	Mortgage Magnolia Development
Portugal	Mortgage of Lezíria Park 2 Development, Villa Rio, Jardins da Póvoa and Póvoa Logistics Park	Mortgage of Lezíria Park 2 Development, Villa Rio, Jardins da Póvoa and Póvoa Logistics Park
Brazil	Real estate development condominium Reserva Alta Vista - São Paulo / Brazil (204 autonomous units)	Real estate development condominium Reserva Alta Vista - São Paulo / Brazil (204 autonomous units)
Brazil	Real estate development condominium Princesa Isabel - São Paulo / Brazil (98 autonomous units)	Real estate development condominium Princesa Isabel - São Paulo / Brazil (98 autonomous units)

## 11 - EXTERNAL SUPPLIES AND SERVICES

In the periods ended December 31st 2023 and 2022 the external supplies and services are broken down as follows:

	2023	2022
Subcontracts	170.582	168.812
Expert services	25.361	26.509
Hire and rental charges	29.905	40.114
Maintenance and repair	16.670	12.127
Fuel	8.514	11.271
Transports of goods	11.450	8.579
Surveillance and security	4.176	5.115
Travels and accommodation	4.710	4.092
Transportation of personnel	2.374	3.238
Electricity	4.258	4.816
Advertising	3.043	1.886
Fees	842	1.280
Others	52.852	57.349
	334 737	345 187

In the periods ended on December 31st 2023 and 2022, the "Subcontracts" item primarily refers to expenses incurred with subcontractors associated with the execution of construction contracts that the Group was undertaking, representing approximately 50% of the total External Supplies and Services as of December 31st 2023.

The "Hire and rental" item corresponds to December 31st 2023, and 2022, mainly to costs related to equipment rental for the execution of ongoing contracts.

# 12 - PERSONNEL EXPENSES

The average number of employees in the periods ended December 31st 2023 and 2022, by operating segment, was as follows:

	2023	2022
Construction	5.182	5.335
Concessions and services	1.463	1.471
Real Estate	217	215
Hospitality	1.135	1.016
Distribution	1.113	1.072
Automotive	276	269
Not allocated the segments	8	9
	9.396	9.387

The item "staff costs", in the periods ending December 31st, 2023 and 2022, has the following composition

	2023	2022
Normal remunerations	101.895	104.565
Other remunerations	56.332	48.817
Charges with remunerations	28.938	27.029
Insurances	1.386	2.039
Other expenses with staff	23.553	19.636
	212 115	202 086

## 13 - OTHER OPERATING EXPENSES

Other operating expenses in the periods ended December 31st 2023 and 2022 were as follows:

	2023	2022
Change in the fair value of investment properties (Note 21)	16.289	31.986
Taxes d)	8.144	6.970
Losses incurred in asset divestment (a)	2.824	1.509
Prior periods corrections	360	582
Uncollectible debts	1.027	255
Inventory losses	56	178
Operating exchange rate differences	5.642	-
Other operating expenses c)	7.602	6.285
	41.944	47.765

a) As of December 31st 2023, the decrease in fair value in investment properties is primarily due to reductions observed in the Closed Real Estate Investment Fund TDF amounting to 16.075 thousand euros (22.913 thousand euros in 2022).

As of December 31st 2022, assets held by Angolan entities within the Group also contributed with a negative impact of 6.953 thousand euros (Note 21).

b) The losses indicated were incurred from the sale of tangible fixed assets and investment properties amounting to 2.824 thousand euros (277 thousand euros in 2022)

In the period ended December 31st 2022, the Group recorded a loss resulting from the dissolution of subsidiaries "TDRE INVESTMENTS, LLC.", "SMOTORS, S.A.", and "TDAP – Atividades Portuárias, S.A." totalling 1.232 thousand euros.

c) Other operating expenses include balance regularisations made by the Company as part of the simplification of Teixeira Duarte Group's exposure in Venezuela, totalling 3.182 thousand euros.

The item "Taxes" includes expenses with direct and indirect taxes and fees incurred in the course of the Group's business.

#### 14 - FINANCIAL RESULTS

The financial results of the periods December 31st 2023 and 2022, were as follows:

	2023	2022
Financial costs and losses:		
Interests paid	(49.825)	(31.079)
Unfavourable exchange rate differences b)	(33.057)	(52.587)
Other financial expenses and losses	(11.789)	(13.061)
	(94.671)	(96.727)
Financial income and gains:		
Interests earned	13.725	7.302
Favourable exchange rate differences b)	61.793	59.012
Other financial income and gains	1.254	565
	76.772	66.879
Investment activities results:		
Income related to associates and joint-ventures c)	501	394
Dividends d)	2.938	1.645
Other investments e)	(41)	(1.067)
•	3.398	972
Financial results	(14.501)	(28.876)

- a) The interests paid item primarily relates to interests paid on bank loans amounting to 23.618 thousand euros, interest paid on commercial paper amounting to 17.216 thousand euros, and other interest of 8.991 thousand euros (and in 2022, in the amounts of 16.282 thousand euros, 7.791 thousand euros, and 5.217 thousand euros, respectively).
- b) The net exchange rate differences, recorded in the periods ended on December 31st 2023 and 2022, concern payments and receipts, as well as exchange rates updates in balances, registered currencies different from euro;
- c) The results related to associated companies and joint ventures, the periods ended on December 31st 2023, and 2022, include the effect of the application of the equity method to these investments (Note 23); and,
- d) The amounts presented in 2023 and 2022 correspond to dividends received from "Financial assets at fair value through other comprehensive income" and "Assets held for sale."
- e) As of December 31st 2022, the "Other Investments" item included losses and impairment reversals of "Other financial investments at fair value through other comprehensive income" and the sale of "BONAPARTE," which was classified as "Non-current assets held for sale."

In the periods ended December 31st 2023 and 2022 there was no capitalisation of interests in the purchase cost of qualifying assets.

## 15 - INCOME TAX

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

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

The "TD, SA" and most of its subsidiaries with head office in Portugal are subject to Corporate Tax (IRC), at the rate of 21%, on the taxable amount. Entities with reportable profit are also subject to the Municipal Surcharge, whose rate may vary to the maximum of

1,5%, as the State Surcharge, applicable to taxable profit exceeding EUR 1.500, 7.500 and EUR 35.000, at the rates of 3%, 5% and 9%, respectively.

These entities are also subjected to autonomous taxation, on fees and expenditure, charges and expenses provided for in Article 88 of the Corporate Income Tax Code.

According to the Corporate Income Tax Code, tax losses incurred in tax periods from 2017 onwards are deductible from taxable profits of one or more of the five subsequent tax periods.

Due to changes adopted in the context of the COVID-19 pandemic, tax losses incurred in the tax periods of 2020 and 2021 are deductible for twelve tax periods.

The deduction of carry forward tax losses is limited to 70% of the taxable profit for each period. This limit is increased by 10 percentage points when it results from the deduction of tax losses incurred in the tax periods of 2020 and 2021.

It should be noted that, following the approval of the State Budget Law for 2023, which entered into force on January 1<sup>st</sup> 2023, tax losses available for carry forward as of that date are now subject to an unlimited carry forward period, although their deduction is now limited to 65% of the taxable profit for each period (with the 10 pp increase remaining applicable when the deduction involves tax losses incurred in the tax periods of 2020 and 2021)

According to current legislation, tax returns in Portugal are subject to review and correction by the tax authorities for a period of four years, except where there has been deduction of tax losses, or inspections, ongoing complaints or challenges, cases where, depending on the circumstances, that period may be extended or suspended.

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

The Board of Directors considers that any corrections resulting from tax revisions/inspections to those statements will not have a significant effect on the financial statements reported on December 31st 2023.

The "Period Income Tax" recorded in the income statement represents the sum of the current and deferred tax, being the latter the recognition of temporary differences between the accounting and tax results, as provided for in IAS 12 - Income taxes.

In 2022, the European Union adopted Directive 2022/2523 to ensure a minimum global level of taxation for multinational groups of companies and large national groups, which translates into an effective minimum tax rate of 15% on profits, regardless of the country where those profits are generated. Based on preliminary analyses and consolidated revenues, it is expected that TEIXEIRA DUARTE S.A. will be subject to the application of this new tax regulation (also known as Pillar II), which will apply from January 1st 2024, in some jurisdictions where it operates. Portugal did not meet the deadline for transposing the Directive; however, it is expected that this transposition will occur during the year 2024 and that the rules will already have an effect this year.

Therefore, since the legislation on Pillar II is not in force at the date, it did not have any impact in 2023 on current income tax.

Regarding the recognition and disclosure of information about deferred tax assets and liabilities related to the future adoption of the new rules, the Group applied the exception to their recognition and disclosure, as provided for in the revision to IAS 12 issued in May 2023.

Finally, TEIXEIRA DUARTE S.A. is analysing the legislation already published and any potential impacts that may arise, awaiting the transposition of these rules.

However, no material impacts are anticipated, particularly in terms of paying an additional tax.

The income taxes recognised in the periods ended December 31st 2023 and 2022, are as follows:

	2023	2022
Current tax:		
Income tax in Portugal	(4.770)	(12.505)
Income tax in other jurisdictions	(5.801)	(8.814)
Current tax	(10.571)	(21.319)
Deferred tax (Note 26)	(16.332)	16.573
	(26.903)	(4.747)

Additionally to the amounts of deferred taxes recorded directly in the consolidated results statements, were registered directly in equity deferred taxes of an amount of (30.152) thousand euros, in the period ended December 31st 2023 (10.151) thousand euros on December 2022) (Note 26).

As of December 31st 2023 and 2022 the reconciliation between the nominal and effective income tax rate can be presented as follows:

	2023		2022	
	Yield %	Tax	Yield %	Tax
Profit/(loss) before taxation		23.914		(10.150)
Nominal rate and tax on income	21.0%	(3.507)	21.0%	(10.103)
Tax rate differential from other countries	(24,3)%	(5.801)	85.3%	(8.661)
Earnings from associated companies and joint ventures (equity method)	0.4%	105	(0,8)%	83
Tax losses generated in the year for which deferred tax assets were not recognised	1.9%	455	(17,1)%	1.737
Difference between capital gains and losses for tax and accounting purposes	12.4%	2.975	1.5%	(148)
Expenses not accepted for tax purposes	(46,3)%	(11.078)	(40,7)%	4.135
Autonomous taxation	(1,4)%	(346)	4.4%	(447)
Municipal tax	(3,8)%	(917)	21.1%	(2.146)
Differences in estimates	3.4%	818	(10,7)%	1.086
Other tax components	28.1%	6.724	67.5%	(6.855)
Deferred tax for the year	(68,3)%	(16.332)	(163,3)%	16.573
Effective rate and income tax	112.5%	(26.903)	46.8%	(4.747)

## 16 - EARNINGS PER SHARE

Earnings per share in the periods ended December 31st 2023 and 2022 were calculated considering the following amounts:

	2023	2022
Result to estimate the basic net result by share (net result of period)	(11.750)	(13.267)
Weighted average number of shares for the purposes of calculating basic earnings per share (thousand)	420.000	420.000
Basic net result per share	(0.03)	(0.03)

Given that in the periods ended on December 31st 2023 and 2022 there are no diluting effects of the earnings per share, the diluted earnings per share is equal to the basic earnings per share.

#### 17 - DIVIDENDS

The Shareholders General Assembly held on May 24<sup>th</sup> 2023 decided the non-distribution of dividends, taking into consideration the separated financial statements of the Company on December 31<sup>st</sup> 2022.

No dividends were distributed for the year ended December 31st 2023, relative to the period of 2022.

#### 18 - GOODWILL

During the periods ended on December 31st 2023 and 2022 the movements occurred in the values of Goodwill determined in the acquisition of subsidiary companies, as well as their accumulated impairment losses, were as follows:

	2023	2022
Gross assets:		
Opening balance	28.999	27.503
Increases / Acquisitions	690	1.470
Currency conversion adjustments	(98)	26
Closing balance	29.591	28.999
Accumulated impairment losses	(15.255)	(15.255)
Net assets:	14.336	13.744

The values of the Goodwill as of December 31st 2023 and 2022 refer to the following entities:

Participated company:	Operating segment	2023	2022
EPOS - Empresa Portuguesa de Obras Subterrâneas, SA	Construction	12.107	12.107
SOMAFEL - Engenharia e Obras Ferroviárias, S.A.	Construction	1.470	1.470
TD VIA - Sociedade Imobiliária, S.A.	Real Estate	690	-
AUTO COMPETIÇÃO ANGOLA (SU), Lda.	Automotive	69	167
		14.336	13.744

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 to 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:

		2023		2022		
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%	1.50%	12.107	9.1%	1.50%
SOMAFEL - Engenharia e Obras Ferroviárias, S.A.	1.470	8.8%	1.50%	1.470	8.2%	1.50%
TD VIA - Sociedade Imobiliária, S.A.	690	9.0%	1.50%	-	-	-
Auto Competição Angola, Lda.	69	15.8%	1.00%	167	15.8%	1.00%
	14.336			13 744		

It is worth mentioning that the Goodwill related to each of the associated companies and joint ventures is an integral part of the value of the respective investments.

## 19 - INTANGIBLE ASSETS

During the periods ended December 31st 2023 and 2022, the movements in tangible fixed assets, as well as in the respective depreciations and accumulated impairment losses, are shown on the following table:

	Industrial Property	Others	Intangible assets ongoing	Advances on account	Total
Gross assets:					
Balance on December 31st 2021	75.988	60	2.235	3.303	81.586
Purchases	8.206	-	58	-	8.264
Disposals	(1.335)	-	-	-	(1.335)
Transfers and write-offs	(7.827)	537	(1.566)	(3.907)	(12.763)
Currency conversion adjustments	2317	(27)	207	604	3.101
Perimeter variations	(11)	-	-	-	(11)
Balance on December 31st 2022	77.337	570	934	-	78.842
Acquisitions	190	-	686	-	876
Disposals	(36)	-	-	-	(36)
Transfers and write-offs	(785)	985	-	-	200
Reclassifications	939	-	(937)	-	2
Currency conversion adjustments	(9.989)	60	1	-	(9.928)
Perimeter variation (Note 5)	(4)	-	-	-	(4)
Balance on December 31st 2023	67.653	1.615	684	-	69.952
Amortisations and losses for accumulated impairments:					-
Balance on December 31st 2021	52.335	59	-	-	52394
Increases	1.208	-	-	-	1.208
Disposals	(216)	-	-	-	(216)
Transfers and write-offs	(3.117)	-	-	-	(3.117)
Currency conversion adjustments	749	2	-	-	751
Balance on December 31st 2022	50.959	61	_	_	51.020
Increases	1.344	-	-	-	1.344
Disposals and reductions	-	-	-	-	-
Transfers and write-offs	1.349	(31)	-	-	1.318
Currency conversion adjustments	(2.348)	(4)	-	-	(2.352)
Perimeter variation (Note 5)	(2)	-	-	_	(2)
Balance on December 31st 2023	51.302	26	-	-	51.329
Net amount:					
On December 31st 2022	26.378	509	934	-	27.822
On December 31st 2023	16.351	1.589	684	-	18.623

As of December 31st 2023 the "Industrial Property" item shows an amount of 8.576 thousand euros related to surface rights.

As of December 31st 2023, the write-offs in Industrial Property refer mostly to the regularisation of a revaluation made by Teixeira Duarte Engenharias e Construções S.A. (Angola Branch) regarding surface rights of the Viana Operational Hub land.

# 20 - TANGIBLE FIXED ASSETS

During the periods ended December 31st 2023 and 2022 the movements occurred in tangible fixed assets, as well as their respective depreciations and accumulated impairment losses, were as follows:

	Land and natural resource s	Buildings and other constructio ns	Basic equipment	Transport equipment	Administrativ e equipment	Other tangible fixed assets	Tangible fixed assets ongoing	Advance on account for tangible fixed assets	Total
Gross assets:									
Balance on December 31st 2021	14.312	898.368	323.479	41.147	19.292	4.622	2.742	43	1.304.005
Acquisitions	-	27.998	5.579	2.115	654	128	12.531	17	49.022
Revaluations	11.783	72.331	-	-	-	-	-	-	84.114
Disposals	(414)	(2.292)	(13.735)	(1.053)	(174)	-	-	-	(17.668)
Transfers and write-offs	60	(14.940)	(9.698)	(1.875)	(1.050)	(1.077)	(2.855)	(13)	(31.448)
Transfer to Non-current assets held for sale	-	(97.255)	-	-	-	-	-	-	(97.255)
Currency conversion adjustments	1.276	148.180	11.890	3.487	1.631	340	(87)	4	166.721
Balance on December 31st 2022	27.017	1.032.390	317.515	43.821	20.353	4.013	12.330	51	1.457.490
Acquisitions	-	3.316	31.201	1.806	810	102	9.485	-	46.720
Revaluations	13.421	312.532	-	-	-	-	-	-	325.953
Disposals	(115)	(451)	(13.589)	(963)	(159)	(14)	-	-	(15.290)
Transfers and write-offs	108	16.326	(5.309)	(701)	138	55	(13.817)	-	(3.200)
Currency conversion adjustments	(7.400)	(388.313)	(17.854)	(6.292)	(3.782)	(1.293)	(4.436)	(21)	(429.391)
Perimeter variation (Note 5)	(1.576)	(23.969)	(850)	-	(55)	(139)	-	-	(26.589)
Balance on December 31st 2023	31.457	951.831	311.114	37.670	17.305	2.724	3.561	30	1.355.693
Depreciations and losses for accumulated depreciations:									
Balance on December 31st 2021	-	489.701	296.353	34.688	17.274	2.436	-	-	840.452
Revaluations	-	96.292	-	-	-	-	-	-	96.292
Increases	-	19.451	11.154	2.237	810	641	-	-	34.293
Reductions	-	(1.421)	(976)	(65)	(11)	-	-	-	(2.473)
Disposals	-	(2.531)	(13.510)	(947)	(544)	(23)	-	-	(17.555)
Transfer to Non-current assets held for sale	-	(51.203)	-	-	-	-	-	-	(51.203)
Transfers and write-offs	-	(6.822)	(4.554)	(1.369)	(850)	(159)	-	-	(13.754)
Currency conversion adjustments	-	76.720	9.575	2.788	1.368	268	-	-	90.719
Balance on December 31st 2022	-	620.187	298.042	37.332	18.047	3.163	-	-	976.771
Revaluations	45	208.293	-	-	-	-	-	-	208.337
Increases	-	12.605	10.672	1.698	710	1.176	-	-	26.860
Reductions	-	(244)	-	(43)	(1)	-	-	-	(288)
Disposals	-	(1.302)	(12.732)	(936)	(249)	(14)	-	-	(15.234)
Transfers and write-offs	-	2.711	(3.782)	298	528	(967)	-	-	(1.213)
Currency conversion adjustments	-	(225.523)	(16.401)	(4.749)	(3.408)	(862)	-	-	(250.944)
Perimeter variation (Note 5)	-	(17.245)	(648)	-	(43)	(111)	-	-	(18.048)
Balance on December 31st 2023	45	599.481	275.150	33.598	15.583	2.385	-	-	926.243
Net amount:									
On December 31 <sup>st</sup> 2022	27.017	412.203	19.472	6.489	2.306	849	12.330	51	480.719
On December 31 <sup>st</sup> 2023	31.413	352.349	35.963	4.072	1.723	339	3.561	30	429.451

Additions of tangible fixed assets in the period ended December 31st 2023 are essentially related to equipment.

On December 31st 2023, the amount of tangible fixed assets ongoing is, essentially, related to buildings and other constructions ongoing and equipment.

As a result of the evaluations carried out December 31st 2023, the tangible fixed assets registered a revaluation of 117.616 thousand euros, being the main impact felt on the assets set in Angola which recorded a revaluation of 114.829 thousand euros. This revaluation of assets registered an impact on Equity ("real estate revaluation reserve") of 88.017 thousand euros. It is worth noting that the effect of these revaluations on Equity contrasts with the negative impact of 92.938 thousand euros, which had a significant impact in the Angolan geography, primarily resulting from the devaluation of the Kwanza against the dollar, the currency used by experts for the valuation of properties.

According to IAS 16, after initial recognition, tangible fixed assets can be measured in accordance with two models:

- Cost model; and,
- Revaluation model.

On December 31st 2023 and 2022, the Group adopted the revaluation model for the restricted set of tangible fixed assets.

Revaluations should be carried out with sufficient regularity to ensure that the carrying amount does not materially differ from the corresponding fair value at the reporting date (IAS 16:31).

As of December 31st 2023, the impact of the revaluation of the aforementioned tangible fixed assets was as follows:

	2023						
Tangible fixed assets	Gross assets:	Accumulated depreciation	Net value	Valuation value	Impact on revaluation	Deferred taxes	Impact on net revaluation
Hotels							
Angola	335.201	(214.482)	120.718	194.480	73762	(18.441)	55.322
Mozambique	32.408	(15.635)	16.774	19.560	2.787	(892)	1.895
	367.609	(230.117)	137.492	214.041	76.549	(19.332)	57.217
Stores in the Distribution sector							
Angola	103.509	(38.127)	65.382	102.213	36831	(9.208)	27.623
	103.509	(38.127)	65.382	102.213	36.831	(9.208)	27.623
Stores in the Automotive sector							
Angola	79.664	(73.036)	6.628	10.864	4.236	(1.059)	3.177
	79.664	(73.036)	6.628	10.864	4.236	(1.059)	3.177
	550.782	(341.280)	209.502	327.118	117.616	(29.599)	88.017

#### 21 - INVESTMENT PROPERTIES

During the periods ended December 31st 2023 and 2022 the movement occurred in investment properties was as follows:

	2023	2022
Opening balance	217.393	271.308
Increases	11.447	21.838
Disposals	(107.704)	(95.145)
Reclassifications	(130)	(966)
Change in fair value (Note 8 and 13)	39.247	6.731
Currency conversion adjustments	(26.922)	13.627
Closing balance	133.332	217.393

During the periods ended December 31st 2023 and 2022 the variation of the fair value of the investment properties, by geography, was as follows:

	2023	2022
Portugal	12.822	15.742
Angola	26.179	(8.859)
Mozambique	246	(152)
	39.247	6.731

In the period ended December 31st 2023, the variation of the investment properties fair value results mainly of the evaluation of the investment properties held by the Angolan entities of the Group, as well as the real estate development "Fábrica 1921", in Lisboa.

It is also worth mentioning that the net variation of the investment properties fair value of an amount of 39.247 thousand euros, on December 31st 2023 (6.731 thousand euros on December 31st 2022) results from the recognition of operating income of 55.536 thousand euros on December 31st 2023 (38.717 thousand euros on December 31st 2022) (Note 8) and of operating costs of 16.289 thousand euros on December 31st 2023 (31.986 thousand euros on December 31st 2022), costs which correspond to the works carried out during the periods under analysis.

The change in the fair value of these assets, which had a positive impact on the results of 26.179 thousand euros in the Angolan geography, mainly resulted from the devaluation of the Kwanza against the dollar, the currency used by experts for the valuation of properties. Additionally, the mentioned effect was offset by the negative impact on Equity in the amount of 24.864 thousand euros.

The income from investment properties amounted to 1.487 thousand euros for the period ended December 31st 2023 (3.805 thousand euros eon December 31st 2022) and the direct operating expenses related to investment properties for the period ended on December 31st 2023 amounted to 2.095 thousand euros (1.600 thousand euros on December 31st 2022).

The fair value of each investment property in operation is periodically determined through valuations conducted by specialised and independent entities and in accordance with generally accepted valuation methodologies for the real estate market, including income approach, market comparison approach, or cost approach, depending on the specific circumstances 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 5% and 10%;
- Average of the comparative and multiples of income method;
- Average of the comparative method and of the cost.

IAS 40 - Investment Properties ("IAS 40") does not require determining the fair value of investment properties based on a valuation by an independent appraiser. As of December 31st 2023 and 2022 all investment properties were assessed by independent appraisers with relevant and recognised professional qualifications and recent experience in the location and category of the investment property being valued.

These appraisers utilized common methodologies in this market, which include the income approach, cost approach, or market comparison approach, depending on the specific circumstances of each property. Considering that the assets are leased, the income approach was used, taking into account the other methods to assess the reasonableness of the results achieved by that method. According to this approach, the current lease incomes and circumstances were utilised, and upon the expiration of those leases, the use of an adapted yield for each property was considered.

### 22 - RIGHTS OF USE

During the periods ended December 31st 2023 and 2022 the movements in the right-of-use asset account due to the application of IFRS 16 are as follows:

	Buildings and other	Basic	Transport	Administrative	
Gross asset:	constructions	equipment	equipment	equipment	Total
Balance on January 1st 2022	38.740	5.200	2.555	733	47.228
Purchases	394	2.164	107	-	2,665
Transfers and write-offs	(3.628)	(2.224)	(699)	(17)	(6.568)
Currency conversion adjustments	994	145	8	-	1.147
Balance on December 31st 2022	36.500	5285	1.971	716	44.472
Purchases	1.469	1151	1851	66	4538
Transfers and write-offs	(7.057)	(129)	(605)	(437)	(8.228)
Currency conversion adjustments	(1.056)	-	-	_	(1.056)
Balance on December 31st 2023	29.857	6.307	3.218	346	39.727
Depreciations and losses for accumulated					
Balance on January 1st 2022	12.553	2.581	1.045	309	16.489
Increases	4.851	1.282	429	188	6.750
Transfers and write-offs	(2.081)	(1.823)	(202)	(13)	(4.119)
Currency conversion adjustments	389	11	-	-	400
Balance on December 31st 2022	15.712	2.051	1.272	484	19.520
Increases	3.582	1.488	757	92	5.920
Transfers and write-offs	(3.382)	(83)	(215)	(289)	(3.969)
Currency conversion adjustments	(546)	-	-	-	(546)
Balance on December 31st 2023	15.367	3.457	1.815	286	20.925
Net amount:					
On December 31st 2022	20.787	3.234	700	232	24.953
On December 31st 2023	14.490	2.850	1.403	59	18.802

# 23 - INVESTMENTS IN ASSOCIATES AND JOINT-VENTURES

The associated companies and joint-ventures that on December 31st 2023 were registered by the equity method are the following:

Corporate name	Head Office	% effective participation
ADVANTAGE - Distribuição de Seguros, Lda	Av. Almirante Gago Coutinho nº 164, 1700-033 Lisboa	50,00%
ALVORADA PETRÓLEO, S.A.	Rua Paraíba, nº 1000, sala 1518 15º andar – Bairro Funcionário Belo Horizonte - Minas Gerais - Brasil	43,21%
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, Equador	20,00%
CONSORCIO OPSUT 2010	Calle 4, Casa nº 4, Urbanizacion Los Laureles, Valle de la Pascoa - Venezuela	51,00%
DOURO LITORAL, A.C.E.	Edifício 2, Lagoas Park - Porto Salvo	40,00%
GRUAÇORES, LIMITADA	Estrada Regional nº 3 - 1º, N57Rabo de Peixe, São Miguel, Açores	21,2%
MESOFER, A.C.E.	Rua Mário Dionísio, nº 2 , 2799-557 Linda-a-Velha	36,50%
METROLIGEIRO - Construção de Infraestruturas, A.C.E.	Rua Abranches Ferrão, nº 10 - 5º F - Lisboa	26,80%
SOMEFER, A.C.E.	Edifício 2, Lagoas Park - Porto Salvo	36,50%
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%
TDPG - Empreendimentos Imobiliários e Hoteleiros, Lda.	Rua Irene Ramos Gomes de Matteo, nº 97 - Casa 097 Pina - Recife	20,00%

The investments in affiliates and joint-ventures had the following movements in the periods ended on December 31st 2023 and 2022:

	Equity holdings	Goodwill	Total
Balance on January 1st 2022	8.908	-	8.908
Effect of the application of the equity method:			
- in the result of the period (Note 14)	394	-	394
- in equity	304	-	304
Dividends	(153)	-	(153)
Other	36	-	36
Currency conversion adjustments	287	-	287
Transfer for assets held for sale:	(3.863)	-	(3.863)
Perimeter variations	38	-	38
Balance on December 31st 2022	5.951	-	5.951
Balance on January 1st 2023	5.951	-	5.951
Increases	11	-	11
Effect of the application of the equity method:			
- in the result of the period (Note 14)	501	-	501
Dividends	(411)	-	(411)
Other	(63)	-	(63)
Currency conversion adjustments	(8)	-	(8)
Balance on December 31st 2023	5.980	-	5.980

The detail of the investments in affiliates and joint-ventures on December  $31^{\rm st}$  2023 and 2022 is as follows:

		2023			2022		
Associated and joint-ventures	Equity holdings	Goodwill	Value of financial position	Equity holdings	Goodwill	Value of financial position	
TDE - Empreendimentos Imobiliários, SA	3.414	-	3.414	3.449	-	3.449	
Douro Litoral, ACE	2.043	-	2.043	1.516	-	1.516	
Consórcio Puente Daule Guayaquil	227	-	227	523	-	523	
Others	296	-	296	463	-	463	
	5.980	-	5.980	5.951	-	5.951	

The aforementioned investments are accounted for using the equity method, which, for the periods ended on December 31st 2023 and 2022, had the following impacts:

	2023						
Associated and joint-ventures	Gains / Losses in associates and joint ventures (Note 14)	Adjustments of capital shares	Dividends	Total			
ADVANTAGE - Distribuição de Seguros, Lda	94	-	(200)	(106)			
ALVORADA PETRÓLEO, S.A.	(75)	-	-	(75)			
Consórcio Puente Daule Guayaquil	(10)	-	(211)	(221)			
DOURO LITORAL, ACE	527	-	-	527			
TDE - Empreendimentos Imobiliários, SA	(35)	-	-	(35)			
Others	(1)	-	-	(1)			
	501	-	(411)	90			

	2022						
Associated and joint-ventures	Gains / Losses in associates and joint ventures (Note 14)	Adjustments of capital shares	Dividends	Total			
ALVORADA PETRÓLEO, S.A.	(57)	-	-	(57)			
Consórcio Puente Daule Guayaquil	(159)	-	(61)	(220)			
TDE - Empreendimentos Imobiliários, SA	(46)	-	-	(46)			
TDGISERV Services, LLC	335	304	-	639			
Others	321	-	(92)	229			
	394	304	(153)	545			

The primary financial information regarding the associated companies and joint ventures as of December 31st 2023 and 2022 is as follows:

	T-4-1 -		T-4-1111-	L 1845	T-4-14		The Group's	
	Total as 2023	2022	Total Lia	2022	Total net 2023	2022	net ass 2023	2022
ALVORADA PETRÓLEO, S.A.	827	1.006	734	747	93	259	40	112
Consórcio Puente Daule Guayaquil	1.284	2.830	150	213	1134	2.617	227	523
Douro Litoral, ACE	5.738	4.612	631	823	5.107	3.789	2.043	1.516
TDE - Empreendimentos Imobiliários, S.A.	19.061	18.472	12.232	11.574	6.829	6.898	3.414	3.449
Others	4.115	6.489	3.509	5.394	606	1.095	256	351
	31 025	33 100	17 256	18 751	13 760	1/1 658	5 080	5 051

#### 24 - OTHER FINANCIAL INVESTMENTS

As of December 31st 2023 and 2022 the detail of the other financial investments is as follows:

	2023	1	2022		
	Non-current	Current	Non-current	Current	
Financial assets at fair value through other comprehensive income:					
Aginyo Inversiones Y Gestiones Inmobiliarias S.L.	10.423	-	10.045	-	
Banco Comercial Português, S.A.	1.829	-	976	-	
Kuikila Investments, Lda.	544	-	564	-	
Matadouro de Macau, S.A.R.L.	317	-	317	-	
ILTA - Urbanizadora da Ilha de Tavira, S.A.	86	-	83	-	
Macau CPM Holdings	86	-	86	-	
EIA - Ensino, Investigação e Administração, S.A.	73	-	31	-	
Others	854	-	592	10	
	14.211	-	12.694	10	
Financial assets at amortised cost					
Public Debt Securities of the Government of the People's Republic of	-	-	3.300	-	
	-	-	3.300	-	
	14.211	-	15.994	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 with the frequency set forth in the applicable regulations.

For the remaining financial assets mentioned above (shares in unlisted companies), the Board of Directors of the Group deemed that their acquisition cost, deducted, if necessary, of their respective impairment losses, corresponded to the best estimate of their fair value as of December 31st 2023.

In the periods ended December 31st 2023 and 2022 the movement occurred in financial investments was as follows:

	2023	2023		!
	Non-current	Current	Non-current	Current
Opening balance	15.994	10	14.195	10
Increases	262	-	77	-
Reductions	(3.296)	(10)	-	-
Variation of the fair value	853	-	37	-
Other variations	44	-	25	-
Perimeter variation (Note 5)	(4)	-	-	-
Currency conversion adjustments	358	-	1.660	-
Closing balance	14.211	-	15.994	10

### 25 - NON-CURRENT ASSETS AND LIABILITIES HELD FOR SALE

As of December 31st 2023 and 2022 the non-current assets and liabilities held for sale are detailed as follows:

	2023	2022
Assets held for sale:		
Tangible fixed assets	45.936	46.988
Investments in associated companies	3.302	3.863
Other investments	5	5
Total assets held for sale:	49.243	50.856
Liabilities held for sale:		
Deferred tax liabilities	8.528	9.230
Total liabilities held for sale:	8.528	9.230
Total net	40.714	41.626

On December 31st 2023 it is classified as "Non-Current Assets Held for Sale for Sale", of an amount of 45.000 thousand euros, regarding the Talatona Automotive Hub, being the remnant of the subsidiaries "TDGISERV Services, LLC" and "AEBT – Auto-Estradas do Baixo Tejo, S.A.", as well as a set of environmental equipment.

As of December 31st 2023, the amount of 8.528 thousand euros related to the Talatona Automotive Hub is classified as "Non-current Liabilities Held for Sale."

# 26 - DEFERRED TAXES

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

The movement occurred on the assets and liabilities by deferred tax for the periods ended December 31st 2023 and 2022, according to the temporary differences which generated them, is as follows:

	2023							
			Establish	ment	Revers	Reversal		
	Opening balance	Perimeter variation (Note 5)	Net income (Note 15)	Equity (Note 15)	Net income (Note 15)	Equity (Note 15)	Currency conversion and	Closing balance
Deferred tax assets:								
Inventory impairments	492	-	256	-	(170)	-	(14)	564
Clients' impairments	4.678	-	97	-	(2.136)	-	-	2.639
Impairments of financial assets at fair value through other comprehensive income	105.648	-	-	-	(2.705)	(187)	-	102.756
International double taxation credit	13.772	_	956	-	(1.128)	-	(2.514)	11.086
Reportable tax losses	25.642	-	6.155	-	(9.765)	-	(1.395)	20.637
Provision for losses in works	750	-	54	-	(55)	-	(231)	518
Others	14056	-	5.312	-	(7.456)	608	4.857	17.377
	165.038	-	12.830	-	(23.414)	421	703	155.577
Deferred tax liabilities:								
Investment properties	14.977	-	6.545	160	(66)	-	(7.744)	13.872
Revaluations of tangible fixed assets	71.832	(1.293)	-	29.599	(1.537)	-	(30.395)	68.206
Others	14.856	(61)	5.128	822	(4.323)	(8)	(6.587)	9.827
	101665	(1.354)	11.673	30.581	(5.926)	(8)	(44.726)	91.905

	2022							
		Establish	nment	Rever	rsal			
	Opening balance	Net income (Note 15)	Equity (Note 15)	Net income (Note 15)	Equity (Note 15)	Currency conversion and adjustments	Transfer to non-current liabilities held for sale	Closing balance
Deferred tax assets:								
Inventory impairments	596	386	-	(493)	-	3	-	492
Clients' impairments Impairments of financial assets at fair	4.864	5.580	-	(5.781)	-	15	-	4.678
value through other comprehensive income	106.685	-	-	(1.023)	(14)	-	-	105.648
International double taxation credit	12.169	2.466	-	(1.821)	-	958	-	13.772
Reportable tax losses	24.460	12.780	-	(824)	-	(10.774)	-	25.642
Provision for losses in works	894	189	-	(349)	-	16	-	750
Others	16.524	3.702	-	(727)	(60)	(5.383)	-	14.056
	166.192	25.103	-	(11.018)	(74)	(15.165)	_	165.038
Deferred tax liabilities:								
Income taxable in future periods	314	-	-	-	-	(314)	-	-
Investment properties	14.495	3.033	-	(2.617)	-	66	-	14.977
Revaluations of tangible fixed assets	75.711	3.122	19.125	(5.360)	(9.048)	(2.488)	(9.230)	71.832
Others	12.357	357	-	(1.023)	-	3.165	-	14.856
	102.877	6.512	19.125	(9.000)	(9.048)	429	(9.230)	101.665

According to the tax returns of the companies recording deferred tax assets for tax losses, as of December 31st 2023 and 2022, they were reportable as follows:

	202	23	202	22
	Calculated tax loss	Deferred tax asset	Calculated tax loss	Deferred tax asset
Generated in 2015	3.086	676	-	-
Generated in 2016	14.097	3.163	31.717	6.894
Generated in 2020	6.226	1.980	7.210	2.294
Generated in 2021	60.655	13.005	66.441	14.388
Generated in 2022	5.573	1.764	6.874	2.066
Generated in 2023	198	50	-	-
	89 837	20.637	112 242	25 642

Additionally, as of December 31st 2023 and 2022 the losses and tax credits that were not recognised as deferred tax assets for prudence reasons are detailed as follows:

	202	23	202	22
	Calculated tax loss	Deferred tax asset	Calculated tax loss	Deferred tax asset
Generated in 2018	2.926	740	8.079	2.020
Generated in 2019	9.966	2.500	15.037	3.759
Generated in 2020	9.530	2.398	16.007	4.002
Generated in 2021	3.104	817	6.578	1.645
Generated in 2022	4.375	1.104	6.946	1.737
Generated in 2023	1.624	455	-	-
	31.525	8.013	52.647	13.163

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 RECEIVABLE CREDIT

As of December 31st 2023 and de 2022 this item had the following breakdown:

	Curr	Current		rent	
	2023	2022	2023	2022	
Clients:					
Clients - current account	243.596	287.170	37	4.623	
Impairment losses	(95.396)	(106.293)	-	-	
	148.199	180.877	37	4.623	
Other receivable credit:					
Staff	221	188		-	
Other debtors	32.884	28.960	1.494	12.818	
	33.104	29.148	1.494	12.818	
Impairment losses	(1.027)	(1.255)	-	-	
	32.077	27.893	1.494	12.818	

During the periods ended on December 31st 2023 and 2022 the movements in impairment losses on accounts receivable were as follows:

# Accumulated impairment losses on clients and other receivable

credit:	
Balance on December 31st 2021	106.375
Increases	1.798
Reversals	(4.024)
Regularisations	(607)
Currency conversion adjustments	4.006
Balance on December 31st 2022	107.548
Increases	9.487
Reversals	(6.052)
Regularisations	(7.872)
Currency conversion adjustments	(6.688)
Balance on December 31st 2023	96 423

In the period ended on December 31st 2023, the reinforcement of impairment on receivables includes the amount of 9.065 thousand euros related to the Group's operations in Venezuela and arises from the balance regularisation plan carried out by the Company as part of the simplification of Teixeira Duarte Group's exposure in that geography.

Reconciliation of accumulated impairment losses as of December 31st 2023 and 2022:

	2023	2022
Accumulated impairment losses recognised pursuant to IAS 39	95.650	102.903
Accumulated impairment losses recognised pursuant to IFRS 9	773	4.645
	96 423	107 548

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,S.A." and the companies of the Group included in the consolidation perimeter, which are related parties, were eliminated in the consolidation process and are not disclosed in the present note. Balances and transactions between the Group and associated companies, joint ventures, related entities and individuals with significant voting power with own companies are detailed below.

The terms or conditions between the Company and its related parties are substantially identical to those normally contracted, accepted and practised between independent entities in comparable transactions.

The main balances with related parties as of December 31st 2023 and 2022 can be broken down as follows:

	Receivable balances		Payable balances		Granted loans		Other balances	
	2023	2022	2023	2022	2023	2022	2023	2022
AEBT - Auto-Estradas do Baixo Tejo S.A.	-	34	-	-	-	-	-	-
ALVORADA PETRÓLEO, S.A.	-	-	131	-	-	-	(45)	-
Conbate, ACE	7	12	-	-	101	69	-	-
Consórcio Puente Daule Guayaquil	-	-	-	-	-	-	-	12
D.L.O.E.A.C.E Douro Litoral Obras Especiais, ACE	3	-	-	-	-	-	-	-
Douro Litoral, ACE	-	5	-	-	-	-	-	-
EIA - Ensino, Investigação e Administração, S.A.	-	-	-	-	-	-	9	9
Gruaçores, Lda	-	-	26	-	-	-	-	-
Kuikila Investments, Lda.	-	-	-	-	-	-	-	71
Mesofer, ACE	992	1.494	-	2	-	-	-	-
METROLIGEIRO - Construção de Infraestruturas, A.C.E.	9	9	-	-	11	11	-	-
Promociones Inmobiliárias 3003, C.A.	-	-	-	-	47	55	427	347
TDE - Empreendimentos Imobiliários, S.A.	376	246	-	-	5.890	5.890	-	-
TDGISERV Services, LLC	206	194	130	127	-	-	-	(439)
TDHOSP - Gestão Hospitalar, S.A.	142	203	-	-	-	-	-	-
TEIXEIRA DUARTE - SOPOL - Metro Superfície, A.C.E.	7	7	55	55	-	-	-	-
Yona Lubango, Lda	308	-	105	-	11	-	-	-
Yona Namibe, Lda	433	-	295	-	-	-	-	-
	2,482	2.204	742	184	6.060	6.025	391	_

The main transactions carried out with related parties during the periods ended December 31st 2023 and 2022 with entities related were as follows:

		Sales and services rendered				Charged interest	
	2023	2022	2023	2022	2023	2022	
ADOQUINES VARGAS, (ADOQUINVAR), C.A.	-	-	-	36	-	-	
AEBT - Auto-Estradas do Baixo Tejo, S.A.	35	27	48	-	-	-	
Conbate, ACE	35	69	1	2	-	-	
CS Advantage	275	-	-	-	-	-	
Douro Litoral, ACE	552	31	-	-	-	-	
EIA - Ensino, Investigação e Administração, S.A.	-	-	-	7	-	-	
Gruaçores, Lda	-	-	301	-	-	-	
Mesofer, ACE	7.227	5.502	37	14	-	-	
TDE - Empreendimentos Imobiliários, S.A.	88	12	35	-	20	48	
TDGISERV Services, LLC	12	102	-	-	-	-	
TDHOSP - Gestão Hospitalar, S.A.	3.214	1.900	210	140	-	-	
Yona Lubango, Lda	64	-	-	-	-	-	
Yona Namibe, Lda	19	-	77	-	-	-	
	11.521	7.643	710	199	20	48	

The remunerations of the members of TD,S.A. governing bodies for the periods ended December 31st 2023 and 2022, were as follows:

	2023	2022
Executive Directors:		
Short-term benefits	692	718
Supervisory Board: Short-term benefits	66	66
Statutory Auditor:		
Short-term benefits	74	62
	831	846

The remunerations of the members of TD,S.A. administration for the periods ended December 31st 2023 and 2022, were as follows:

	2023	2022
Senior management:		_
Short-term benefits	5.871	5.404
	5.871	5404

# 29 - NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

# Cash and cash equivalents

As of December 31st 2023 and 2022, the cash and cash equivalents detail was the following:

	2023	2022
Bank deposits	71.174	58.841
Time deposits	14.240	20.008
Cash	930	1819
	86.345	80.668

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

	2023	2022
Security deposits	15.000	15.000
	15.000	15000

The amount in security deposits corresponds to an amount received but whose call depends on the realisation of a future event.

#### Flows of investment activities

The receipts from financial investments for the periods ended on December 31st 2023 and 2022 relate to the sale of equity stakes in the following entities:

	2023	2022
Sinerama - Organizações Turísticas e Hoteleiras, SA	11.000	-
Government Debt Security of the People's Republic of Angola Government	3.352	-
Lagoas Park, S.A.	894	-
TDPG - Empreendimentos Imobiliários, Ltda	843	1.633
Fundos de Compensação do Trabalho	61	-
BONAPARTE - Imóveis Comerciais e Participações, S.A.	-	6.724
Others	2	-
	16.151	8.357

Payments related to financial Investments in the periods ended on December 31st 2023 and 2022 are related to the purchase of shares of capital of the following entities:

	2023	2022
Fundos de Compensação do Trabalho (Workers' Compensation Funds)	70	-
Independente Finance Advisors	36	-
Gruaçores, Lda.	11	-
Esta - Gestão de Hoteis S.A	4	-
Somafel	-	500
	121	500

The dividends received in the periods ended December 31st 2023 and 2022 were as follows:

	2023	2022
AEBT - Auto-Estradas do Baixo Tejo, S.A.	2.258	1.220
Macau CPM Holdings	680	419
Consórico Puente Daule Guayaquil	211	61
ADVANTAGE - Distribuição de Seguros, Lda	200	-
Others	-	98
	3.349	1.798

The receipts under the heading tangible fixed assets and investment properties include 71.338 thousand euros resulting from the sale real estate carried out within the scope of activity of the Group's Real Estate sector. The payments under the heading tangible fixed assets and investment properties include 14.321 thousand euros related to the investment in developments classified as investment properties.

The consolidated cash flow statement is prepared in accordance with IAS 7, using the direct method. The Group classifies, under the item "Cash and cash equivalents", investments that mature in less than three months, for which the risk of change in value is insignificant, excluding the amounts blocked in term deposits of the concession companies assigned to debt service, as well as deposits given as guarantee under contractual clauses, which are recorded under the item "Other financial investments". On the other hand, bank overdrafts are not included in the item "Cash and cash equivalents" as they are not part of the Group's cash-flow management.

The consolidated cash flow statement is classified into operating, investing and financing activities.

Operating activities comprise receipts from customers, payments to suppliers, payments to personnel and others related to operating activities. Cash flows from investing activities include primarily the acquisition and sale of investments in subsidiaries, as well as payments and receipts resulting from the purchase and sale of fixed assets and the receipt of dividends.

Cash flows from financing activities include, essentially, payments and receipts relating to loans obtained and leases, as well as the payment of interest and dividends.

### 30 - OTHER CURRENT AND NON-CURRENT ASSETS

As of December 31st 2023 and 2022 the breakdown of other current and non-current assets is as follows:

	Current	<u> </u>	Non-curre	ent
	2023	2022	2023	2022
Government and other public entities:				
Value added tax	13.272	17.982	-	-
Others	1.012	1.419	-	-
	14.284	19.401	-	-
Associated, participated companies and other shareholders				
Associated companies	990	1.071	4.900	4.900
Other shareholders	-	499	-	-
	990	1.569	4.900	4.900
Income accruals				
Interests receivable	3	52	-	-
Amounts to be invoiced (Note 31)	60.958	66.768	-	-
Other accrued income	3.189	5.979	-	-
	64.150	72.799	-	-
Deferred expenses:				
Insurance paid in advance	1.665	3.338	-	-
Interests payable	-	664	-	-
Other deferred expenses	6.902	10.093	-	-
	8.567	14.096	-	-
Other assets:				
Advance payments to trade creditors	11.613	13.591	-	-
	11.613	13.591	-	-
	99.604	121457	4.900	4.900

#### 31 - CONSTRUCTION CONTRACTS

In the periods ended on December 31st 2023 and 2022, the recognised expenses and revenues related to ongoing construction contracts are as follows:

	2023	2022
Net income:		
Issued invoices	514.626	513.881
Change in:		
Deferred income - works (Note 39)	2.372	3.569
Accrued income - works (Note 30)	(5.810)	12.213
	511.188	529.663
Net expenses:		
Invoiced expenses	524.189	537.790
Change in:		
Provisions for guarantees (Note 36)	2.700	1.651
Provisions for future losses (Note 36)	(1.340)	32
	525.549	539.473
Calculated earnings (Note 7):	(14.361)	(9.810)

Additionally, as of December 31st 2023 and 2022, the retentions withheld by clients related to construction contracts amounted to 12.194 thousand euros and 12.339 thousand euros, respectively.

#### 32 - SHARE CAPITAL

As of December 31st 2023 and 2022, the subscribed and paid-up capital was represented by 420.000.000 shares with a nominal value of 0,50 euros each.

As of December 31st 2023, TEIXEIRA DUARTE 1886, S.A. (Formerly known as TEIXEIRA DUARTE – Sociedade Gestora de Participações Sociais, S.A.) held directly 164.590.000 shares representing capital of Teixeira Duarte, S.A., corresponding to 39,19% of its share capital, with no changes compared to December 31st 2022.

# 33 - RESERVES AND RETAINED EARNINGS

<u>Legal reserve:</u> In compliance with current legislation, the Group's entities are obliged to transfer at least 5% of their annual net profit to the legal reserve, until it reaches at least 20% of the share capital. This reserve is not distributable to shareholders, but may be used to absorb losses, after all other reserves have been depleted, or incorporated in the share capital.

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

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

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

# 34 - NON-CONTROLLING INTERESTS

The movements in this item in the periods ended on December 31st 2023 and 2022 were as follows:

	2023	2022
Opening balance	17.158	19.107
Dividends	132	(28)
Other changes in the equity of the participated companies	452	239
Revaluations of tangible fixed assets	3.289	594
Net income for the period attributable to non-controlling interests	8.761	(1.630)
Currency conversion adjustments	(9.527)	3.559
Purchase of non-controlling interests	(506)	(4.683)
Closing balance	19.759	17.158

### 35 - FINANCING OBTAINED

As of December  $31^{\rm st}$  2023 and 2022, the financing obtained was as follows:

	2023	2022
Non-current liabilities:		
Bank Loans a)	257.726	269.153
Commercial paper b)	248.750	275600
	506.476	544.753
Current liabilities:		
Bank Loans a)	130.844	159.901
Commercial paper b)	89.850	62.500
	220.694	222.401
	727.171	767.154

# a) Bank loans

As of December 31st 2023, internal bank loans, overdrafts and escrow accounts earned interests at the weighted annual average rate of 5,34% (3,41% as of December 31st 2022).

As of December 31st 2023, the most significant bank loans contracted by the Group correspond essentially to:

Geograph	Donk	Two of financing	Contract	Due dete	Curren	Amount	Amount (C)
<u>y</u> Portugal	Bank Novo Banco	Type of financing Overdraft agreement	01/02/2007	Due date 31/12/2033	<u>cy</u> EUR	currency 12.849	Amount (€) 12.849
Portugal	Banco Comercial Português	Loan	05/01/2009	17/06/2035	EUR	141.497	141.497
Portugal	Caixa Geral de Depósitos	Escrow account	07/07/2010	31/12/2033	EUR	5.200	5.200
Portugal	Banco Comercial Português	Escrow account	27/06/2014	31/12/2033	EUR	2.540	2.540
Portugal	Caixa Geral de Depósitos	Loan	22/09/2014	01/06/2034	EUR	70.149	70.149
Portugal	Caixa Geral de Depósitos	Loan	22/09/2014	15/06/2024	EUR	2.682	2.682
ŭ	Caixa Geral de Depósitos	Loan	22/09/2014	16/12/2024	EUR	10.305	10.304
Portugal Portugal	Banco BIC	Escrow account	07/11/2014	31/12/2033	EUR	2.500	2.500
ŭ	Banco BIC	Escrow account	06/08/2015	31/12/2033	EUR	10.190	10.190
Portugal	Banco BIC	Escrow account	01/01/2016	26/01/2024	AON	380.000	415
Angola Portugal	Banco Comercial Português	Loan	12/08/2016	30/12/2033	EUR	8.639	8.639
Portugal	Caixa Geral de Depósitos	Loan	12/08/2016	30/12/2033	EUR	6.099	6.099
Portugal	Novo Banco	Loan	12/08/2016	30/12/2033	EUR	8.233	8.233
_	Banco Comercial Português	Loan	27/11/2017	30/12/2033	EUR	32.015	32.015
Portugal	<u> </u>		24/04/2018	31/12/2033	EUR	4.212	4.212
Portugal	Banco Comercial Português Banco BIC	Loan Loan	02/01/2020	02/07/2025	EUR	3.001	3.001
Portugal							
Portugal	Banco Português de Investimento	Escrow account	06/02/2020	31/12/2033	EUR EUR	680	680 317
Portugal	Sandvik credit	Loan	06/04/2020	30/11/2024		317 4.762.716	
Angola	Banco BIC	Escrow account	02/06/2020	26/01/2024	AON		5.200
Portugal	Nordea Bank Abp	Loan	24/06/2020	26/06/2025	EUR	291	291
Angola	Banco BAI Europa	Loan	31/07/2020	31/07/2027	AON	969.231	1.058
Portugal	Banco BAI Europa	Loan	16/09/2020	07/12/2024	USD	53	48
Brazil	Banco Itaú	Loan	25/09/2020	31/01/2024	BRL	5.000	934
Portugal	Banco Comercial Português	Loan	01/11/2020	01/11/2024	EUR	14	14
Brazil	Banco Bradesco	Loan	04/12/2020	31/03/2024	BRL	70.738	13.218
Brazil	Banco Itaú	Loan	30/09/2021	29/02/2024	BRL	29.419	5.497
Angola	Banco Fomento Angola	Loan	03/03/2022	04/03/2027	AON	1.601.877	1.749
Portugal	Banco BAI Europa	Loan	18/05/2022		EUR	481	481
Brazil	Banco Bradesco	Loan		01/01/2024	BRL	6.992	1.307
Brazil	Banco Bradesco	Loan	25/05/2022	23/01/2024	BRL	7.873	1471
Brazil	Banco Safra	Loan	30/05/2022	05/01/2024	BRL	22.500	4.204
Portugal	Banco Português de Investimento	Loan	30/06/2022	30/06/2026	EUR	3.251	3.251
Angola	Banco Investimento Rural	Escrow account	19/08/2022	19/01/2024	AON	1.390.000	1.517
Angola	Banco Yetu	Escrow account	01/11/2022	26/01/2024	AON	900.000	983
Portugal	Banco Comercial Português	Loan	16/12/2022	31/01/2024	EUR	1.528	1.528
Portugal	Novo Banco	Loan	16/12/2022	31/01/2024	EUR	2.412	2.412
Portugal	Banco Montepio Geral	Loan	29/12/2022		EUR	4.982	4.982
Portugal	Banco BIC	Loan	15/03/2023	15/03/2027	EUR	2.275	2.275
Portugal	Banco Montepio Geral	Loan	12/04/2023	31/01/2024	EUR	1.608	1.608
Brazil	Banco ABC	Loan	27/07/2023	15/02/2024	BRL	10.217	1.909
Portugal	Banco Montepio Geral	Loan	02/082023	02/02/2024	EUR	941	941
Portugal	Banco Montepio Geral	Loan	04/09/2023	04/09/2027	EUR	1.011	1.011
Brazil	Banco Bradesco	Loan	16/10/2023	16/10/2025	BRL	15.000	2.803
Portugal	Sandvik credit	Loan	08/11/2023	08/11/2028	EUR	1.153	1.153
Portugal	Sandvik credit	Loan	27/11/2023	27/11/2028	EUR	890	890
Portugal	Sandvik credit	Loan	22/12/2023	22/12/2028	EUR	850	850
Brazil	Sundry	Other Financing	-	-	BRL	18.461	3.450
Angola	Sundry	Other Financing		-	AON	13.862	13

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# b) Commercial paper

As of December  $31^{\rm st}$  2023, the Group had negotiated the following commercial paper programs:

Geograp hy	Bank	Type of financing	Renewal	Contract date	Due date	Spread	Currency	Amount (€)
Portugal	Novo Banco	Commercial paper	Trimestrial	16/12/2005	13/06/2025	1,60%	EUR	21.300
Portugal	Caixa Geral de Depósitos	Commercial paper	Trimestrial	07/07/2010	31/12/2033	2,50%	EUR	20.100
Portugal	Novo Banco	Commercial paper	Monthly	30/12/2013	31/12/2033	2,00%	EUR	181.800
Portugal	Novo Banco	Commercial paper	Monthly	28/12/2015	15/06/2027	1,95%	EUR	98.400
Portugal	Novo Banco	Commercial paper	Monthly	14/01/2016	31/12/2033	1,55%	EUR	12.500
Portugal	Banco BPI	Commercial paper	Trimestrial	30/01/2018	30/01/2024	1,00%	EUR	4.500
						•	•	338.600

As a result of the commitment to successive renewal during the contract program period, some existing issuances as of December 31st 2023 and 2022 are classified as non-current liabilities.

As of December 31st 2023 and 2022 non-current loans have the following defined repayment schedule:

	2023	2022
2024	-	57.808
2025	45.244	46784
2026	41.654	39.081
2027	40.819	38.361
2028	39.301	37.570
2029 and seq.	339.458	325.148
	506.476	544.753

As of December 31st 2023 and 2022 financing agreements in foreign currency were expressed in the following currencies:

	2023		2022	
Currency	Currency	Euros	Currency	Euros
American Dollar	53	48	345	323
Angolan Kwanza	10.017.686	10.934	11.961.372	22.256
Brazilian Real	186.200	34.793	93.570	16.801

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

On December 31st 2023 and 2022 we presented the reconciliation of changes in liabilities arising from the financing activity:

2023	Opening balance	Increases	Decreases	conversion adjustments	Closing balance
Financing obtained	767.154	3.453.402	(3.484.860)	(8.525)	727171
2022	Opening balance	Increases	Decreases	Currency conversion adjustments	Closing balance
Financing obtained	778.630	4.607.730	(4.622.856)	3.650	767.154

# 36 - PROVISIONS

The change in accumulated provisions in the periods ended December 31st 2023 and 2022 was as follows:

	Other provisions related to staff	Guarantees to Trade debtors (Note 31)	Lawsuits	Constructi on losses (Note 31)	Other provisions for risks and charges	Total
Balance on December 31st 2021	6.547	11.524	3.284	3.636	12072	37063
Uses	(5.033)	(142)	(48)	-	21	(5.202)
Increases	4.700	1.800	1.307	2.153	1.733	11.693
Reductions	-	(1.137)	(1.000)	(2.080)	(1.238)	(5.455)
Transfers	-	820	9	(143)	(152)	534
Currency conversion adjustments	-	310	161	102	743	1.316
Balance on December 31st 2022	6.214	13.175	3.713	3.668	13.179	39.949
Balance on January 1st 2023	6.214	13.175	3.713	3.668	13.179	39.949
Uses	(4.838)	(829)	-	-	(208)	(5.875)
Increases	5.300	4.031	2.460	998	2.867	15.656
Reductions	-	(203)	(1.618)	(2.338)	(1.604)	(5.763)
Transfers	-	20	-	(7)	124	137
Currency conversion adjustments	-	(319)	(74)	6	(363)	(748)
Balance on December 31st 2023	6.676	15.875	4.481	2.327	13.995	43.356

The reinforcements and reductions were made against:

	2023			2022		
	Increases	Reductions	Total	Increase	Reductions	Total
Results of the period:						
Provisions	10.204	(5.763)	4.441	6.990	(5.436)	1.554
Staff costs	5.300	-	5.300	4.700	(19)	4.681
Earnings related to associates and joint-ventures	152	-	152	3	-	3
	15.656	(5.763)	9.893	11.693	(5.455)	6.238

# 37 - SUPPLIERS, ADVANCES FROM CLIENTS AND OTHER DEBTS PAYABLE

As of December  $31^{\rm st}$  2023 and 2022, this item had the following breakdown:

<u> </u>	Curre	nt	Non-curr	ent
	2023	2022	2023	2022
Trade creditors - current account	145.054	160.893	-	-
Advance payments from Clients	135.273	152.989	46.264	35.808
Other payable debts:				
Other creditors	19.348	26.336	42.454	51.644
	299.675	340.218	88.717	87.452

# 38 - LEASE LIABILITIES

As of December 31st 2023 and 2022 the Group presents the following maturities related to lease liabilities arising from the application of IFRS 16:

	2023	2022
2023	-	5.642
2024	5.292	4.848
2025	4.480	4.236
2026	4.042	4.009
2027	1.811	1.804
2028	1.658	1.677
After 2028	4.217	4.313
	21.501	26.529
Current lease liabilities	5.292	5.642
Non-current lease liabilities	16.209	20.887

#### 39 - OTHER CURRENT AND NON-CURRENT LIABILITIES

As of December 31st 2023 and 2022, these items had the following breakdown:

	Current		Non-curre	nt
_	2023	2022	2023	2022
Government and other public entities:				
Corporate income tax (IRC)	(3.910)	(10.088)	-	-
Income Tax Withholdings	4.209	4245	-	-
Value added tax	7.985	12459	-	-
Social Security contributions	3.775	3171	-	-
Others	624	329	-	-
	12.683	10116	-	-
Associated, participated companies and other shareholders				
Associated companies	317	779	-	-
Other shareholders	1.156	948	1415	1316
	1472	1727	1415	1316
Accrued expenses:				
Insurance to pay	37	4	-	-
Remunerations payable	17.763	16840	-	-
Interest payable	7.929	1919	-	-
Other expenses payable	16.665	29420	-	-
	42395	48185	-	-
Deferred income:				
Invoiced work not performed (Note 31)	22.708	25080	-	-
Investment subsidies	194	-	-	-
Other deferred income:	7.604	8328	-	-
	30506	33408	-	_
	87056	93435	1415	1316

# 40 - CONTINGENT LIABILITIES, GUARANTEES AND COMMITMENTS

# Contingent Liabilities - Tax Inspections:

As a result of inspections carried out by the Tax and Customs Authority (TA) regarding the calculation of Corporate Income Tax (IRC) for the periods of 2017, 2018, 2019, and 2020 owed by the taxed group under the Special Taxation Regime for Groups of Companies (RETGS), article 69 and following of the Corporate Income Tax Code, of which TEIXEIRA DUARTE, S.A. is currently the parent company, the following corrections were made:

Period	Corrected tax
2017	663
2018	871
2019	528
2020	466
	2 528

This correction stems from the Tax and Customs Authority (TA) having a different understanding regarding the use of deductions from the taxable amount provided for in article 90 of the Corporate Income Tax Code for Municipal and State Surcharges determined under

the application of RETGS, which was judicially contested by TEIXEIRA DUARTE, S.A., as the parent company It is informed that this correction, also made by the AT for the periods from 2013 to 2016, had been contested by TEIXEIRA DUARTE, S.A., and was upheld in its favour even at the administrative level. In January 2024, TEIXEIRA DUARTE, S.A. obtained a favourable decision regarding the 2017 process, from which the TA did not appeal to higher courts, and the cancellation of the corresponding bank guarantee was subsequently requested.

TEIXEIRA DUARTE, S.A., as the parent company, was also notified of the Conclusions Report on the inspection conducted by the TA on the IRC due under the RETGS for the period of 2015, which determined a correction to the taxable income calculated, in the amount of 22.710 thousand euros. This correction, concerning the use of 'slack' identified in previous periods, related to Net Financing Costs (under article 67 of the Corporate Income Tax Code), was subject to dispute.

Moreover, TEIXEIRA DUARTE, S.A., as the parent company, was notified of the Conclusions Report on the inspection conducted by the TA on the IRC due under the RETGS for the period of 2018, which determined a correction to the taxable income calculated, in the amount of 6.305 thousand euros. This correction was promptly contested, as the TA did not substantiate its reasoning.

The subsidiary **TEIXEIRA DUARTE – Engenharia e Construções, S.A.**, a company whose share capital is directly owned by 100% by TEIXEIRA DUARTE, S.A., was subject to a correction by the Tax and Customs Authority (TA) to the taxable profit for the period of 2018, in the amount of 3.495 thousand euros, for the period of 2019, in the amount of 9.264 thousand euros, and for the period of 2020, in the amount of 2.516 thousand euros (which includes both favourable and unfavourable corrections). Disagreeing with the interpretation of the Tax Authority (TA) in refusing the tax deductibility of impairment losses on receivables, TEIXEIRA DUARTE, S.A., as the parent company, contested the amount of 2.826 thousand euros for the year 2018, 4.641 thousand euros for the year 2019, and 2.535 thousand euros for the year 2020. Also, not agreeing with the TA's correction regarding the reversal of taxed impairment losses, TEIXEIRA DUARTE, S.A., as the parent company, contested the amount of 3.504 thousand euros for the year 2019. Finally, the corrections for the year 2020 include the non-deductibility of 709 thousand euros related to cross-border transfers and their respective autonomous taxation, which were also contested.

Following inspections carried out for the years 2011 and 2013 by the Tax and Customs Authority (TA) on the accounting elements of TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A., a company whose share capital is directly owned by 100% by TEIXEIRA DUARTE, S.A., the TA made corrections to the initially calculated tax losses, as detailed below:

Calculated tax						
Period	loss	TA correction				
2011	12.779	3.212				
2013	26.221	5.000				

The correction of the period of 2011 (*id est* 3.212 k€) results from the disregard, as a taxable expense, of the financial charges incurred with the investment made in owned companies, under the form of ancillary payments subject to the supplementary provisions regime.

Given that TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. is subject to Corporate Income Tax (IRC) under the Special Regime for Taxation of Groups of Companies, the correction to the tax loss for 2011 resulted in additional IRC assessments and compensatory interests issued to the parent company of that period (i.e., TEIXEIRA DUARTE - Engenharia e Construções, S.A.), which contested them *judicially*. Regarding this matter, and based on fundamentally similar supporting arguments from the Tax Authority (TA), TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. was notified of similar corrections for the periods of 2007, 2008, 2009, 2010, and 2012. It is informed that as of December 31st 2023, the parent companies of those periods obtained favourable decisions from Higher Courts, expecting a similar outcome for the period still in dispute.

The correction to the tax loss for the year 2013, amounting to €5 million, solely relates to the incorrect application, according to the TA, of Article 51 of the Corporate Income Tax Code. This correction was judicially contested by TEIXEIRA DUARTE, S.A., as the parent company.

#### Contingent Liabilities - State Aid (ZFM - Madeira Free Trade Zone):

The entities TDO – Investimento e Gestão, S.A. and TDO – Sociedade Gestora de Participações Sociais, S.A., owned 100% by TEIXEIRA DUARTE, S.A., maintained economic activities in the Madeira Free Trade Zone (ZFM) from 2012 to 2016 and from 2012 to 2017, respectively, having benefited from tax advantages under the legal framework applicable to entities based in the ZFM.

Following a Decision by the European Commission, these tax benefits were considered 'illegal state aid' to which the company was not entitled. The Decision was contested by the Portuguese Republic and the Autonomous Region of Madeira before the General Court of the European Union. Since the appeal to the General Court of the European Union was dismissed, an appeal has been lodged with the Court of Justice of the European Union, and there has been no decision to date. Following the unsuccessful challenge, an appeal was lodged with the Court of Justice of the European Union, and there has been no decision to date.

Subsequent to the aforementioned, the Tax Authority (TA) issued corporate income tax assessments for the respective years, totalling 12.382 thousand euros. In December 2023, judicial appeals were filed against these assessments, and there has been no decision yet. As indicated by the TA's website, the enforcement of these assessments was suspended at the end of 2023.

Considering the facts described above and based on the legal opinion provided by an external lawyer, which concludes that the risk of unsuccessful legal challenges is not probable, the Management of 'TEIXEIRA DUARTE, S.A.' believes that the events mentioned do not meet the recognition criteria for provisions in the Group.

#### Other contingencies:

In a pricing fixing operation amounting to 4.000 thousand euros, TDVIA – Sociedade Imobiliária, S.A., a company fully owned by the Teixeira Duarte Group, assumed the risk and obligation in the period ended on December 31st 2023, of having to pay third parties variable amounts in the future for the acquisition of land, which are currently not determinable due to conditioning variables such as future selling price, based on gross built area or construction potential.

#### Guarantees:

For the purposes of suspending a tax enforcement procedure initiated against TEIXEIRA DUARTE, S.A. relating to corporate tax (IRC) debt calculated within the scope of RETGS from 2019, "TDGPII, S.A. submitted a bond, amounting to 1.197 thousand euros, which was accepted by the Tax Authority (TA).

For the purposes of suspending a tax enforcement procedure initiated against TEIXEIRA DUARTE, S.A. relating to corporate tax (IRC) debt calculated within the scope of RETGS from 2020, "DUARTE, S.A. submitted a bond, amounting to 1.081 thousand euros, which was accepted by the Tax Authority (TA).

The global amount of the bank guarantees includes the guarantees provided to suspend several tax enforcement proceedings, the details of which are shown below:

- For the purposes of suspending tax enforcement proceedings initiated against the subsidiary TEIXEIRA DUARTE Engenharia
  e Construções, S.A. relating to the 2008 Corporate tax debt, two bank guarantees were initially issued in favour of the TA, with
  a global amount of 14.752 thousand euros, which were cancelled as of December 31st 2022. In May 2023, TD, S.A. was paid
  the indemnity regarding the costs born with the respective bank guarantees;
- For the purpose of suspending enforcement proceedings initiated against TEIXEIRA DUARTE, S.A. regarding corporate income
  tax (IRC) debts determined under the RETGS for the periods from 2015 to 2018, several bank guarantees were issued. Below
  is the detail of the active guarantees as of December 31st 2023:

Period	Bank guarantee amount
2015	125
2016	594
2017	750
2018	1.226

2.695

# As of December $31^{\rm st}$ 2023, the Group's collaterals have the following breakdown:

Geograph v	Bank	Type of financing	Contract date	Due date	Collaterals
Portugal	Novo Banco	Commercial paper	16/12/2005	15/12/2024	Pledge 4.183.333 shares BCP + Pledge of all shares: Soc. Automóvel Angola + Soc. Distribuição Angola + Pledge of TDSP Brasil + TD Angola, Lda. + Mortgage Hotels Angola: Alvalade and Baía + Mortgage Hotels Mozambique: 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 Hotels Angola: Alvalade and Baía + Mortgage Hotels Mozambique: Avenida and Tivoli Beira
Portugal	Caixa Geral de Depósitos	Commercial paper	07/07/2010	31/12/2033	Pledge of 3.147.706 participation in the fund TDF + Pledge of all shares: Soc. Automóvel Angola + Soc. Distribuição Angola + Pledge of TDSP Brasil + TD Angola, Lda. + Mortgage Hotels Angola: Alvalade and Baía + Mortgage Hotels Mozambique: Avenida and Tivoli Beira
Portugal	Caixa Geral de Depósitos	Escrow account	07/07/2010	31/12/2033	Pledge of 3.147.706 participation in the fund TDF + Pledge of all shares: Soc. Automóvel Angola + Soc. Distribuição Angola + Pledge of TDSP Brasil + TD Angola, Lda. + Mortgage Hotels Angola: Alvalade and Baía + Mortgage Hotels Mozambique: Avenida and Tivoli Beira
Portugal	Novo Banco	Commercial paper	30/12/2013	31/12/2033	Pledge of all shares of EPOS and of all shares of C+PA + Pledge of 1.325.000 participation units of the fund TDF + Mortgage of the industrial pole of Montijo + Mortgage of 7 plots Mafamude + Mortgage of 9 plots of the real estate development Santa Marinha Design District - Santa Marinha + Pledge of all shares of Soc. Automóvel Angola + Soc. Distribuição Angola + Pledge of TDSP Brasil + TD Angola, Lda. + Mortgage Hotels Angola: Alvalade and Baía + Mortgage Hotels Mozambique: 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 Hotels Angola: Alvalade and Baía + Mortgage Hotels Mozambique: Avenida and Tivoli Beira
Portugal	Caixa Geral de Depósitos	Loan	22/09/2014	15/06/2024	Pledge of all shares: Soc. Automóvel Angola + Soc. Distribuição Angola + Pledge of TDSP Brasil + TD Angola, Lda. + Mortgage Hotels Angola: Alvalade and Baía + Mortgage Hotels Mozambique: Avenida and Tivoli Beira
Portugal	BIC	Escrow account	06/08/2015	31/12/2033	BIC AO bank guarantee to BIC PT + Mortgage TD Angola, Lda (Building n° 2554) - Commercial complex and workshops of the automobile pole in Talatona (Angola)
Portugal	Novo Banco	Commercial paper	28/12/2015	15/06/2027	Pledge of 1.045.610 shares of Recolte Espanha + Pledge of 50% of the shares of TDE + Pledge of all shares: Soc. Automóvel Angola + Soc. Distribuição Angola + Pledge of TDSP Brasil + TD Angola, Lda. + Mortgage Hotels Angola: Alvalade and Baía + Mortgage Hotels Mozambique: Avenida and Tivoli Beira
Portugal	Novo Banco	Commercial paper	14/01/2016	31/12/2033	Pledge of all shares of TDGI + Pledge of all shares : Soc. Automóvel Angola + Soc. Distribuição Angola + Pledge of TDSP Brasil + TD Angola, Lda. + Mortgage Hotels Angola: Alvalade and Baía + Mortgage Hotels Mozambique: Avenida and Tivoli Beira
Portugal	Banco Comercial Português	Loan	12/08/2016	31/12/2033	Mortgage of the plot 26 of the real estate development Magnólia, Troviscar, Lezíria Park 2, Villa Rio, Jardins da Póvoa and logistics Park of Póvoa + Pledge of all shares: Soc. Automóvel Angola + Soc. Distribuição Angola + Pledge of TDSP Brasil + TD Angola, Lda. + Mortgage Hotels Angola: Alvalade and Baía + Mortgage Hotels Mozambique: Avenida and Tivolí Beira
Portugal	Novo Banco	Loan	12/08/2016	31/12/2033	Mortgage of the plot 26 of the real estate development Magnólia, Troviscar, Lezíria Park 2, Villa Rio, Jardins da Póvoa and logistics Park of Póvoa + Pledge of all shares: Soc. Automóvel Angola + Soc. Distribuição Angola + Pledge of TDSP Brasil + TD Angola, Lda. + Mortgage Hotels Angola: Alvalade and Baía + Mortgage Hotels Mozambique: Avenida and Tivoli Beira
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 Hotels Angola: Alvalade and Baía + Mortgage Hotels Mozambique: 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 Hotels Angola: Alvalade and Baía + Mortgage Hotels Mozambique: Avenida and Tivoli Beira

Geograph v	Bank	Type of financing	Contract date	Due date	Collaterals
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 Hotels Angola: Alvalade and Baía + Mortgage Hotels Mozambique: Avenida and Tivoli Beira
Portugal	Banco Comercial Português	Loan	05/01/2009	17/06/2035	Pledge of all shares: Soc. Automóvel Angola + Soc. Distribuição Angola + Pledge of TDSP Brasil + TD Angola, Lda. + Mortgage Hotels Angola: Alvalade and Baía + Mortgage Hotels Mozambique: 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 Hotels Angola: Alvalade and Baía + Mortgage Hotels Mozambique: Avenida and Tivoli Beira
Portugal	Caixa Geral de Depósitos	Loan	12/08/2016	31/12/2033	Mortgage of the plot 26 of the real estate development Magnólia, Troviscar, Lezíria Park 2, Villa Rio, Jardins da Póvoa and logistics Park of Póvoa + Pledge of all shares: Soc. Automóvel Angola + Soc. Distribuição Angola + Pledge of TDSP Brasil + TD Angola, Lda. + Mortgage Hotels Angola: Alvalade and Baía + Mortgage Hotels Mozambique: Avenida and Tivoli Beira
Portugal	Novo Banco	Loan	12/08/2016	31/12/2033	Mortgage of the plot 26 of the real estate development Magnólia, Troviscar, Lezíria Park 2, Villa Rio, Jardins da Póvoa and logistics Park of Póvoa + Pledge of all shares: Soc. Automóvel Angola + Soc. Distribuição Angola + Pledge of TDSP Brasil + TD Angola, Lda. + Mortgage Hotels Angola: Alvalade and Baía + Mortgage Hotels Mozambique: Avenida and Tivoli Beira
Portugal	Sandvik	Loan	06/04/2020	30/11/2024	Respective equipment
Brazil	Caterpillar	Loan	30/05/2020	30/04/2025	Respective equipment
Angola	BIC	Escrow account	02/06/2020	26/01/2024	Mortgage of the building n° 2554
Portugal	Nordea Bank Abp	Loan	24/06/2020	26/06/2025	Respective equipment
Brazil	Luso	Loan	25/09/2020	21/12/2024	Respective equipment
Brazil	Banco Bradesco	Loan	04/12/2020	31/03/2024	Respective equipment
Angola	BIC	Loan	05/08/2021	05/08/2024	Respective equipment
Brazil	Banco Mercedes	Loan	16/08/2021	03/08/2024	Respective equipment
Brazil	Safra	Loan	26/09/2021	30/09/2025	Respective equipment
Brazil	Itaú	Loan	30/09/2021	29/02/2024	Respective equipment
Angola	BFA	Loan	03/03/2022	04/03/2027	Mortagage of the building no. 874 - Sambizanga
Brazil	Daycoval	Loan	08/06/2023	08/05/2027	Respective equipment
Brazil	Banco ABC	Loan	27/07/2023	15/02/2024	Respective equipment
Brazil	Komatsu	Loan	30/11/2023	01/12/2027	Respective equipment

### Financial commitments:

As of December 31st 2023 and 2022 the letters of comfort provided by Teixeira Duarte, S.A. and its subsidiaries reached 279.060 thousand euros and 293.901 thousand euros, respectively.

As of December 31st 2023 and 2022 non-recourse factoring contracts were in effect, which were recorded as a reduction in accounts receivable, in the amounts of 10.123 thousand euros and 11.681 thousand euros, respectively. In accordance with the contractual conditions, the Group's responsibility is limited, essentially, to guaranteeing that clients accept the invoices subject to factoring.

#### 41 - FINANCIAL RISK MANAGEMENT

#### **General Principles:**

The Group is exposed to a set of financial risks resulting from its activity, of which the following should be emphasized:

- interest rate risks arising from financial liabilities;
- risk of exchange rate fluctuations arising primarily from operations and assets located outside the Eurozone, notably in Angola, Algeria, Brazil, Colombia, Ecuador, Macau, Morocco, Mozambique, Peru, and Venezuela, as well as the availability of convertible currencies in some of these markets.
- credit risk, particularly related to credits extended to its clients in connection with the Group's operational activities; and,
- liquidity risk, regarding the maintenance of a cash-flow balance.

The Group's Financial Management ensures centralised management of financing operations, cash surplus investments, foreign exchange transactions, as well as the Group's counterparty risk management. Additionally, it is responsible for identifying, quantifying, and proposing and implementing risk management/mitigation measures for the financial risks the Group is exposed to.

Next, we'll analyse in more detail the main financial risks the Group is exposed to and the main measures implemented for their management.

#### Interest Rate Risk

The purpose of the interest rate risk management policy is to minimise the cost of debt subject to maintaining a low level of financial burden volatility.

As of December 31st 2023 the financial liability consists of 97,87% variable interest rate (99,86% on December 31st 2022) and 2,13% of fixed interest rate (0,14% on December 31st 2022).

If market interest rates had been 1 percentage point higher (lower) during the periods ended on December 31st 2023 and 2022, the financial results for those periods would have decreased (increased) by (7.560) / 7.560 thousand euros and (8.034) / 8.034 thousand euros, respectively.

The Teixeira Duarte Group's capital structure, determined by the proportion between its assets and its net debt, is managed to ensure the continuity and development of its operational activities, as well as to maximise shareholder returns and optimise financing costs. The Group periodically monitors its capital structure, identifying risks, opportunities, as well as the necessary adjustments and measures to achieve the aforementioned goals.

### **Exchange Rate Risk**

The Group's operational activities are exposed to fluctuations in exchange rates of the Euro against other currencies.

Furthermore, considering the various countries where the Group operates, its exposure to exchange rate risk arises from its subsidiaries reporting assets and liabilities denominated in currencies other than the reporting currency, including Angola, Algeria, Brazil, Colombia, Ecuador, Macau, Morocco, Mozambique, Peru, and Venezuela.

The Group's foreign exchange risk management policy aims to reduce the sensitivity of the Group's results to currency fluctuations.

Monetary assets and liabilities denominated in foreign currency, converted to euros as of December 31st 2023 and 2022 are as follows:

	Assets		Liabilities	S	
Currency	2023	2022	2023	2022	
Algerian Dinar	7.813	12.102	50.430	53.155	
Kuwaiti Dinar	-	-	-	9.144	
Moroccan Dirham	-	-	123	247	
American Dollar	135.309	145.788	126.203	123.681	
Cape Verdean Escudo	9	-	-	-	
Japanese Yen	43	46	325	45	
Pound Sterling	392	384	193	254	
Angolan Kwanza	161.133	157.948	91.961	85.849	
Mozambican Metical	31,946	32.145	13.243	13.962	
Peruvian Novo Sol	4	-	-	-	
Macao Pataca	-	-	211	222	
South African Rand	72	78	227	270	
Brazilian Real	18.724	13.529	1.269	1.028	
Qatari Riyal	-	-	617	635	
	355.445	362.020	284.801	288.492	

Foreign exchange risk management relies on continuous quantification and monitoring of financial and accounting exposures.

The potential impacts on the net result for the periods ended December 31st 2023, and 2022, in the event of a 5% appreciation of the currencies mentioned above, can be summarised as follows:

Currency	2023	2022
Algerian Dinar	(2.131)	(2.053)
Kuwaiti Dinar	-	(457)
Moroccan Dirham	(6)	(12)
American Dollar	455	1.105
Japanese Yen	(14)	-
Pound Sterling	10	7
Angolan Kwanza	3.459	3.605
Mozambican Metical	935	909
Macao Pataca	(11)	(11)
South African Rand	(8)	(10)
Brazilian Real	873	625
Qatari Riyal	(31)	(32)
	3.531	3.676

According to the Board of Directors, the sensitivity analysis presented above, based on the positions on the indicated dates, may not fully represent the foreign exchange risk exposure to which the Group is subject throughout the period.

#### Credit Risk

The credit risk is primarily related to the balances receivable from clients and other debtors associated with the Group's operational activities. Deterioration in global economic conditions or adversities affecting economies on a local, national, or international scale may lead to customers' inability to meet their obligations, potentially impacting the Group's results negatively.

This risk is regularly monitored by each of the Group's businesses in order to:

Limit credit extended to clients, considering their respective profile and age of the receivable.

Track the evolution of the credit level granted.

Analyse the recoverability of receivable amounts on a regular basis.

Impairment losses on receivables are calculated considering:

Analysis of the age of receivables.

Client risk profile.

Financial conditions of clients.

Current macroeconomic environment.

As of December 31st 2023 and 2022, the Board of Directors is confident that the estimated impairment losses on receivables are adequately reflected in the financial statements.

As of December 31st 2023 and 2022, the balances of accounts receivable from clients (Note 27) for which no impairment losses were recorded, given that the Board of Directors considers that they are recoverable, are as follows:

	2023	2022
Balances		
Not overdue	76.511	94.783
Up to 180 days	33.968	26.020
From 180 to 360	8.852	10.307
More than 360 days	28.905	54.390
	148.236	185.500

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 sources of financing, such as operating cash flows, divestment, credit lines and cash flows from financing operations, do not meet financing needs such as cash outflows for operating and financing activities, investments, shareholder compensation and debt repayment.

As a way to mitigate this risk, the Group seeks to secure new financing and maintain a net position and an average debt maturity that allows for the repayment of its debt over appropriate terms.

Financial liabilities maturing up to one year are, whenever it's considered appropriate, replaced with medium and long-term maturity.

The maturity of financial liabilities as of December 31st 2023 and 2022 is as follows:

			2023		
	Up to 1	1 to 2 years	2 to 3 years	More than 3	Total
Financing obtained	220.694	45.244	41.654	419.578	727.171
Lease liabilities	5.292	4.480	4.042	7.687	21.501
Trade creditors	145.054	-	-	-	145.054
Advance payments from Clients	135.273	46.264	-	-	181.537
Other payable debts	19.348	21.164	4.894	16.396	61.802
Other Liabilities	87.055	1.415	-	-	88.471
	612.717	118.567	50.590	443.661	1.225.535
			2022		
	Up to 1	4.4- 0			
	140.04	1 to 2 years	2 to 3 years	More than 3	Total
Financing obtained	222.401	57.808	2 to 3 years 46.784	440.161	Total 767.154
Financing obtained Lease liabilities	222.401 5.642			1/0.040	
· ·		57.808	46.784	440.161	767.154
Lease liabilities	5.642	57.808	46.784	440.161	767.154 26.529
Lease liabilities Trade creditors	5.642 160.893	57.808 4.849	46.784 4.237	440.161	767.154 26.529 160.893
Lease liabilities Trade creditors Advance payments from Clients	5.642 160.893 152.989	57.808 4.849 - 29.357	46.784 4.237	440.161 11.801	767.154 26.529 160.893 188.797

As of December 31st 2023 and 2022, the amount of cash and cash equivalents and the unused amount of the commercial paper program and credit lines amounted to 141.111 thousand euros and 215.004 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:

		20	)23	
	Receivable loans and accounts	Financial Assets	Other liabilities and financing obtained	Total
Assets:				
Cash and cash equivalents	101.345	-	-	101.345
Clients	148.237	-	-	148.237
Other financial investments at fair value through other comprehensive income	-	14.211	-	14.211
Other accounts receivable	33.571	-	-	33.571
Other Assets	81.653	-	-	81.653
Financial Assets Total	364.806	14.211	-	379.017
Liabilities:				
Financing obtained	-	-	727.171	727.171
Lease liabilities	-	-	21.501	21.501
Trade creditors	-	-	145.054	145.054
Advance payments from Clients	-	-	181.537	181.537
Other payable debts	-	-	61.802	61.802
Other Liabilities	-	-	45.282	45.282
Financial Liabilities Total	-	-	1.182.347	1.182.34
		20	)22	
	Receivable loans and accounts	Financial Assets	Other liabilities and financing obtained	Total
Assets:	05.000			05.000
Cash and cash equivalents	95.668	-	-	95.668
Clients	185.500	- 10.704	-	185.500
Other financial investments at fair value through other comprehensive income	-	12.704	-	12.704
Other financial investments at amortised cost	-	3.300	-	3.300
Other accounts receivable	40.711	-	-	40.711
Other Assets Financial Assets Total	92.859 414.738	16.004	-	92.859 430.741
Liabilities:				
Financing obtained	_	_	767.154	767.154
Lease liabilities	_	_	26.529	26.529
Trade creditors	_	_	160.893	160.893
Advance payments from Clients	_	-	188.797	188.797
Other payable debts				
Other payable debts				
	-	-	77.980	77.980
Other Liabilities Financial Liabilities Total	-	-	51.228 1.272.580	51.228 1.272.58

#### 43 - MEASUREMENTS AT FAIR VALUE

Fair value estimate - assets and liabilities measured at fair value

The following table presents the assets and liabilities of the Group measured at fair value on December 31st 2023 according to the following fair value hierarchy levels:

- Level 1: the fair value of financial instruments is based on prices ruling on active liquid markets at the date of the statement of financial position;
- Level 2: the fair value of financial instruments is not determined based on active market prices but according to valuation models;
- Level 3: the fair value of financial instruments is not determined based on active market prices but according to valuation models, whose main inputs are not observable in the market.

Category	Item	Level 1	Level 2	Level 3
Assets:				
Other financial investments at fair value through other comprehensive income	Shares	1.830	10423	1958
Investment properties	Buildings and land	-	133.332	-

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

Regarding loans, in accordance with Note 35, most loans are taken out at variable interest rates. Therefore, it is considered that their book value (amortised cost) does not differ significantly from corresponding market value.

### 44 - AUDITOR FEES AND SERVICES

During the periods ended on December 31st 2023 and 2022, the fees for services rendered by auditors to the companies within the Group (Moore and BDO in Portugal; Moore and Ernst & Young in Brazil; Moore in Belgium; Deloitte in Angola; Ernst & Young in Mozambique, and other auditors) were as follows:

	2023	2022
Statutory audit services	693	793
Other reliability assurance services	-	-
Tax advisory services	-	-
Other services	-	3
	693	796

#### 45 - CURRENCY CONVERSION ADJUSTMENTS

In the periods ended on December 31st 2023 and 2022, currency conversion adjustments calculated during the conversion of the financial statements of companies denominated in foreign currencies, for each geographical area, were as follows:

	2023	2022
Angola	(169.471)	78.448
Algeria	665	(3.985)
Brazil	5.410	14.043
Mozambique	(2.456)	3.610
Venezuela	(1.240)	(60)
Other markets	44	102
Total	(167.048)	92.158

### 46 - APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements for the period ended on December 31st 2023 were approved at a meeting of the Board of Directors on April 20th 2024; 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 May 22nd 2024.

#### **47 - SUBSEQUENT EVENTS**

We have no knowledge of any fact materially relevant, with impact on the financial statements on December 31st 2023, having occurred between the end of the financial year and the present date.



# Report, Opinions and Certifications of the Supervisory Bodies 2023

# REPORT AND OPINION OF THE SUPERVISORY BOARD

To the Shareholders,

#### Introduction

Under the provisions of Article 420, paragraph 1, subparagraph g) of the Commercial Companies Code, in the Company's Articles of Association, and in the performance of the mandate conferred, the Supervisory Board hereby presents its report on the supervisory action carried out at TEIXEIRA DUARTE, S.A., as well as the opinion on the financial statements for the year ended December 31st 2023, and on the proposal for results allocation.

The appraised report and accounts were approved by the Board of Directors in the meeting held on April 24th 2023 and include the Consolidated Management Report, Non-Financial Information, the Corporate Governance Report and the Individual and Consolidated Financial Statements.

#### Report

Within the scope of the powers and competencies legally conferred upon us, we have monitored the activities of the Company and the Group, namely through the regular participation of the Chairperson of the Supervisory Board in the monthly meetings of the Board of Directors, and through the participation of all members of the Supervisory Board in other meetings and contacts with the Management, staff, and other officials of the Group.

Additionally, we have met on several occasions with the Statutory Auditor, monitoring the development of their role, and evaluated their performance during 2023. We verified and monitored their independence, as required by law, particularly assessing its adequacy, with the Audit Firm declaring that they did not provide any other services. The statutory audit positively contributed to the integrity of the financial information preparation and disclosure process.

We also promoted periodic meetings where we assessed the activities and business of the Company and the Group, as well as compliance with the law and the articles of association. We analysed the interim financial statements, including the accounting policies and valuation criteria adopted, to ensure that they lead to a correct assessment of assets and results.

In addition to these meetings, we supervised the process of preparing and disclosing annual financial and non-financial information contained in the financial statements' documents and:

- We verified that the management report contains a clear exposition of the most significant aspects of the evolution of the business, financial and non-financial performance, and the financial position of the Company and the Group, as well as the impact of various contexts, including economic or political contexts on the Group's activities and other relevant information;
- We 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 companies of the Group are subjected,
  including interest rate risk, liquidity risk, or exchange rate risk resulting from exposure to some markets where the Group
  operates, and whose currencies have strong volatility with a significant impact on assets, results, and equity;
- We verified that the financial statements, both individual and consolidated, including the respective notes, provide a true
  and fair view of the financial position of the Company and the TEIXEIRA DUARTE Group, respectively;
- We assessed the Legal Certification of Accounts and Audit Report on the individual financial statements and the Legal
  Certification of Accounts and Audit Report on the consolidated financial statements issued on April 30<sup>th</sup> 2024, by the Audit
  Firm, which do not contain reservations, with an emphasis on the Legal Certification of the Consolidated Accounts. We also
  reviewed the Additional Report addressed to the Supervisory Board, issued in accordance with current legislation, which
  describes how the aforementioned Company conducted the audit and reached its conclusions.

Report, Opinions and Certifications of the Supervisory Bodies 2023

# Opinion

In these terms, considering the information provided to us by the Board of Directors and the Company's Services, as well as the conclusions set forth 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 for the year 2023 should be approved;
- c) The proposed allocation of results presented by the Board of Directors should be approved.

In compliance with the provisions of article 29.°-G, paragraph 1, c) of the Securities Code, the members of the Supervisory Board declare that, to the best of their knowledge, the annual accounts and other financial documents were prepared in accordance with applicable accounting standards, providing a true and fair view of the assets and liabilities, financial position, and results of TEIXEIRA DUARTE, S.A. and the Group of which TEIXEIRA DUARTE, S.A. is the parent company. They further declare that the management report accurately describes the evolution of the business, performance, and financial position of TEIXEIRA DUARTE, S.A. and the Group of which TEIXEIRA DUARTE, S.A. is the parent company, including a description of the main risks and uncertainties of the business.

Lisboa, April 27th 2023

Ana Cristina Louro Ribeiro Doutor Simões - Chairperson

João Salvador dos Santos Matias - Member

Carlos Manuel Bastos Rodrigues - Member



Moore Stephens & Associados, SROC, S.A.

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#### 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 2023 (showing a total of 1,030,903 thousand euros and total equity of 147,363 thousand euros, including a net loss for the year of 22,313 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 2023, 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.



#### **Emphasis**

As disclosed in Note 10 to the financial statements, following a decision by the European Commission, the tax benefits obtained by two subsidiaries, indirectly held by the Entity, which maintained economic activity in the Madeira Free Trade Zone from 2012 to 2017, have been considered "illegal state aid", and consequently the Tax Authority issued corporate tax assessments for those years in the amount of 12,382 thousand euros. The aforementioned European Commission decision was contested by the Republic of Portugal and by the Autonomous Region of Madeira to the General Court of the European Union, which was judged unfounded, being an appeal submitted to the Court of Justice of the European Union, but no decision has been taken to date. Additionally, it is important to mention that the judicial appeals of the aforementioned tax assessments are pending decision by the Administrative and Tax Court of Sintra, and they are currently suspended. According to a legal opinion from an external lawyer, the risk of the court challenges being dismissed is not probable. Taking into account all the legal grounds and arguments presented, it is the Management's understanding that the situation described should be considered a contingent liability disclosed in Note 10 and no provision has been recognised in the accounts of the subsidiaries.

Our opinion remains unchanged regarding this matter.

# 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

#### 1. Valuation of financial investments in subsidiaries

As disclosed in notes 3.2 a) and 7 to the financial statements, the financial investments in subsidiaries, in the amount of 972,908 thousand euros, are valued by the equity method.

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.

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:

- Obtaining the financial statements of the subsidiaries and the respective legal certifications of the accounts;
- Validation of the uniformity of the accounting policies adopted in valuing the direct and indirect financial holdings held by the Entity;
- Research into the existence of possible indications that these assets may be impaired;
- 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
- Validation of the disclosures included in the notes to the financial statements.



#### 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.

# 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' meeting held 30 May 2015 for the mandate 2015/2018, then re-elected in the shareholders' meeting held 27 May 2019 for the mandate 2019/2022, and again re-elected on the shareholders' meeting held 24 May 2023, for the biennium 2023/2024;
- 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 30 April 2024; 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, 30 April 2024

(signed on the Portuguese version)

MOORE STEPHENS & ASSOCIADOS, SROC, S.A. Represented by Ana Patrícia Correia Monteiro Varela ROC Nº 1418, CMVM Registration Nº 20161028



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#### 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 2023 (showing a total of 1,518,641 thousand euros and a total equity of 149,317 thousand euros, including a net loss for the year of 11,750 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 2023, 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.

Moore Stephens & Associados, SROC, S.A. inscrita na OROC com o nº 173 e na CMVM com o nº 20161476. Capital Social 145.500€. Conservatória do Registo Comercial de Lisboa e NIF 505062615. An independent member firm of Moore Global Network Limited – members in principal cities throughout the world



#### **Emphasis**

As disclosed in Note 40 to the consolidated financial statements, following a decision by the European Commission, the tax benefits obtained by two group entities, which maintained economic activity in the Madeira Free Trade Zone from 2012 to 2017, have been considered "illegal state aid", and consequently the Tax Authority issued corporate tax assessments for those years in the amount of 12,382 thousand euros. The aforementioned European Commission decision was contested by the Republic of Portugal and by the Autonomous Region of Madeira to the General Court of the European Union, which was judged unfounded, being an appeal submitted to the Court of Justice of the European Union, but no decision has been taken to date. Additionally, it is important to mention that the judicial appeals of the aforementioned tax assessments are pending decision by the Administrative and Tax Court of Sintra, and they are currently suspended. According to a legal opinion from an external lawyer, the risk of the court challenges being dismissed is not probable. Taking into account all the legal grounds and arguments presented, it is the Management's understanding that the situation described should be considered a contingent liability disclosed in Note 40 and no provision has been recognised in the consolidated accounts.

Our opinion remains unchanged regarding this matter.

# 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

# 1. International Exposure

As disclosed in Note 7 to the consolidated financial statements, the Group's activity is spread over 6 business areas, with operations in 4 countries, with different economic contexts and operational risks.

The Group's activity outside Portugal represents 54.9% 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.

The exposure to the currencies of those countries and the worsening of the global economic environment bring increased risks to the Group, namely:

- Foreign Exchange Risk, arising from the strong fluctuation of local functional currencies against the euro;
- Liquidity Risk, resulting from difficulties in repatriating currency from those territories; and
- iii) 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.

Due to their significance and unpredictability, we consider these issues as relevant matters on our audit.

Our audit approach included the execution of several procedures in order to mitigate the risks of material misstatement, highlighting the following:

- 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;
- Evaluation of the Group's degree of exposure to geographies with high exchange and liquidity risks:
- Evaluation of the collectability risks and of the adequacy of the recognition of eventual impairments in accounts receivable;
- Analysis of the currency translation of the financial statements of subsidiaries in different geographies;
- Follow-up of the actions developed in 2023 for the reduction of the Group's exposure in geographies with greater instability and business risk; 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 95,396 thousand euros, about 39.2% of the total (243,633 thousand euros), and were increased in the period by 9,487 thousand euros.

The Group recognizes 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 recognize, 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 recognized 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 generalized 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 recognized 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 tangible fixed assets

As disclosed in notes 2.2, 2.5 and 20 to the consolidated financial statements, the Group continued to adopt the revaluation model as the appropriate accounting policy for the measurement of homogeneous class of fixed assets.

The adoption of the revaluation model assumes that the fair value can be reliably determined.

The revaluations were performed by independent appraisers in order to ensure that the carrying amount does not differ materially from the fair value at the end of the reporting period.

We consider this issue as a significant audit matter, given the relevance of the effects of the revaluation of these tangible fixed assets in the consolidated financial statements.

We performed audit procedures in order to mitigate the risks of material misstatement in this area, highlighting the following:

- Assessment of the criteria and assumptions underlying the judgements to identify and recognize certain assets as being part of the homogeneous classes identified;
- Identification of external appraisers and analysis of their credibility and independence;
- Evaluation of the reasonableness of the main assumptions used in the valuations by the experts;
- Validation of the values recognized in the accounts, by reference to the values included in the valuations;
- Validation of the appropriate currency conversion of the fair value of the assets located abroad; 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 8.8% of the total assets.

The consolidated statement of financial position of the Group, at 31 December 2023, shows a total of 133,332 thousand euros referring to investment properties (217,393 thousand euros at 31 December 2022). 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 specialized independent entities.

The investment properties are substantially located in Portugal (66,861 thousand euros), Angola (63,313 thousand euros) and Mozambique (3,158 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 recognized 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 2023, the balance of the deferred tax assets item amounts to 155,577 thousand euros and is made up as follows:

- 102,756 thousand euros relating to impairment losses on financial assets;
- 20,637 thousand euros resulting from tax losses carried forward;
- 11,086 thousand euros resulting from tax credit for international double taxation; and
- 21,098 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 recognize 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.

# 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 consolidated 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.

#### 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.

#### 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 508.º-G 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.

# European single electronic format (ESEF)

The consolidated financial statements of Teixeira Duarte, S.A. for the year ended 31 December 2023 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 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' meeting held 30 May 2015 for the mandate 2015/2018, then re-elected in the shareholders' meeting held 27 May 2019 for the mandate 2019/2022, and again re-elected on the shareholders' meeting held 24 May 2023, for the biennium 2023/2024;
- 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 30 April 2024; 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, 30 April 2024

(signed on the Portuguese version)

MOORE STEPHENS & ASSOCIADOS, SROC, S.A. Represented by Ana Patrícia Correia Monteiro Varela ROC Nº 1418, CMVM Registration Nº 20161028

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# Report, Opinions and Certifications of the Supervisory Bodies 2023

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