

REPORT AND ACCOUNTS 2020



A HOUSE OF ENGINEERING

Prestigious over the years for its exceptional performance, Teixeira Duarte – Engenharia e Construções, S.A. is synonymous with a true House of Engineering.

As a benchmark company of the Teixeira Duarte Group in the Construction sector, it is a global organization operating in all areas of construction, employing circa 4,000 employees.

Building on the origins of its founder's performance in 1921, Engineer Ricardo Esquível Teixeira Duarte, the company has always promoted an operation focused on the success of the projects in which it participates, a conduct which has as cornerstones the sense of responsibility and the creation of long-term value for Clients, Employees, Partners and Communities.

A GLOBAL COMPANY OPERATING IN ALL AREAS OF CONSTRUCTION:

- GEOTECHNICS AND FOUNDATIONS
 - REHABILITATION
 - MARITIME WORKS
 - BUILDINGS
 - INFRASTRUCTURE
 - METALWORKING
 - UNDERGROUND WORKS
 - RAILWAY WORKS
-

11 COUNTRIES | 4,000 EMPLOYEES

PORTUGAL - ANGOLA - ALGERIA - BRAZIL - CAPE VERDE - COLOMBIA - ECUADOR - SPAIN
KUWAIT - MOZAMBIQUE - PERU



2020 REPORT & FINANCIAL STATEMENTS

INDEX

COMPANY IDENTITY AND CERTIFICATIONS	5
SOCIAL BODIES	6
BOARD OF DIRECTORS' MANAGEMENT REPORT	7
I. INTRODUCTION	8
PROFILE	9
1. INTRODUCTION AND HISTORY	9
2. MISSION AND VALUES	10
3. ETHICS AND CONDUCT CODE AND COMPLIANCE SYSTEM	10
4. ORGANIZATION	11
II. ACTIVITY IN 2020	12
1. KEY INDICATORS	12
2. FINANCIAL ASSESSMENT OF 2020 ACTIVITY	12
3. OPERATIONAL ASSESSMENT - INTRODUCTION	17
4. OPERATIONAL ASSESSMENT - CONSTRUCTION	19
5. OPERATIONAL ASSESSMENT - CONCESSIONS AND SERVICES	33
III. NON-FINANCIAL INFORMATION	35
IV. CORPORATE FACTS	52
V. PROSPECTS OF FUTURE DEVELOPMENT	53
VI. LEGAL INFORMATION	53
VII. PROPOSAL FOR THE APPROPRIATION OF PROFITS	54
FINANCIAL STATEMENTS	55
I. BALANCE SHEET	56
II. INCOME STATEMENT BY ACTIVITY	57
III. STATEMENT OF CHANGES IN EQUITY	58
IV. CASH FLOW STATEMENT	59
V. APPENDIX	60
1. INTRODUCTORY NOTE	60
2. ACCOUNTING BENCHMARK	60
3. MAIN ACCOUNTING POLICIES	64
4. CASH FLOW	73
5. RELATED PARTIES	74
6. INTANGIBLE ASSETS	79

7.	TANGIBLE FIXED ASSETS	80
8.	INVESTMENT PROPERTIES.....	81
9.	ASSETS IMPAIRMENT LOSSES	82
10.	GOODWILL	83
11.	FINANCIAL HOLDINGS - EQUITY METHOD	83
12.	GAINS/LOSSES ATTRIBUTABLE TO SUBSIDIARIES AND JOINT VENTURES	87
13.	INVENTORIES	88
14.	CONSTRUCTION AGREEMENTS	88
15.	REVENUE	88
16.	PROVISIONS	89
17.	CONTINGENT LIABILITIES	90
18.	EFFECT OF EXCHANGE RATE CHANGES	91
19.	INCOME TAX	91
20.	FINANCIAL INSTRUMENTS	95
21.	GUARANTEES AND COMMITMENTS	100
22.	FINANCIAL RESULTS	102
23.	EMPLOYEE BENEFITS	103
24.	EXTERNAL SUPPLIES AND SERVICES	103
25.	OTHER INCOME.....	104
26.	OTHER EXPENSES.....	104
27.	FINANCIAL RISK MANAGEMENT	105
28.	CAPITAL	107
29.	OTHER INFORMATION	108
30.	EVENTS AFTER THE BALANCE SHEET DATE	109
	REPORT AND OPINION OF THE SOLE SUPERVISOR AND LEGAL CERTIFICATION OF ACCOUNTS 2020.....	110

COMPANY IDENTITY AND CERTIFICATIONS

1. Company Identity

TEIXEIRA DUARTE - ENGINEERING AND CONSTRUCTION, S.A.

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

Share Capital: € 280,000,000

Tax Identification and Cascais (Oeiras) Commercial Registry number 500 097 488

Holder of Building Permit No. 24 - PUB

2. Certifications



Teixeira Duarte – Engenharia e Construções, S.A., based on ISO 45001, ISO 9001, ISO 14001 and SA 8000 standards, implemented Management Systems, respectively, in the areas of Safety, Hygiene and Health at Work, Quality, Environment and Social Responsibility, certified by the Bureau Veritas Certification, covering the areas of "Civil, Industrial and Public Works, including Foundation Technology".

SOCIAL BODIES

Teixeira Duarte – Engenharia e Construções, S.A.

General Assembly

President: - Pedro Maria Calainho Teixeira Duarte
Secretary: - José Pedro Poiares Cobra Ferreira

Board of Directors

President: - Manuel Maria Calainho de Azevedo Teixeira Duarte
Directors: - Pedro Miguel Martins Cardoso Costa
- Sérgio Paulo Reis Pereira
- Paulo Alfredo de Carvalho Serradas

Statutory Auditor

Active: - Moore Stephens & Associates, SROC, S.A.
Statutory Auditors Company, represented by António
Gonçalves Monteiro - ROC
Substitute: - Ana Patrícia Correia Monteiro Varela - ROC

Company Secretary

Active: - José Pedro Poiares Cobra Ferreira
Substitute: - Filipe Manuel Cavaco Bismarck

BOARD OF DIRECTORS' MANAGEMENT REPORT

I. INTRODUCTION

This Management Report and its accounts refer to an individual analysis of Teixeira Duarte - Engenharia e Construções, S.A., with Teixeira Duarte Group's global and consolidated information, in which it is integrated, presented and developed within the scope of Teixeira Duarte, S.A.'s accountability documents, the Group's top listed company and Teixeira Duarte - Engenharia e Construções S.A.'s sole shareholder.

This Management Report firstly presents the Company's Profile, followed by the 2020 Activity Report, with the Main Indicators, the Financial Assessment of the 2020 Activity and the Operational Assessment, the latter reporting on the company's activities, its branches, subsidiaries and groupings that operate in the Construction sector and in operations within the scope of Concessions and Services linked to the construction activity.

This is followed by a Non-Financial Information Report, Corporate Facts, Prospects for Future Development, Legal Information and concludes with the Proposal for the Appropriation of Profits.

Teixeira Duarte - Engenharia e Construções, S.A.'s financial statements hereby presented are prepared in accordance with the Accounting Standardization System (SNC – Sistema de Normalização Contabilística).

PROFILE

1. INTRODUCTION AND HISTORY

"Teixeira Duarte - Engenharia e Construções, S.A." is a Portuguese company whose origins date back to the individual activity of its founder, Engineer Ricardo Esquível Teixeira Duarte, in 1921, 100 years from the current date.

The company's first areas of activity were water collection, drilling, hydrological work and great depth geological drilling.

Given its Engineering House character, it soon became involved in more complex works, having, from the 1930s, extended its performance to other aspects of geotechnics and foundations, executing works in some of Lisbon's prime construction projects.

The company's technical worth and availability of capable human resources, enabled it to have the opportunity to execute, in the 1950s, geotechnics and foundations works in India and concrete injections at the Biópio dam in Angola.

It was only in the 1960s, however, that the company extended its operations to buildings and in the mid-1980s to the infrastructure area, performing various types of works ranging from bridges, highways, dams, underground works. In the 1990s it also consolidated a position in railway and maritime works.

This sustained growth resulted from the large number of tenders launched and infrastructure developed in Portugal during these periods, allowing Teixeira Duarte to expand its technical capacity, human and equipment resources, as well as production, studies and projects.

Internationally, since the late 1970s, early 1980s, Teixeira Duarte limited its operations to Portugal, Venezuela (since 1978), Angola (since 1979), Mozambique (since 1982) and the Macao Special Administrative Region (since 1984). Countries whose historical and cultural roots are close to Portugal.

At the beginning of the 21st century, Teixeira Duarte extended its scope to other countries beyond those mentioned above, namely Algeria, Brazil, Cape Verde, Colombia, Spain, Ecuador, Kuwait, Morocco and Peru.

The cyclical variations characteristic of these different geographies allowed Teixeira Duarte to promote a rotation of technical resources and resources directly to these countries, where production varied, in the same way as it allocated studies' central resources, projects and proposals to these various markets according to each one's work intensity.

Both directly and through its branches and holdings in societies and groupings, "Teixeira Duarte - Engenharia e Construções, S.A.", pursued, during these last 100 years, the positioning of an Engineering House that operates on the basis of its Mission and Values and, thus, continues to "Do, contributing to the construction of a better world."

2. MISSION AND VALUES

Teixeira Duarte's Mission and Values have always been transmitted to all workers by example and daily practice and constitute the essence of its ethics and shape the conduct of its employees, having been described at Teixeira Duarte as a faithful reflection of its past and as pillars for its future.

Teixeira Duarte - Engenharia e Construções, S.A. has an Ethics and Conduct Code which confirms the mission and values that define Teixeira Duarte's ethics and establishes rules that reinforce, develop or complement them, thus defining the Conduct of all recipients.

The central core of Teixeira Duarte's Ethics is based on its mission and values, which are defined below:

The **Mission** – To Do, contributing towards the construction of a better world – defines what moves its Employees on a daily basis, and constitutes the goal shared by all regardless of their area of activity, geography, or work team.

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

"**Contributing**" because we must have the notion that no one does anything alone.

For the "**Construction**" of something we're all a part of.

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

The **Values** are the way one should act to achieve this goal and characterize the Company's involvement with all related parties. They are:

Skill - Value based on Teixeira Duarte's origin and design: "An Engineering House", where, from the research and domain 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 people in-house.

Truth – 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.

3. ETHICS AND CONDUCT CODE AND COMPLIANCE SYSTEM

Many of these aspects are then developed in more detail in the Ethics and Conduct Code adopted by the company – which is "Teixeira Duarte Group's Ethics and Conduct Code" – in which Teixeira Duarte's values and mission are established and developed, 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.

Apart from the monitoring and compliance system with the aforementioned Code, there is a compliance system within the Group in which Teixeira Duarte - Engenharia e Construções, S.A. is integrated with a view to safeguard compliance with the regulations applicable to the development of the company's activity, including the aforementioned Ethics Code.

There are in addition a set of procedures listed in Teixeira Duarte - Engenharia e Construções, S.A.'s Integrated Management System, in the areas in which it is certified, which currently range from Safety, Hygiene and Health at Work, Quality, Environment and Social Responsibility, certified by the Bureau Veritas Certification, covering the areas of "Civil Construction, Industrial and Public Works, including Foundation Technology".

4. ORGANIZATION

"Teixeira Duarte - Engineering and Construction, S.A.", as the main company of the Teixeira Duarte Group in the Construction sector, currently develops its activity in the areas of Geotechnics and Foundations, Rehabilitation, Maritime Works, Buildings, Infrastructures (including participation in Railway Works), Metalworking and Underground Works, which divide the production and commercial aspects into structures that are essential to management training and in the monitoring of their career and that integrate Exploration and Management Centres, equally deploying a set of Support Structures specific for this construction sector, in particular in the areas of Formworks and Pre-Effort, Equipment Management and Logistics proposals and a Materials Laboratory.

Also integrated in "Teixeira Duarte - Engenharia e Construções, S.A." there are other Structures that, despite more focused on the Construction activity, also support other sectors of the Group in the area of Systems and Technology Management, Innovation and Supply Systems.

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

II. ACTIVITY IN 2020

1. KEY INDICATORS

	2016*	2017*	2018*	2019*	2020	Δ 2020/2019
Employees	3.022	3.015	3.546	3.418	2.123	(37,89%)
Turnover	305.191	312.839	368.808	377.130	276.649	(26,64%)
EBITDA	27.330	49.410	61.387	48.532	18.226	(62,45%)
EBITDA margin on Turnover	9,0%	15,8%	16,6%	12,9%	6,6%	-6,3 p.p.
Net Income	19.715	16.004	9.975	1.645	(7.934)	(582,31%)
Assets	1.619.647	1.607.766	1.468.270	1.368.344	1.258.286	(8,04%)
Liabilities	1.052.546	1.095.417	965.058	940.835	897.492	(4,61%)
Equity	567.101	512.345	503.212	427.509	360.794	(15,61%)
Net Debt	651.480	605.711	532.584	511.401	527.137	3,08%
Financial autonomy	31,0%	31,9%	34,3%	31,3%	28,7%	-2,6 p.p.
General liquidity	138,4%	128,4%	146,0%	129,4%	136,5%	7,1 p.p.

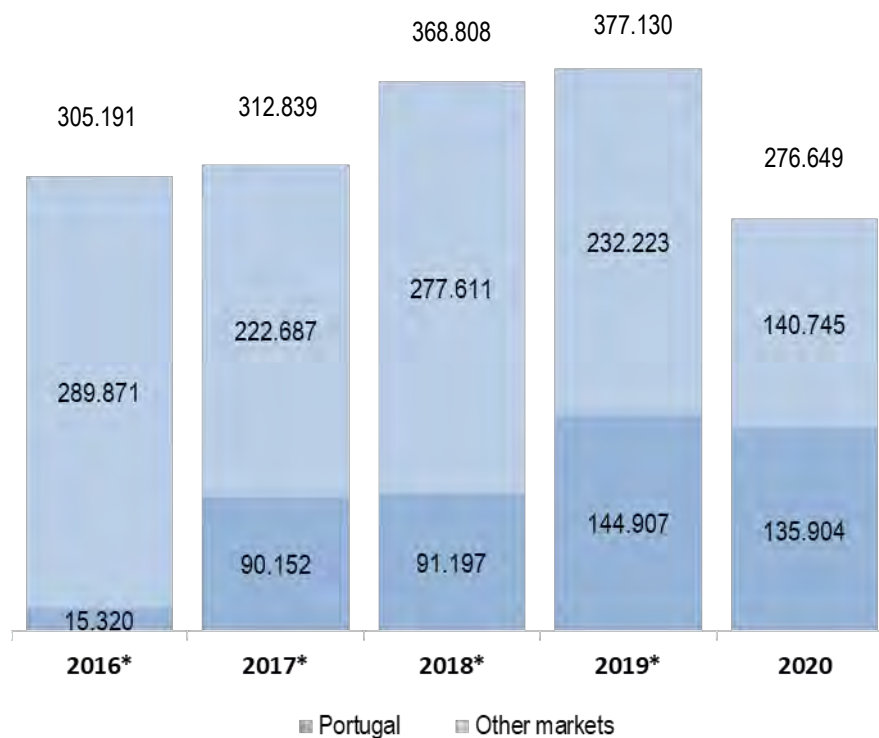
(Amounts in thousands of euros)

(*) - 2016, 2017, 2018 and 2019 restated values

2. Financial assessment of 2020 activity

For a global approach of Teixeira Duarte - Engenharia e Construções, S.A.'s performance throughout 2020, a set of management and financial analysis indicators concerning this period is now presented, which not only refer to the company's internal evaluation, but also integrate market benchmarks and commercial requirements of the Construction sector.

Turnover Progress



(Amounts in thousands of euros)

(*) - 2016, 2017, 2018 and 2019 restated values

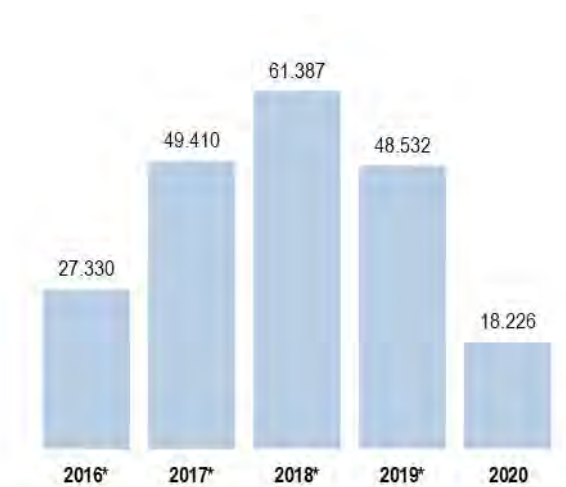
Turnover reached 276,649 thousand euros, reflecting a 26.6% reduction compared to the previous year.

The domestic market recorded a 6.2% Turnover decrease compared to 2019, impacted by the COVID-19 pandemic situation.

Foreign markets, as a whole, decreased by 39.4% compared to last year, with emphasis on the 74.8% reductions in Angola, 28.8% in Algeria and 58.7% in Brazil.

In this context, foreign markets which had represented 61.6% of the Company's Turnover in 2019, evolved to represent 50.9% of turnover in 2020.

EBITDA Progress



(Amounts in thousands of euros)

(*) - 2016, 2017, 2018 and 2019 restated values

EBITDA reached 18,226 thousand euros, a 62.4% decrease compared to the previous year, corresponding to 30,306 thousand euros. It should be noted that the variation of this indicator was negatively influenced by the operational exchange rate differences of 17,988 thousand euros;

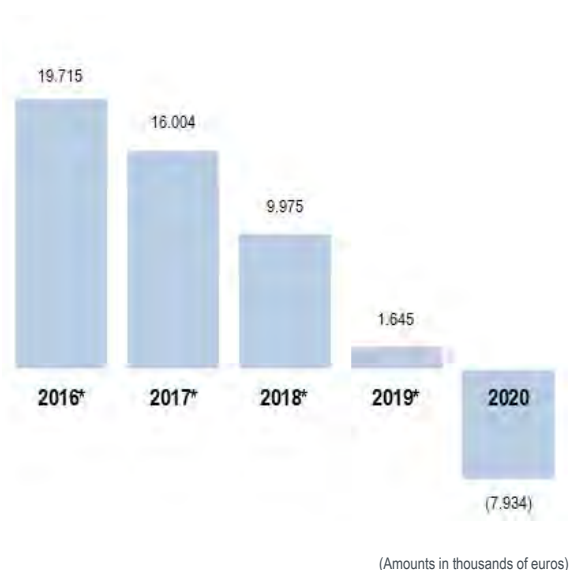
EBITDA Margin / Turnover Progress



(*) - 2016, 2017, 2018 and 2019 restated values

The **EBITDA margin on Turnover** decreased compared to last year, from 12.9% to 6.6% in 2020.

Net Income Progress



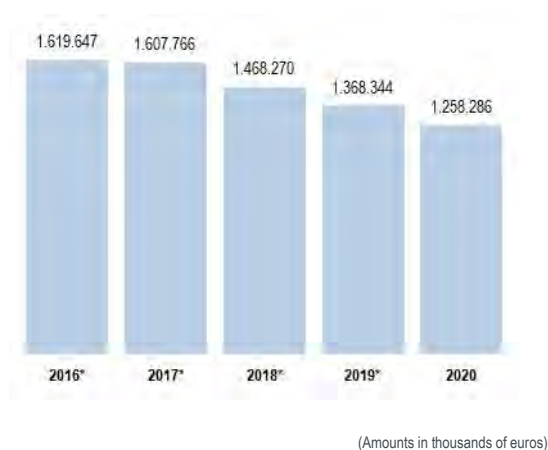
(*) - 2016, 2017, 2018 and 2019 restated values

Net Income reflected a 9,579 thousand euros decrease compared to the same period, hitting 7,934 thousand negative euros, compared with the positive results recorded in 2019.

In addition to the development of the company's activity, this indicator was influenced by some facts that should be highlighted:

- Change in operating exchange rate differences, with a 17,988 thousand euros negative impact;
- Change in financial exchange differences, with a 17,494 thousand euros positive impact;

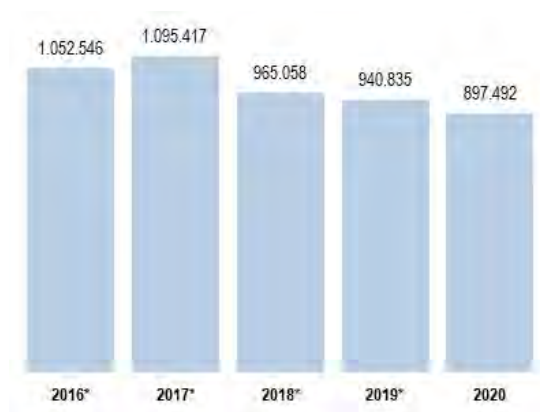
Assets Progress



(*) - 2016, 2017, 2018 and 2019 restated values

Total **Assets** stood at 1,258,286 thousand euros, registering a drop of 110,058 thousand euros, an 8% decrease compared to the end of last year.

Liabilities Progress

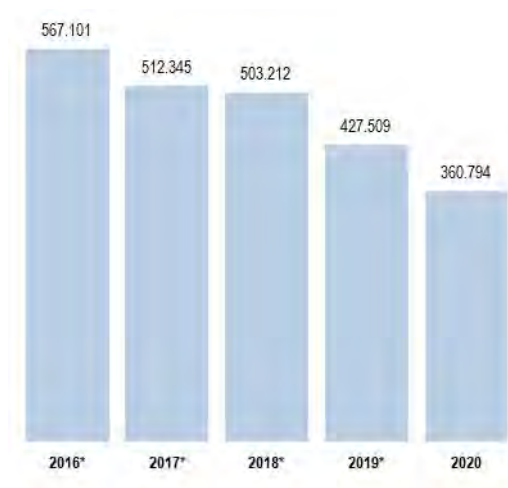


(Amounts in thousands of euros)

(*) - 2016, 2017, 2018 and 2019 restated values

Total **Liabilities** decreased by 4.6% compared to the same period, reaching 897,492 thousand euros.

Equity Progress

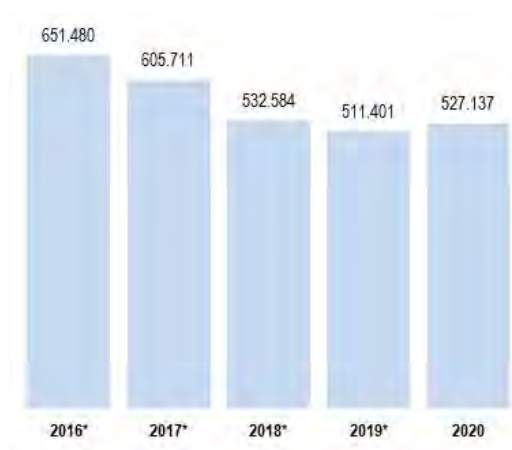


(Amounts in thousands of euros)

(*) - 2016, 2017, 2018 and 2019 restated values

Total **Equity** decreased by €66,715,000, down 15.6% from the end of 2019.

Net Debt Progress



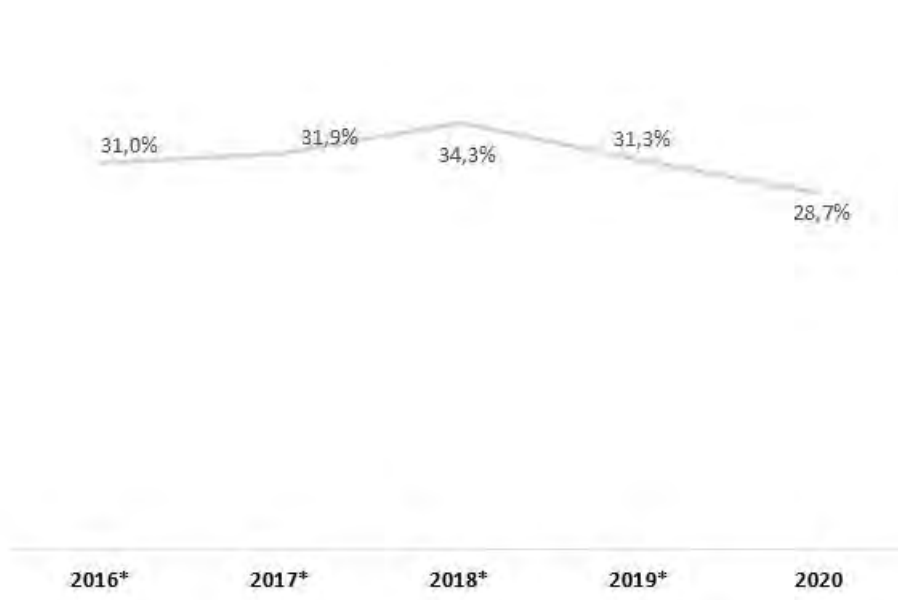
(Amounts in thousands of euros)

(*) - 2016, 2017, 2018 and 2019 restated values

Net Debt reached 527,137 thousand euros as of December 31, 2020, a 3.1% increase compared to last year.

The Company embraced, for all ongoing credit operations, the legal moratorium on capital and interest under the legal protection regime for claims under the COVID19 pandemic.

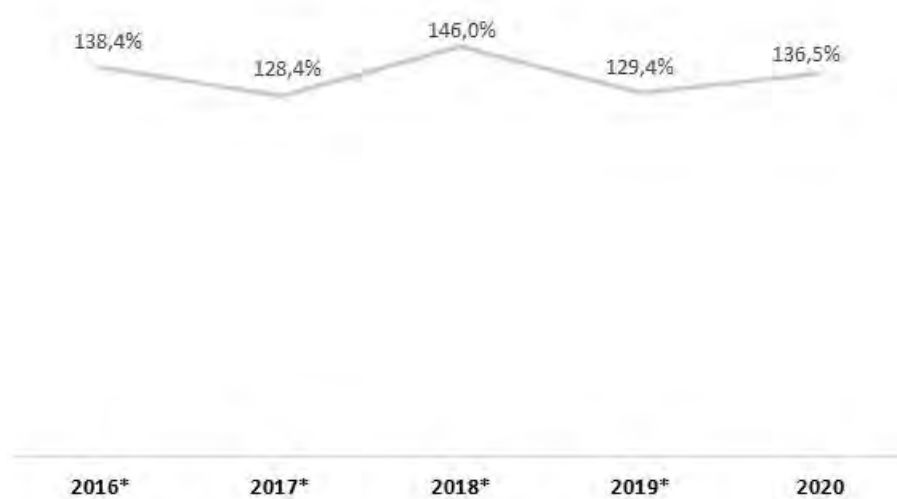
Financial Autonomy Progress



(*) - 2016, 2017, 2018 and 2019 restated values

Financial Autonomy reached 28.7% as of December 31, 2020, reflecting a 2.6 p.p. decrease compared to December 31, 2019.

General Liquidity Progress



(*) - 2016, 2017, 2018 and 2019 restated values

As of December 31, 2020, **General Liquidity** increased by 7.1 p.p. compared to the same period, from 129.4% to 136.5% in 2020.

3. Operational assessment - Introduction

The figures above reflect the results of "Teixeira Duarte - Engenharia e Construções, S.A." 's performance, its branches, as well as groupings and company subsidiaries, included through the equity method application, in accordance to note 11 of the appendixes to the financial statements.

This operational assessment focuses on the development of "Teixeira Duarte - Engenharia e Construções, S.A." 's activity and the aforementioned entities in the Construction sector and on operations within the scope of Concessions and Services connected to the construction activity, which are identified in the table of the following page, where all of them are distributed among the respective countries in which they operate.

Of this set, in addition to "Teixeira Duarte - Engenharia e Construções, S.A." 's branches and several groups of undertakings in which it participates, the following stand out: "EPOS - Empresa Portuguesa de Obras Undergrounds, S.A." (and its branches), "Teixeira Duarte Algérie, SPA", "EMPA, Serviços de Engenharia, S.A." (in Brazil), "Teixeira Duarte - Engenharia e Construções (Colombia), S.A.S), the "Puente Daulle-Guayaquil Consortium" (in Ecuador) and "Teixeira Duarte - Engenharia e Construções (Mozambique), Lda.".

Thus, this report presents the description of the joint activity of "Teixeira Duarte - Engenharia e Construções, S.A." and all these entities in the Construction sector (Chapter 4), followed by a chapter which highlights the operations under the Concessions and Services (Chapter 5) scope. For a better understanding of the global activity volume, financial indicators reported in both chapters correspond to consolidated values.

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

- Branches and Interests in the Construction Sector -

2020

TEIXEIRA DUARTE - ENGENHARIA E CONSTRUÇÕES, S.A.				
BRANCHES	COMPANIES	CGS'S		
Portugal	EPOS, S.A.	DOURO LITORAL, ACE	NOVA ESTAÇÃO, ACE	TRES PONTO DOIS, ACE
	CINTEL, LDA.	DOURO LITORAL OBRAS ESPEC., ACE	METROLIGEIRO, ACE	TD-SOMAFEL - V.C. GRANDE., ACE
	CONBATE, ACE	CONSTRUSALAMONDE, ACE	TD/SOPOL - METRO SUP., ACE	
Angola	TD-EC, S.A. (SUC. ANGOLA)			
	EPOS, S.A. (SUC. ANGOLA)			
Algeria	TD-EC, S.A. - ESTAB. EST. ARGÉLIA	TD ALGÉRIE, SPA	ETRHB/TD, AE	TD/ETRHB, AE
			TD COMPLEXE AGB-EL BIAR	TD/KANAGHAZ, AE
Brazil	TD-EC, S.A. (SUC. BRASIL)			
	EPOS, S.A. (SUC. BRASIL)			
Cape Verde	TD-EC, S.A. (SUC. CABO VERDE)			
Colombia	EPOS, S.A. (SUC. COLÔMBIA)	TD-EC (COLÔMBIA), S.A.S.		
	TD-EC, S.A. (SUC. COLÔMBIA)			
Spain	TD-EC, S.A. (SUC. ESPANHA)	UTEVIANA		
	EPOS, S.A. (SUC. ESPANHA)			
Ecuador	TD-EC, S.A. (SUC. EQUADOR)	CONS. PUENTE DAULE-GUAYAQUIL		
United States of America	TD CONSTRUCTION SERVICES, LLC			
Kuwait	TD-EC, S.A.			
Macao	TD-EC - MACAU, LDA.			
Mozambique	TD-EC, S.A. (DEL. MOÇAMBIQUE)	TD - MOÇAMBIQUE, LDA.		
Peru	EPOS, S.A. (SUC. PERÚ)	TD PERÚ, S.A.C.		
	TD-EC, S.A. (SUC. PERÚ)			
Venezuela	TD-EC, S.A. (SUC. VENEZUELA)	ADOQUINVAR, CA	CONSORCIO BOYACÁ-LA GUAIRA	
		CONLUVAR, CA	CONSORCIO OPSUT	
		TEGAVEN, CA		

4. Operational assessment - construction

"Teixeira Duarte - Engenharia e Construções, S.A." is a company whose initial activity dates back to 1921, currently acting, directly and indirectly, in the areas of Geotechnics and Foundations, Rehabilitation, Maritime Works, Buildings, Infrastructure (including participation in Railway Works), Metalworking and Underground Works. These operational areas have the support of a Formworks and Pre-effort Operational Centre and a set of Support Structures in the areas of Equipment Management, Management Systems and Technology, Proposals Supply and Logistics, as well as an Operational Centre and a Materials Laboratory, installed in Montijo, in an area of more than 100,000 sq m, constituting a huge additional value for the company and for the services provided to its clients.

Its founder, Eng. 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 recognized by his peers for his technical and innovation value.

"Teixeira Duarte - Engenharia e Construções, S.A." continued its performance defined by this hallmark, always assuming itself as a true Engineering house. 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 recognized as a synonym of knowledge and experience, being a constant presence in the construction market.

The Company's performance is characterized by interventions in projects of high technical complexity and dimension, both in public and private works, with highly specialized and technically prepared human resources, supported by technologically advanced own equipment.

In 2020, Teixeira Duarte - Engenharia e Construções, S.A. acted directly and through the entities mentioned above in the markets of Portugal, Angola, Algeria, Brazil, Cape Verde, Colombia, Ecuador, Spain, Kuwait, Mozambique and Peru and maintained commercial action directed to other markets under study and prospecting.

In all these markets, Teixeira Duarte's activity was affected by the COVID-19 pandemic situation, despite in different circumstances and scopes, according to the countries and official measures there implemented, as well as those also assumed by other stakeholders, namely clients, suppliers and partners.

Since the beginning of this reality, a wide range of measures were implemented, in all the works that were able to continue, varying according to markets and clients, such as increasing changing rooms and canteens, temperature measurements, protective equipment, logistics to avoid contact with areas of possible contamination, regular procedures for site sanitizing, rules of use and space capacity and site entry and exit rules, in many cases in specific articulation with the health authorities themselves and other works entities (construction owner, inspection and authorities).

This effort and cooperation of all stakeholders, with emphasis on the employees themselves, allowed contingency and prevention measures to be created to comply with authority guidelines and to mitigate and contain public health risk, balancing this plan with the necessary steps to safeguard business continuity and its impact on all stakeholders.

In this context, here are some highlights of the main undertakings developed throughout 2020:

A) HIGHLIGHTS

PLATFORM FOUNDATIONS AND STRUCTURES REINFORCEMENT, NEXT TO TERREIRO DO PAÇO, IN LISBON,

In 2020, the execution of a flagship work for the Lisbon Tourism Association (ATL – Associação de Turismo de Lisboa) is highlighted, which consisted of the "Platform Foundations and Structures Strengthening (Anti-Seismic Security)", next to Terreiro do Paço, in Lisbon, in the amount of 3.8 million euros. The project aimed to reinforce the foundations and structures for the execution of a platform and wall to the west, in the proximity of the South and South east river station of the Tagus River, buried structures of the Lisbon Metropolitan and Metropolitan Station and upstream Tower in Terreiro do Paço. The work included the execution of vertical stakes in reinforced concrete with a 1200mm diameter, preceded by the implementation plan of the surrounding structures instrumentation and observation.

MERS-EL-KEBIR NAVAL BASE IN ALGERIA

In 2020, work continued at a major multi-year maritime work at the Mers-EL-Kebir Naval base, with a 136 million euros total project value, which also significantly involved other operation areas of the Company in the construction sector, namely metalworking.

The project in a conception/ construction phase is intended to provide the Naval Base with a modern infrastructure dedicated to the maintenance and repair of vessels up to 9,000 tons and will comprise the areas for the implementation of the lift and the transfer of ships (about 135m long), 4 parking routes and a rolling path for the operation of 2 cranes of 40 tons capacity.

HOSPITAL CUF TEJO, PORTUGAL

The completion of the structures execution project, special installations, finishes and exterior arrangements of the CUF Tejo Hospital, in Alcântara, Lisbon, for "IMOHEALTH - Investimentos Imobiliários Unipessoal, Lda.", an entity of the José de Mello Group, which with a final contract value of 68.5 million euros, elevates the enterprise to one of the largest and most complex projects in the area of buildings built in Portugal in recent years.

The project's delivery in November allowed the entry into service of a new hospital to strengthen the National Health Service, in the midst of a very necessary conjuncture, with a new state-of-the-art health unit containing 10 operating theatres, 213 inpatient beds, 14 emergency room beds, 65 examination rooms and 800 parking spaces, corresponding to a gross construction area of 75,000 sq m.

CASCAIS EAST ENTRANCE EXECUTION UNIT

In continuation of the contract signed in 2019 for the Urbanization, Demolition, Excavation, Peripheral Containment, Foundations and Structure of Lots 1, 2, 3 and 4 of the Cascais East Entry, to the GRAND BAY RESIDENCES - SICAFI, S.A. and AUCHAN RETAIL PORTUGAL, S. A., the first and second addendums to the contract were signed in July and October 2020, in the amount of 11.3 million euros, corresponding to the adaptation of the current hypermarket and finishes and to the special installations of Lots 2 and 4 of the Commercial Project.

With the contract focusing on the corresponding area to the new hypermarket and its underground parking, the intervention covers a total of 32,600 sq m, subdivided into 18,900 sq m for parking and technical areas and 13,700 sq m for the hypermarket, offices and food-court.

The Project, integrated in the Cascais East Entrance Execution Unit, aims to requalify this area of the city by giving it the quality and dignity required at the main entrance of one of the most important tourist towns in the country.

PAPUDA PENITENTIARY COMPLEX, BRAZIL

The affiliate "EMPA – Serviços de Engenharia, SA." concluded the expansion of the Papuda Penitentiary Complex in May 2020, in the administrative region of São Sebastião, in the Federal District, on the banks of the highway that connects the federal capital, Brasília, to Unaí municipality.

This project, carried out for the "Secretary of State for Public Security of the Federal District" for a total value of 84 million reais, created a structure capable of housing a total of 3,200 inmates, contributing to a decrease of the overcrowding in the Brazilian's capital prison system.

The contract aimed to execute the remainder of the Construction Work of four Provisional Detention Centres, highlighting the construction of two Reception and Inspection Modules, two Management Modules, two Health Modules, sixteen Housing Modules and five Watchmen Points.

BRASILIA CATHEDRAL

The continuation of the execution of Phase 2 of the Brasilia Cathedral Building, for the "Universal Church of the Kingdom of God", referring to the work of foundations, structure, roofs, masonry, cladding and buried facilities, with completion scheduled for October 2021, emphasizing the use of prefabricated pre-slabs at the floor level, which provided the project with high construction rhythms, despite the difficulty inherent in the circular configuration of the building. The total value of this contract amounts to 237 million reais.

"FEIRA DA MADRUGADA" POPULAR SHOPPING CENTER

In September 2020, the construction project of "Phase 4 of the Feira da Madrugada" began for the "Circuito de Compras São Paulo S.A." in the Brás neighbourhood of São Paulo, referring to finishes, façades and technical facilities execution in a total value of 225 million reais.

After completion of the works, scheduled for November 2021, the building will have three floors intended for commerce and food, with a capacity for 4,000 divisions, 1,000 shops and a food court with more than 1,200 seats, as well as a parking area with 315 spaces for buses and more than 2,200 seats for vehicles. The Feira da Madrugada will be the largest Popular Shopping Centre in Latin America.

ACCESS TO THE BOLHÃO MARKET, PORTO, PORTUGAL

The works of the Tunnel access to the Bolhão market continued in 2020, to GOPorto (Porto City Hall Management and Works), in a project of circa 5 million euros and execution deadline of 19 months, venture which, located in a dense urban environment,

in the heart of Porto city, includes the construction of a tunnel that connects Rua Ateneu Comercial do Porto to Rua Alexandre Braga, with an approximate length of 120 meters, the partial rehabilitation of three buildings on Rua Formosa and the construction of three new buildings, two floors above the tunnel slab, in Rua do Ateneu Comercial do Porto, and Rua de António Pedro, in place of the existing ones, whose demolition was carried out under this project.

ITABIRUÇU DAM, IN ITABIRA MUNICIPALITY IN MINAS GERAIS

For VALE do Rio Doce, S.A., the execution of civil works was continued to raise the Itabiruçu dam shield up to an elevation of 850m in the Itabira/MG municipality. The raising works are highly complex in terms of engineering since they address geotechnical, hydraulic and structural aspects related to the works already carried out in the first raisings, requiring their compatibilization with the new execution project and revision of the foundation conditions and filters. This Project reflects a main wall of final height to the order of 42m and an axis with a 1,100m extension. The work is expected to be completed in 2021, with an estimated value of 26.3 million euros.

DAULE-GUAYAQUIL BRIDGE, ECUADOR

The consortium led by Teixeira Duarte – Engenharia e Construções, S.A. concluded, in the implementation of the contract with "los Gobiernos Autónomos Decentraldos Municipales de Guayaquil y Daule" the project of "Construcción del Puente Daule-Guayaquil, incluye accesos y pasos elevados en Av. Leon Febres Cordero y en Av. Narcissa of Jesus Martillo Morán". The bridge over the Daule River is 540 meters long, consisting of 9 60-meter spans, 26.6 meters wide, in a mixed structure, with the metal tray and pre-slabs in pre-tensioned reinforced concrete, integrating four roads, pedestrian sidewalk and a bicycle path.

The success of this work reinforces and expands Teixeira Duarte - Engenharia e Construções, S.A.'s performance in the Latin American market where commercial prospection continues with expectations of increased activity in Teixeira Duarte's various areas of operation.

CONSOLIDATION OF MINING ACTIVITY IN BRAZIL

Its 100% affiliate EPOS – Empresa Portuguesa de Obras Subterrâneas, S.A. successfully continued the execution of the five-year contract for an important mining project at the Cuiabá Mine in Belo Horizonte for "Anglo Gold Ashanti, Córrego do Sítio – Mineração, S/A, the third largest gold producer in the world, which has expressed satisfaction with the work, which, together with market recognition, anticipates the possible conclusion of new contracts in this area in Brazil and other latin american markets.

BEIRA ALTA RAILWAY LINE, IN THE SECTION BETWEEN GUARDA AND CERDEIRA

Conclusion of the intervention project in the Beira Alta Railway Line, in the section between Guarda and Cerdeira, for Infraestruturas de Portugal, SA (IP, SA). With an execution deadline of 13 months, this project concerns Phase 1 of subsection 3.1 of the Project for the Implementation of the Modernization of the Beira Alta Railway Line, in an extension of about 14 km, which supports mixed traffic of different characteristics and conventional rolling stock (passengers and goods). A RIV (full road renovation) intervention was carried out in order to improve railway operating conditions and reduce infrastructure maintenance costs.

B) REPORTING AND AGGREGATE NUMBERS OF ACTIVITY BY AREAS

Let us now consider the report and aggregate numbers of the joint activity of "Teixeira Duarte - Engenharia e Construções, S.A." and of all the entities contained in the map above integrated in chapter "3. Operational Assessment - Introduction", in each of the business areas:

GEOTECHNICS AND FOUNDATIONS, REHABILITATION AND MARITIME WORKS

In the **Geotechnics and Foundations area**, technical solutions for foundation engineering, geological studies, mining surveys, moulded walls, piles, stakes, nailing, anchoring, consolidations, injections, jet-grouting, concrete, among other specialty works are conceived and executed.

In the **Rehabilitation** area, specialized work is carried out in the structure rehabilitation, monument conservation, built architectural heritage areas, as well as inspections and structures diagnosis.

In the **Maritime Works** realm, various types of harbour infrastructure works are carried out, such as commercial, fishing and recreational harbours; construction and rehabilitation of coastal protections, such as piers, groins, artificial beaches and adherent defence works, hydraulic landfills, emissaries and dredging operations and other marine and river work.

In the **project** area, Studies and Technical Engineering Projects are developed and carried out for the entire Teixeira Duarte Group, which have proved of great importance in the technically reasoned presentation of proposals and projects. It is also up to this structure to coordinate and implement BIM (Building Information Modelling) within the entire Teixeira Duarte Group, with the consolidation of internal and external training, project development in this technology and creation of internal procedures.

Overall, the activity developed in these Geotechnics and Rehabilitation areas and in the Maritime Works area reflected a 2020 increase in Turnover compared to 2019.

In fact, Turnover increased in Portugal, Angola, Algeria, Cape Verde and decreased in Brazil, Mozambique and Colombia, and globally, 109 million euros were reached, an increase of 12.5% compared to the same period.

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

In 2020, emphasis goes to the execution of a flagship work for the Lisbon Tourism Association (ATL – Associação de Turismo de Lisboa), which consisted of the "Strengthening of Foundations and Structures for the Platform (Anti-Seismic Security)", next to Terreiro do Paço in Lisbon, in the amount of 3.8 million euros. The project aimed to reinforce the foundations and structures for the platform and western wall execution, close to the South and South east river station of the Tagus River, buried structures of the Lisbon Metropolitan and Metropolitan Station and upstream Tower in Terreiro do Paço. The work included the execution of vertical stakes in reinforced concrete with a 1200mm diameter, preceded by the implementation of an instrumentation plan and surrounding structures observation.

In **Angola**, the portfolio of works achieved allowed continuous activity throughout the year, with a 12.5% increase in Turnover, reaching the 4-million-euro mark.

Emphasis on the "Foundations and Reinforced Concrete of Silos and Milling Factory" contract, the one executed for "INDUVE - Food Industries" and the "Foundations and Reinforced Concrete of Silos and Milling Factory" contract to be carried out for "HIGITEC". Also noteworthy is the important multidisciplinary "Special Foundations and Landfills of the Luanda Refinery" works for the Client CCESCC- China Chemical Engineering Second Construction Corporation and the continuity of other important projects, namely Drilling and waterproofing injection and drainage drilling of the "Laúca Hydroelectric Power Plant", for "Odebrecht Engenharia e Construções" and the indirect Foundations for the "Laúca Transmission Lines", for "Omatapalo - Engenharia & Construção, S.A.", Catete-Laúca section.

In **Algeria**, the expectations of previous years were confirmed, i.e., 2020 was a year in which the activity reflected a significant increase, and Turnover increased 81% compared to the previous year – 63.9 million euros, contributing 59% to the Turnover achieved in this operational area.

Such growth originated from the works execution within the scope of an important multiyear deadline maritime construction assigned to Teixeira Duarte Group companies: "l'Étude, la réalisation des aires de travail e de transfert, les infrastructures maritimes et génie-civil, les fournitures et l'installation d'un complexe élévateur à bateaux d'une capacité de levage égale ou supérieure à 9000 tonnes et la formation de techniciens", for the E.C.R.N. "l'Établissement de Construction et de Réparation Navales" (integrated in Algeria's National Ministry of Defence), headquartered in the Mers-EL-Kebir Naval base.

The intervention comprises the areas for elevator deployment and ship transfer (about 135m long), 4 parking routes and a rolling path for the operation of 2 cranes of 40-ton capacity and provides work execution to be carried out by teams of different respective skills within the Teixeira Duarte Group in this construction sector.

In **Brazil**, Turnover reached 11.3 million euros, corresponding to a 54% decrease compared to the previous year. This reduction is mainly due to the completion of the "Structural Recovery and Restoration Services of the Hercílio Luz Bridge" contract, in Florianópolis, for Santa Catarina's Government Infrastructure Department (SIE – Secretaria de Infraestruturas do Governo), at the end of the first quarter and also to the market's retraction given the current conjuncture.

Continuing its presence in the Santa Catarina State, a contract was signed for 3.2 million euros related to "Containment services of 25 points for the SC 390 Highway in Serra do Rio do Rastro", for the Government's Infrastructure Department.

The project consists of carrying out different containment works with emphasis on the application of metal networks, dynamic barriers and nailing, among others, along 35km of this road, a tourist attraction point for its landscape and numerous water falls, and is expected to end during the second half of 2021.

For the mining company VALE – an important Teixeira Duarte Client – two contracts were signed: one for "Civil Works and Electromechanical Assembly for the Recovery of Reinforced Concrete Structures of the Access Bridge, Pier and Facilities of the Guaíba Island Terminal", in Mangaratiba, Rio de Janeiro, for the amount corresponding to 9.2 million euros and, in the Minas Gerais State, the "Replacement of the Cuieté Bridge , of the EFVM", in Conselheiro Pena, for the amount of 3.6 million euros.

The works of "Foundations in Large Diameter Stakes in the Access Handle to the Rio-Niterói Bridge" were completed for "Itinera Construções" in Rio de Janeiro and works were initiated under the "Deep Foundation in Large Diameter Stakes" contract, in Line 1 of Stretch III of the Salvado Metro, in the Bahia State, for "Camargo Correa Infraestruturas".

In **Cape Verde**, the COVID-19 pandemic situation had significant impact on the ongoing maritime works in the Ilha de Maio harbour, resulting in several work suspension periods and other constraints, which conditioned the project's normal development. Still, a 1.4-million-euro Turnover was reached.

In **Colombia**, despite a long work restriction period resulting from the covid-19 pandemic situation, a 3.2-million-euro Turnover was reached, corresponding to a 14% reduction compared to the previous year.

The continuity of works that originated from 2019 allowed for continuous activity and a very satisfactory equipment occupancy rate throughout the year.

In **Mozambique**, a 7.2 million euro Turnover was reached, representing a 50% reduction compared to the same period of the previous year, as a result of the interruption, given the covid-19 pandemic situation, between March and November 2020, of the "Construction of Harbour Facilities for Nacala Harbour Development Project Phase I & II" works, in Nacala, carried out under the subcontract for the Japanese consortium "Penta Ocean/Toa", Construction of the Nacala Harbour, Phases I and II, for the Mozambique Ministry of Transport and Communications.

Buildings

In the buildings sector, an important role in the construction and rehabilitation of all types of buildings has remained, namely of great size and complexity, public or private and destined to the most varied uses. In 2020, the Group operated in this area in Portugal, Angola, Algeria, Brazil, Mozambique and Kuwait.

Overall, 2020 witnessed a sharp reduction in the volume of invoicing compared to that recorded in 2019, similarly reflected in the main economic indicators, namely EBITDA and EBIT. Portugal was the only market that maintained a similar level of activity to 2019, even with a 10% yield decrease, assuming itself as the main market in the Buildings sector with a contribution of circa two thirds of total turnover. In the other markets, with the exception of Algeria, where the only work that was underway was completed, performances were much lower than expected, largely due to the constraints that the COVID-19 pandemic situation caused in the construction activity.

In **Portugal**, the level of construction activity fell short of what was expected, with a lower value of income in 2020 than in the previous year, breaking a trend, initiated in 2017, of an increase in workload. Throughout the year the COVID-19 pandemic situation conditioned the development of certain works, delayed concessions and postponed the launch of tenders. However, given the current portfolio and economic growth forecasts, the expectation for 2021 is a strong growth in activity compared to 2020, supported mainly in the private real estate market of new housing and office construction. A potential growth in public works activity is equally expected, resulting from the implementation of the Recovery and Resilience Plan designed for the coming years.

In this market, in addition to the relevant works carried out for the Teixeira Duarte Group's real estate – housing and commercial developments "One Living", in Cascais and "Fábrica 1921", in Benfica, Lisbon – emphasis goes to the works

already described, namely CUF Tejo, in Alcântara, Lisbon, for IMOHEALTH - Investimentos Imobiliários Unipessoal, Lda., entity of the José de Mello Group and lots 1, 2, 3 and 4 of the Cascais East Entrance, for GRAND BAY RESIDENCES - SICAFI, S.A. and AUCHAN RETAIL PORTUGAL, S.A.

2020 will remain equally marked by the completion of the Angelina Vidal development in Lisbon for OCM Capital Partners, in the amount of 9.5 million euros., characterized by a housing complex in the middle of Graça neighbourhood with a total of 46 apartments of typologies T1 to T4, to which the continuation of the Berlin I and II developments in Lisbon is added, for the same Client, with a total of 155 apartments and a concession value of 24 million euros, as well as the onset of the Villa Unika project in Cascais, worth 14 million euros, also residential, with 16 apartments.

Furthermore in 2020, the High Lapa development in Lisbon proceeded for the real estate developer Reformosa, in the amount of 15.3 million euros, to which the inception of the Structure construction work for the Legacy development in Cascais was added, in the amount of 2.9 million euros that materialize the first phase of what will become a 28 apartment housing complex and a 59 room five-star hotel, with the contract for the second phase having already been signed, in the course of 2021, corresponding to the finishing works, special installations and exterior arrangements, in the amount of 21.5 million euros.

Also in the residential sector, the works related to the Amoreiras Garden development continued, contracted in 2019 with EMGI for 11.4 million euros with a total of 55 apartments.

In different areas of activity, 2020 equally witnesses the completion of the Penafiel Industrial Building for ATEPELI – Ateliers de Ponte de Lima Unipessoal, Lda, in the amount of 8 million euros, as well as the completion of the CUF Sintra Hospital project, for Simplygreen – Investimentos Imobiliários of Grupo José de Mello, in the amount of 19.3 million euros.

Brazil reflected a sharp decrease in 2020 activity compared to 2019. The COVID-19 pandemic situation aggravated Brazil's already difficult economic situation, further limiting public and private investors initiative, with immediate consequences in the attraction of new works by Teixeira Duarte throughout 2020, and given this scarcity making it impossible to maintain the activity level achieved in 2019.

During the year, in addition to the works already highlighted relating to the Papuda Penitentiary Complex, in the administrative region of São Sebastião, in the Federal District for the State Secretariat for Public Security of the Federal District, the Brasília Cathedral for the Universal Church of the Kingdom of God and the Feira da Madrugada for the São Paulo S.A. Shopping Circuit, the beginning of the pre-construction phase of the Temple in Salvador for the Mórman should also be noted, which is expected to reach a value of approximately 180 million reais.

For 2021, a slight growth in activity is expected due primarily to the conclusion of the "Feira da Madrugada" development and the construction of Phase 2 of the "Brasília Cathedral", which may still be increased as a result of the expected private investment growth resulting from the stimulus to the economy promoted by the Central Government.

In **Angola**, the restrictions imposed by the public health situation strongly conditioned the execution of the works that were underway, having even caused the postponement of the start of the 2nd phase of the Soyo Municipal Hospital rehabilitation project. On the other hand, GDP contracted in 2020, for the fifth consecutive year, there was a sharp depreciation of the

national currency, a significant increase in inflation and a large reduction in net international reserves. Naturally, this adverse situation has had severe impacts on construction activity, where public and private investments reached historic lows.

For 2021, however, and considering the works in the pipeline, a moderate increase in the volume of invoicing in the Building sector is expected, despite an activity level still far below what was achieved in the recent past, the potential of this market and Teixeira Duarte's capacity and history in said market.

In Algeria, Turnover was within the expected value for 2020, with the conclusion of the AGB (Gulf Bank Algeria) project, and no expectations of new Building projects in this market.

In **Kuwait**, Teixeira Duarte has the construction of the Umm Al Hayman Treatment Water Plant underway for WTE Wassertechnik GmbH – Koweit Branch, amounting to around 166 million euros, an implementation which suffered strong constraints in 2020, in particular given the measures taken by the authorities in reaction to the COVID-19 pandemic situation, which resulted in a much lower level of activity than expected.

For 2021, the second quarter is expected to hold a reduction in the restrictions imposed by the pandemic, which will allow a significant increase in production levels for this project and consequent invoicing.

In **Mozambique**, activity level remained in line with that already recorded in the previous year, strongly conditioned by the difficult economic and financial situation that has been taking place in the country in recent years, aggravated in 2020 by the COVID-19 pandemic situation.

In view of this scenario, aggravated by the strong instability in the north of the country as a result of the ongoing armed conflict, the prospect for next year, particularly with regard to private initiative, is the maintenance of low levels of investment to which low levels of activity are associated for the construction sector.

Infrastructure

In the Infrastructure sector, the Teixeira Duarte Group companies bring together a vast and diverse set of executed works, namely roads and highways, bridges and viaducts, dams, tunnels, railways, railway stations and interfaces, harbour works, environmental construction and water and natural gas infrastructure.

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

In 2020, the Group operated in this sector in Portugal, Algeria, Brazil, Ecuador and Venezuela, and also continued technical and commercial activity in some countries in Latin America, Africa and Europe, which foresees the award of some contracts in these geographies in the short to medium term.

The Turnover achieved by the Group in this operational area decreased by 65% compared to the previous year, achieving 44.4 million euros, having been strongly influenced by the suspension of some works, consequence of the COVID-19 pandemic, as well as the fact that some projects reached their term. This figure was backed by the slight reduction in activity in Portugal and Brazil, having been heavily penalized by the sharp activity slowdown in Algeria, which, in addition to the COVID-19 effect, suffered financial constraints and currency devaluations.

In **Portugal**, activity reflected a 15.9% decrease of turnover in this area of operation compared to the previous period, reaching a value of 12.2 million euros, highlighting:

The conclusion of the intervention in the Beira Alta Line, in the section between Guarda and Cerdeira, for Infraestruturas de Portugal, SA (IP, SA). With a 13-month deadline, this project concerns Phase 1 of subsection 3.1 of the Project for the Implementation of the Modernization of the Beira Alta Railway Line, in an extension of about 14 km, which supports mixed traffic of different characteristics and conventional rolling stock (passengers and goods). An intervention of the RIV type (full renewal of the track) was carried out in order to improve the conditions of railway operation and reduce the infrastructure maintenance costs, through the following interventions: Renewal of the Plena Via superstructure, moving the existing 54E1 rail and bi-block concrete crossbar for rail 60E1 with multipurpose monoblock concrete crossbars; • Treatments/stabilization of excavation slopes and landfills; • Platform treatments; • Improvement and rehabilitation of the drainage system; • Adaptation of the overhead line system, in view of the changes introduced; • Implementation of the new Traction Returns system; • Adaptation of the existing signal and telecommunications infrastructure to the needs arising from the modernization of the section.

Completion of several works for "SOMINCOR - Sociedade Mineira de Neves Corvo, S.A.", in the mine situated in this locality, in the Castro Verde municipality.

Completion of the Requalification of the railway extension of the Sines Harbour for APS (Administração dos Portos de Sines e do Algarve, S.A). With a 9-month execution period, this intervention is part of the capacity expansion of the receiving/dispatch beam providing said branch with a greater capacity and performance, allowing for the operation of 750 metres long compositions. The main activities performed were the Readjustment of the receiving/dispatch beam's West side, with a special focus on Line I which was altered to gain a compatible length with 750 m long compositions; the creation of a 4th Line in the current receiving/dispatch beam, parallel to Line III, with a capacity for compositions of the same length; the creation of the necessary infrastructure for the possibility of building a 5th line in the future; the creation of a new Access Line, which starting from the current one will allow the connection to the new loading/unloading zone of the existing Terminal; the creation of a link between the top east of the receiving beam and the new Access Line; the creation of a new reversal top to replace the current one; the creation of a new shield top for parking rolling stock; and also, the insertion of a TJD that allows the connections between the (Shield/Receiving Beam) and the future access lines and reversal line, as well as to the shield line. Out of interest, 9,000 m of drainages were executed, about 2,200 m of new tracks provided on 54E rail and about 12,000 m of existing rail rectified.

The continuation of the works in the Bolhão market access Tunnel, for GOPorto (Gestão e Obras da Câmara Municipal do Porto E.M.), in a project of about 5 million euros and 19 month execution deadline, this project, located in a dense urban environment, in the heart of the city of Porto, includes the construction of a tunnel that connects Rua Ateneu Comercial do Porto to Rua Alexandre Braga, with an approximate 120 meter extension, the partial rehabilitation of three buildings on Rua Formosa and the construction of three new buildings, two floors above the tunnel slab, in Rua do Ateneu Comercial do Porto, and Rua de António Pedro, in place of the existing ones, whose demolition was carried out under this project.

For the Group's real estate company, infrastructure works began for the urbanization of the allotment of the "Vila Rio" development, in Póvoa Santa Iria.

In **Algeria**, in addition to the suspension of all works for a long period of time following the closure of the Algerian Borders, decreed on 19 March 2020, which to date persists, the political and economic situation has conditioned activity development and has resulted in a significant decrease in Turnover, reaching the value of 1.4 million euros.

Brazil was strongly affected by the COVID-19 pandemic situation, which aggravated the most adverse political and economic situation, further worsened by the devaluation of the real and its impact on the corresponding activity values in euros. Nevertheless, it was possible to onboard two new clients, increase and increment some of the contracts with clients and ensure very positive production levels. Turnover decreased by 37% compared to the previous year totalling 32.6 million euros.

During the 2020 financial year, the Undertaking for the Execution of Infrastructure Works for the SALOBO III Project, located in the Tapirapé-Aquiri National Forest, in the Marabá/PA Municipality, was concluded for SALOBO METAIS S.A., affiliate of the Vale S.A. Group, as well as the Preparation of Projects and Adequacy Works Execution on highway BR-440/MG, in Juiz de Fora, in the Minas Gerais State.

Throughout the year, the contract for the Preparation of Projects and Execution of the duplication works of the BR-101/BA highway was continued, with an extension of 84 km, in the State of Bahia, for the DNIT - National Department of Transport Infrastructure. This project is expected to be closed in the first half of 2021 and stands out for being the first sizeable road project executed on rigid pavement.

For the same entity, work on the Preparation of Projects and Execution of the Duplication Works of the BR-116/BA highway was also continued – Lots 06, with an extension of 40 km, in the State of Bahia. It is a duplication project of one of the most important highways in Brazil, in a State that's in dire need of infrastructure and where the economy has grown at a faster rate than highways. This project had significant progress in 2020, which allowed for the opening of the first 9 km to traffic.

For VALE do Rio Doce, S.A., civil works continued for the raising of the Itabiruçu dam massif up to 850 m elevation in the Itabira/MG municipality. The raising works are highly complex in terms of engineering since they address geotechnical, hydraulic and structural aspects related to the works already carried out in the first adjustments, requiring their compatibilization with the new execution project and revision of the foundation conditions and filters. This Endeavour has a final height main stop to the order of 42 m and a 1,100 m long axis. The work is expected to be completed in 2021, with an estimated value of 26.3 million euros.

The services of drilling and dismantling on rock with explosives, excavation, loading, transport, sterile ore discharge, conservation of the equipment circulation routes, spreading and deposition of the transported material, to Atlantic Nickel, S.A., near the city of Ipiaú, in the municipality of Itagibá/BA, also continued.

During this period the Execution of Santa Rita Dam's Raising Services began in the Minero-Industrial Complex of Atlantic Nickel Mineração Ltda., located in the Itagibá/BA municipality. These works are to be carried out through a Consortium in which EMPA, a company 100% owned by Teixeira Duarte, holds a 33% stake, located near the city of Ipiaú, State of Bahia, Brazil. The value of the work is 14.8 million euros and is expected to end during the first half of 2021.

For VALE, S.A. the total enterprise began for the execution of civil works to adapt the turbidity of the Conceição Stream, in the Itabira/MG Municipality, with materials supply, and works consisting of implementation of a canal to direct the flow of the bottom drain of the Conceição dam to the railway interface of the mine. The value of the work is 2.6 million euros and is expected to be completed during the first half of 2021.

This year also witnessed the kick-off of the contract for the Provision of Engineering and Civil Construction Services under a Continuous Contract, for the Initial Works Necessary for the Future Implementation of Porto Sul, for BAMIN - Bahia Mineração, S.A. This is the construction of the intersection and the industrial access road to the future Porto Sul, next to the city of Ilhéus, in the State of Bahia, Brazil, including the Bridge over the Almada River, the Viaduct over the BA-648 and the execution of a 12 km long access road. The value of the works is 22.3 million euros and is expected to end in March 2022.

For RODONORTE - Concessionária de Vias Integradas, S.A. – Grupo CCR, the Provision of Services by Contract of the Work for the Implementation of the Intersections of Priorities 05^a and 05B Located on BR-373 was signed, Km 173 and Km 180 at Avenida Souza Naves and I60 located on BR-376, Km 499, in the Region of Ponta Grossa /PR City, under Concession of said RODONORTE, Covering the Supply of Materials, Equipment and Labour. It is the construction of three road intersections on highways BR-373 and BR-376, under the RODONORTE concession, located in the region of Ponta Grossa, State of Paraná, Brazil, including works of a multidisciplinary nature, such as earthworks, paving, Special Works of Art, retaining walls, slope stabilization works, special foundations and diversion of various interferences. The value of the works is 14 million euros and is expected to end in November 2022.

For 2021, prospects for economic recovery and moderate growth in activity remain.

In **Ecuador**, the execution of the Daule-Guayaquil Bridge project was concluded, over the Daule River, with an extension of 540 meters, consisting of 9 spans of 60 meters and 26.6 meters wide, in a mixed structure, with the metal tray and pre-slabs in pre-tensioned reinforced concrete, which integrate four lanes, pedestrian sidewalk and a bicycle path.

The success of this work reinforces and expands the Group's operations in the Latin American market where it continues commercial prospecting with expectations of increased activity in Teixeira Duarte's various operational areas.

The work also included two viaducts, one on Avenida León Febres Cordero (Daule), "La Joya", spanning a total of 108 meters, and the other on Avenida Narcisa de Jesús (Guayaquil), "Cierro Colorado", spanning a total of 270 meters, both in a mixed concrete structure armed with pre-slabs in pre-tension. The works also included road access viaducts, drainages, land movements, support walls, signage, finishes, lighting and acoustic barrier.

In **Venezuela**, with the halted contracted works, the Group's activity is limited, since 2017, to the operation of the Puerto de La Guaira – developed in this Report in the context of Concessions and Services – whose contracting occurred following the execution, by "Teixeira Duarte - Engenharia e Construções, S.A.", of the modernization and expansion project of the Puerto de La Guaira, between 2012 and 2014.

The Group maintains good prospects for securing new contracts in some of these Latin American countries, particularly Peru.

METALWORKING

In the area of Metalworking, the Teixeira Duarte Group concentrates the specialty of metal construction, aligned with the mastery of technologies in the field of mechanics and oil-hydraulics. The superior know-how in this field enables the Group to study, develop and implement solutions for the execution of high complexity and precision works, inherent to the execution, movement, and assembly of large structures.

This strength has been used by the Group over the years, either directly for external customers, or in an integrated and complementary way with other areas of activity, in various construction projects, namely in rehabilitation and construction and metal bridges and viaducts and mixed, buildings, as well as in industrial constructions and hydromechanical equipment.

In 2020 Teixeira Duarte carried out Metalworking projects in Portugal, Algeria and Brazil, obtaining 52.4 million euros globally, corresponding to a 62% growth compared to 2019, resulting mainly from the ongoing project in Algeria.

In **Portugal**, where there was a decrease in activity, the production of metal structures was maintained in the Teixeira Duarte Operational Pole, destined for several ongoing works in Portugal and Algeria. Also emphasizing the manufacture of metal structures in this production unit for foreign customers, such as VINCI – Monaco and the Canadian mining equipment company TNT.

In 2020, an intervention was initiated for EDP at the Bouçã dam, while the collaboration in the area of repair of mining equipment was continued for "SOMINCOR - Sociedade Mineira de Neves Corvo, S.A."

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

In **Algeria**, the collaboration with other areas of activity was maintained, with special emphasis on the endeavour "Structures Génie Civil et Maritime pour l'Installation d'un Complexe élévateur à Bateaux", following the contract established with "L'Établissement de Construction et de Réparation Navales (E.C.R.N.)", an undertaking of great size and high technical complexity.

As part of the "AGA- Contrôle et suivi des travaux de réalisations des installations et équipements d'exploitation de l'autoroute Est-Ouest-Lot Ouest" enterprise, the assembly of metal structures called Auvents destined for toll covers and other support buildings was continued.

In **Brazil**, the enterprise "Restoration and Rehabilitation of the Hercílio Luz Bridge in Florianópolis - Santa Catarina" was concluded, for the "DEINFRA-SC", a work of great complexity where the participation of Metalworking was of a high dimension and relevance, and participation in other projects was initiated, namely the supply and assembly of the metal roof of the Brasília Cathedral, for the IURD, and the metal structures works for the construction of the bridge over the Almada River, for BAMIN - Bahia Mineração, S.A..

UNDERGROUND WORKS

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, since 1986, operates in the civil engineering and mining sector.

In 2020, Turnover decreased by 12% compared to the same period, to 48 million euros, of which 40% were sourced in the internal market.

In **Portugal**, there was a sharp decrease in activity due to the termination of the contract at the Armamar mine for Iberian Resources and the suspension, due to the COVID-19 pandemic, of the works at the Neves Corvo mine for "SOMINCOR - Sociedade Mineira de Neves Corvo, S.A.", despite EPOS keeping committed to maintaining and attracting private clients with a strong concentration in the mining area.

Turnover in the foreign market increased compared to 2019, mitigating the decreased activity in Portugal, with the foreign market currently representing more than 61% of total activity versus 46% in 2019.

The increase in the foreign market was due to the consolidation of activity in Brazil – implemented through the execution of a five-year contract, of an important mining work in the Cuiabá Mine in Belo Horizonte, for "Anglo Gold Ashanti, Córrego do Sítio – Mineração, S/A," the third largest gold producer in the world – and the execution of the La Paz Tunnel, a road construction work, in Bucaramanga, Colombia, for the FERROCOL/ SANTANDER consortium.

Still within the foreign market, the continued activity in Spain should be emphasized, in the Águas Teñidas mine, for "MATSA – Minas de Aguas Teñidas, S.A." and, in Peru, the Lima metro endeavour, for the "Consorcio Constructor M2 Lima", from "Excavación, Revestimiento Primario Y Revestimiento Secundario de Los Túneles Ramales Natim, de Acceso Al Patio Taller Santa Anita".

In a global analysis, the geography of Portugal represented 36% of Turnover, Brazil assumes the role of second most important geography in EPOS activity in terms of volume, with a contribution of 35% of the total, followed by Colombia with 12% of the total in third place.

For 2021 Turnover, we predict values of the same magnitude as those generated in 2020, because the effects of the pandemic will still be felt in 2021.

RAILWAY WORKS

In the Group in which Teixeira Duarte - Engenharia e Construções, S.A. is integrated, there is another entity specialized in this area of activity – "SOMAFEL - Engenharia e Obras Ferroviárias, S.A." – dedicated to the construction, renovation and conservation of railway infrastructures including its electrification (overhead line), which, in addition to the technical value, the experience of several decades working in various markets, the capacity of specialized equipment and human resources, is distinguished by working on four distinct fronts, in the simultaneous specialties of track and overhead line.

Directly or sometimes in partnership with this company, Teixeira Duarte - Engenharia e Construções, S.A. has carried out multiple endeavours in this area over the years through its integrated teams in the Infrastructures area, as happened in the

case mentioned above of the conclusion of the intervention in the Beira Alta Line, in the section between Guarda and Cerdeira, for the Infraestruturas de Portugal, SA (IP, SA), or as in the case of the ACE constituted between both entities at the end of 2020 for the execution of the "Project and Construction of Structural work, Finishes and Systems within the framework of the Implementation of the Expansion Plan of the Lisbon Metropolitan Extension of the Yellow and Green Lines Campo-Grande Viaducts - PROC. No. 126/2019-DLO/ML".

5. Operational assessment - concessions and services

Here are some brief references to the participation of "Teixeira Duarte - Engenharia e Construções, S.A." in the Concessions and Services Sector, particularly following the execution of public works projects it carried out.

HARBOUR OPERATION IN VENEZUELA

Through the license granted to Teixeira Duarte - Engineering and Construction, the Group has been marketing, upkeeping, operating, administering, building and using the "specialized terminal of contenedores (Muelles 27 y 28- Sector Oeste) del Puerto de la Guaira". Indeed, it was on March 30, 2017 that this Group company received such authorization under the "Alianza Estratégica para la operación y gestión portuaria del terminal especializado de contenedores del Puerto de la Guaira" celebrated with the Venezuelan entity "Bolivarian de Puertos (BOLIPUERTOS), S.A."

This Alliance aimed to optimize the development and growth of terminal activity, converting it into a transshipment harbour of the Caribbean Sea and Latin America, with Teixeira Duarte - Engenharia e Construções, S.A., undertaking, for a 20 year period, the marketing, upkeep, operation, administration, construction and use of the aforementioned specialized container terminal of the La Guaira Harbour, with a capacity to move 1,200,000 TEUS/year and an area of 17 ha, 693 m of dockable piers and depth funds at 15.2 m. It is equipped with state-of-the-art port operation equipment - 6 STS pier gantry cranes, 15 fleet gantry cranes, 2 reach-stackers, 6 front forklifts, 32 terminal tractors and 40 platforms, as well as administrative and technical facilities and equipment maintenance and repair spaces in areas totalling more than 5 ha.

Later, on September 13, 2017, the reach of the aforementioned "Alianza Estratégica" was extended to "Muelles 1 al 9 – Sector Norte del Puerto de la Guaira".

This operation has been maintained with acceptable performance levels, keeping the harbour operational 24h/day, 365 days a year. In view of the socio-economic and political circumstances in force in Venezuela, a very positive balance is made of the performance in this market, with 140,849 TEUS being handled, corresponding to a Turnover in the order of 13.1 million euros.

The "**TDHOSP – Gestão de Edifício Hospitalar, S.A.**" (TDHOSP), in which Teixeira Duarte - Engenharia e Construções, S.A. currently holds 10% of share capital, is a company that whose object is the management of the Cascais Hospital for a 30 year period, comprising the activities of planning, project, construction, financing, upkeep and maintenance.

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

The period under consideration, TDHOSP's eleventh calendar year of activity, was again guided by compliance with the various assessment parameters of the Management Contract, namely: Service, Availability and Satisfaction.

During the period, regular monthly reports were issued reflecting a good company performance, such that it is expected to receive a positive "Very Good" evaluation for 2020. This expectation, however, will only become effective at the end of April 2021, following analysis and approval by the Entidade Gestora do Estabelecimento LUSÍADAS - Parcerias Cascais, S.A. and Entidade Pública Contratante - ARSLVT, of the annual activity report.

In the scope of the activities provided for in the Management Contract, TDHOSP carried out small works to change the building, requested and funded by the Entidade Gestora do Estabelecimento and approved by the Entidade Pública Contratante. It should be emphasized that these types of works underwent an exceptional increase, given the need to adapt the Hospital to the significant increase in the number of COVID-19 patients. Moreover, apart from a decrease in car park revenues, the COVID-19 pandemic had no other considerable consequences for TDHOSP activity.

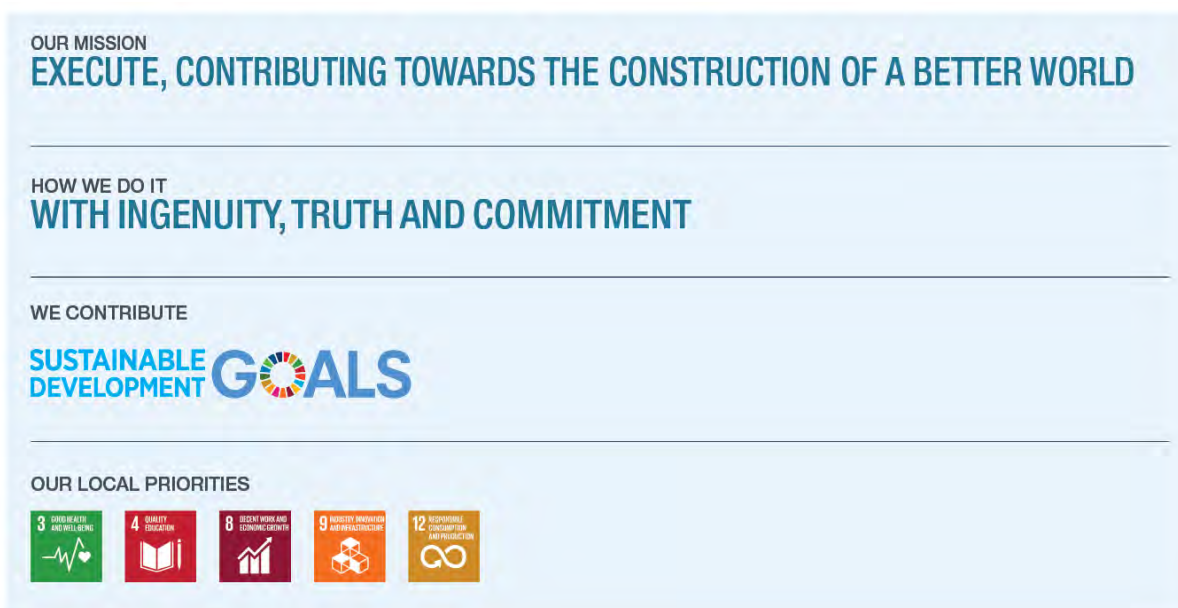
"AEBT - Estradas do Baixo Tejo, S.A.", incorporated on January 15, 2009, is a company in which Teixeira Duarte - Engenharia e Construções holds a 9% stake of share capital and a sub-concession for the activities of design, project, construction, increase in the number of lanes, financing, motorway operation and upkeep, regional road and associated road groupings in the district of Setúbal.

This is a holding already classified as Asset for Sale, for which several steps have been taken with a view to its disposal.

III. NON-FINANCIAL INFORMATION

For "Teixeira Duarte - Engenharia e Construções, S.A." sustainability results from certain way of being and acting, with a sense of responsibility, which is mirrored in the relationship of its employees with all stakeholders. This is also the corporate vision of the Teixeira Duarte Group, where the Company is integrated, in relation to sustainable development.

The Group's sustainability model establishes that each participating company responds to the sustainability challenges of its respective activities, in its economic, social and environmental perspectives, assuming general objectives and specific priorities for each country.



Sustainability Model of Teixeira Duarte Group on December 31, 2020

SUSTAINABLE DEVELOPMENT GOALS

In 2018, the Teixeira Duarte Group launched a process for the adoption of the United Nations Sustainable Development Goals as a global framework to shape, conduct and report the actions and goals of its companies in the Sustainable Development field, since it identified a strong affinity between its corporate vision on Sustainability and these Objectives.

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.

The Teixeira Duarte Group has carried out the impact assessment of the activities developed by its affiliates on the global priorities and aspirations for 2030 defined in the 17 SDGs. The sectors/business areas operating in the markets of Angola, Brazil, Portugal and Mozambique were consulted, and the positive risks and impacts that each can present in their respective countries regarding the sustainable development topics proposed in the SDGs were reviewed.

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



COMPLIANCE WITH INTERNATIONAL AGREEMENTS

"Teixeira Duarte - Engenharia e Construções, S.A."s performance is based on its Mission - To do, contributing to the construction of a better world - and is implemented in accordance with the UN Declarations of Human Rights, the Guiding Principles of the Organization for Economic Cooperation and Development (OECD), the International Labour Organization (ILO), national and international legislation and the 10 Principles of the United Nations Global Pact in the fields of Human Rights, Labour Practices, Environment and Anti-Corruption.

The Company, in Portugal, is also holder of the International Standard SA 8000 voluntary certification, expressing the organization's commitment to develop, maintain and apply responsible practices in issues such as slave and child labour, health and safety at work, freedom of association and collective bargaining, discrimination, disciplinary practices, working hours, compensation and management systems.

ETHICS AND CONDUCT

Placing ethics and conduct as a strategic pillar of its performance, "Teixeira Duarte - Engenharia e Construções, S.A." has a Code of Ethics and Conduct.

This Code of Ethics and Conduct consecrates the transversal performance principles of all employees of the Company and, thus, the involvement of Teixeira Duarte with the related parties, thus constituting a reinforcement and development of its Mission and Values.

The Code is intended for all Directors, Personnel and Other Company Representatives, and it is additionally up to all these employees not only to know and internalize, institutionally implement and defend the Code externally, but also to promote the

application of the respective rules by third parties in the scope and execution of the relations they maintain with Teixeira Duarte.

Briefly, in accordance with this Code, all employees of the Company are committed to complying, defending and enforcing, including with indirect recipients, the legislation and regulation in force in the geographies where it operates, including any global or sectoral agreements and specific rules of ethics of each professional, as well as any and all commitments contractually incurred into.

Communicated to all employees with the express indication of the obligation to comply, the Code of Ethics and Conduct is available on the website www.teixeiraduarteconstrucao.com.

COMMUNICATION WITH STAKEHOLDERS

The stakeholder groups with which "Teixeira Duarte - Engenharia e Construções, S.A." relates to are very diversified. To better understand their expectations and more efficiently communicate with these different groups, the Company resorts to the following instruments:

Employees

Corporate Website, Company Day, Management Meetings, Christmas Lunch and Ethics Channel.

Clients and the general public

Websites, Call centres, Social Networks, Suggestions and Complaints Systems and Ethics Channel.

Suppliers

Tours and Assessments, Reciprocal Training, Performance Evaluation and Ethics Channel.

Professional Organizations

Participation in several organizations.

Official, Regulatory and Governmental Entities

Financial Reports, Response to Specific Questionnaires and Announcements.

Sector Activities

Participation in several sectoral associations.

Communities

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

Educational Institutions and Scientific and Technological Systems Entities

Participation in Academic Events, in Conferences and Employment and Partnership Fairs.

Media

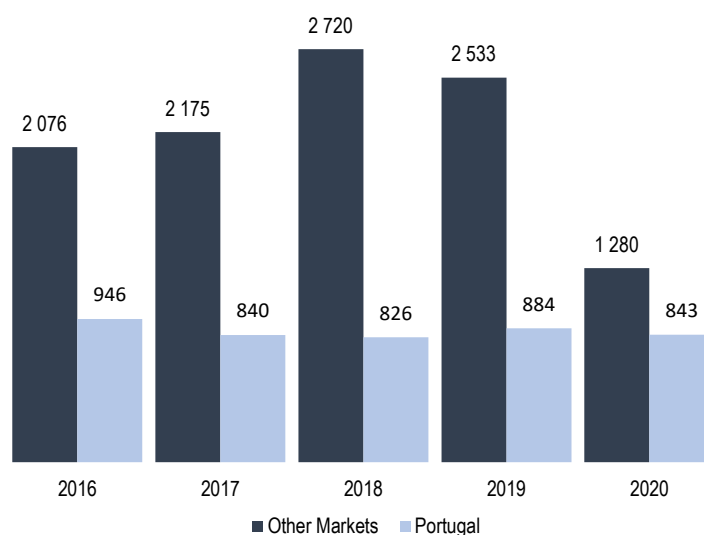
Answers to specific questions.

HUMAN RESOURCES

The well-being of employees, including the encouragement of good hygiene, health and safety conditions, as well as the development of skills and the retention of talent, assume high importance in the management of the human resources of "Teixeira Duarte - Engenharia e Construções, S.A.", and are duly consolidated on a culture of dignified treatment and respect for human and labour rights.

"Teixeira Duarte - Engenharia e Construções, S.A." continues to adapt the number of workers to the activities carried out in various sectors and markets, promoting the personal and professional development of its employees.

Progress of the average number of employees



The average number of workers decreased by 37.9% compared to 2019, with Portugal down 4.6% and foreign markets down by 49.5%.

This decrease was mainly a reflection of the decrease in activity in Angola, Algeria and Brazil.

Health and safety protection and promotion

Regarding health at work, the health surveillance policy of "Teixeira Duarte - Engenharia e Construções, S.A." 's employees is emphasized, implemented through the widespread performance of health examinations, visits to workstations and monitoring of disease situations.

The Company's best practices are reinforced by a certification in occupational health and safety management systems under ISO 45001:2018, providing a more comprehensive and effective management of operational risks and contributing towards the protection of employees and enhanced performance.

In the scope of health promotion, various activities are also encouraged, such as screening, awareness-raising and individual and group health related training.

Other benefits for employees

At "Teixeira Duarte - Engenharia e Construções, S.A." there are also other benefits for employees, such as:

a) Health and life insurance

The Company provides health insurance to its employees according to defined criteria, which include the possibility of extending insurance to family members.

In addition to health insurance, life insurance is also available that guarantees protection in situations of personal accident, death and disability.

These insurances thus complement the mandatory protections applicable in matters of social security and labour legislation.

b) Protocols and Partnerships

Employees are offered a set of protocols and partnerships with external entities, in various fields of business, such as telecommunications, banking, educational establishments, auto dealers, travel agencies and airlines, allowing employees access to goods and services at better market conditions.

c) Benefit program with better conditions

In 2020, "Teixeira Duarte - Engenharia e Construções, S.A." launched its "b.flex" program aimed at permanent staff employees in Portugal.

Employees voluntarily agree to "b.flex", constituting an individual scholarship, through which they have access to a set of benefits for themselves and their families according to their preferences.

Among these benefits are the reimbursement of Health expenses, Infancy Coupon, Professional Training, Acquisition of Technology and Acquisition of Vehicles.

d) Family Monitoring Policy

"Teixeira Duarte - Engenharia e Construções, S.A." has a Family Monitoring Policy in place that includes administrative, logistical and financial support for the legalization, displacement and accommodation of employee family members who, according to certain criteria, are moved outside their country.

Qualification for talent expression: development and training

In "Teixeira Duarte - Engenharia e Construções, S.A.", and throughout its almost centenary history, a strong culture of ethics, work and merit has always been promoted, widely recognized and systematically applied at all levels.

Guided by the Values of Skill, Truth and Commitment and by the Mission "To do, contributing to the construction of a better world", the Company is aware of the accelerated transformations we have undergone and the need to direct People to new growth models and to the acquisition of new skills that allow us to overcome constant challenges.

As a strategy for the sustainability of its business in the face of this new reality, the Company has stimulated the following:

- Enhance talent within the organization, attracting the most qualified People, developing them and promoting their evolution through merit and performance;
- Foster strong leadership, improving the ability to promote People's performance and alignment with business purposes;
- Effectively communicate your organizational identity, creating a strong values proposal, both internally and externally; and
- Build a learning culture of strong impact, with growth opportunities for all, outlined in different knowledge areas (technical and non-technical), at different levels (operational, tactical and strategic) and in different learning formats (in daily life, in observation and interaction with others, in formal learning through training in the classroom or online platforms).

In 2020, "Teixeira Duarte - Engenharia e Construções, S.A." proceeded with the adoption of a new e-learning tool. The implementation of this tool became especially relevant in 2020 globalizing personal and professional development regardless of the physical location of people and operations.

In the platform "OK - Online Knowledge" it is possible to access training and information online, through the sharing of external content and internally developed by the Company. On the other hand, the development of internal technical or generalist content promotes everyone's commitment to the organization and to the people who work in it.



World Engineering Day for Sustainable Development

To mark the World Engineering Day for Sustainable Development, which is celebrated on March 4, "Teixeira Duarte – Engenharia e Construções, S.A." promoted a seminar on the theme "Engineering: the key to Sustainable Development" seeking to reinforce its employees' awareness of the global objectives in the Sustainable Development field, in which Engineering plays a fundamental role.

The seminar, still held in person before the beginning of the COVID-19 pandemic and later made available on the "OK" platform, was attended by three invited speakers: Prof. Manuel Pinheiro, Graduate and PhD in Environmental Engineering, with aggregation to the Instituto Superior Técnico, Prof. Helena Gervásio, Assistant Professor of the Department of Civil Engineering of the University of Coimbra, and Prof. Jorge de Brito, Professor in the Department of Civil Engineering, Architecture and Georesources of the Instituto Superior Técnico.



In 2020, "Teixeira Duarte - Engenharia e Construções, S.A." maintained its certification as a training entity, granted by DGERT – Direção Geral do Emprego e das Relações de Trabalho, which enables the Company to provide certified training in several areas including Safety and Hygiene at Work, Civil Construction and Civil Engineering, Metalworking and Metalmechanics, among others.



"Teixeira Duarte - Engenharia e Construções, S.A." fostered, in 2020, a training course on Building Information Modeling (BIM) for its teams in the area of Buildings, in partnership with ISCTE. The training, lasting

55 hours, took place over 2 months and aimed to improve project management with these employees using BIM.

SOCIO-ECONOMIC PERFORMANCE

Aware that its activities have impacts on the socio-economic development of the places where it operates, "Teixeira Duarte - Engenharia e Construções, S.A." acts to enhance its positive impacts and, on the other hand, mitigate the negatives. To this end, the Company promotes a culture of ethics, quality, of commitment to local hiring and the development of local subcontractors and suppliers, strengthening their technological capabilities and social responsibility, which contribute to the of communities' sustainable development.

Teixeira Duarte – Engineering and Construction, in Portugal, is a certified company in social responsibility according to the SA 8000 reference.

Tackling corruption and bribery, money laundering and terrorist financing

Corruption and bribery are inherent risks to any economic activity. The tool that guides "Teixeira Duarte - Engenharia e Construções, S.A." 's management in this domain is a compliance program that establishes and implements a set of measures and procedures based on the Compliance Policy, the Code of Ethics and Conduct and Teixeira Duarte's Mission and Values in order to ensure with greater effectiveness and evidence compliance with the law and internal standards, contributing towards a climate of integrity and ethical culture in the development of the Company's activities.

The Company's compliance program includes the following mechanisms:

- Risk assessment processes and internal financial and non-financial control procedures, which include preliminary proceedings toward third parties and high responsibility employees, relationship with competitors, confidentiality, conflict of interests, among others;
- Monitoring the performance of this system, such as internal and external audits, investigation of complaints and other compliance violations and constant training;
- An Ethics Channel to which all employees and third parties must report any irregularities identified in relation to any external or internal regulations, among other measures.

The 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.

They 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 that indirect recipients of this Code do the same.

Employees must guide their activities in order to actively combat any attempts of money laundering, refusing to participate in any act that as such may be considered, under the legal and regulatory standards in force, as well as any attempt, complicity, facilitation or advice towards their practice.

Similarly, they shall act in such a way as to prevent the Company's activity from somehow providing, collecting or detaining funds or assets that may be used for the financing and support of criminal activities, including terrorist activities.

Relationships with people and organizations impacted by the Company's activities

a) Clients

The focus on quality, to continuously improve overall performance and the intention to meet the needs and expectations of its clients, has led the Company to invest in the implementation and certification of Quality Management Systems according to ISO 9001, as a strengthening and sustainability factor for the business, contributing to the economic pillar, which in turn allows for the capacity and means for other sustainability initiatives.

As of December 31, 2020, the Company had implemented Quality Management Systems (ISO 9001) in Portugal and Brazil.

b) Partners, suppliers and subcontractors

In Portugal, "Teixeira Duarte - Engenharia e Construções, S.A.", in accordance with SA 8000, promotes respect for safe and healthy labour rights and working environments for all workers with suppliers and subcontractors, requiring compliance with social responsibility requirements, of which we highlight:

- Non-use or supporting the use of child, forced or compulsory labour;
- Providing a safe and healthy environment for the provision of work;
- Not inhibiting the freedom of association and the right to collective bargaining;
- Not engaging in or supporting discriminatory acts in any form;
- Not exercising or supporting the exercise of rude or inhumane disciplinary practices;
- Act in accordance with applicable laws and the standards of the respective area of activity, in matters related to working hours; and
- Remuneration considered adequate for the work actually performed, always respecting what was legally stipulated.

Based on the geographical area where the supplier falls, the type of activity carried out and the Company's ability to influence it, the potential social risk of suppliers in the face of the estimated risk is assessed, and then the riskiest cases are monitored. In 2020, 12 supervisions were carried out to suppliers in Portugal, within the universe of companies with which "Teixeira Duarte - Engenharia e Construções, S.A." maintained supply relationships.

In the particular case of subcontractors, the Company has established specific mandatory contractual provisions, in addition to legal provisions, regarding safety, hygiene and health at work, including occupational accident insurance, personal protective equipment, accident, training and information, prevention and control of alcoholism, among others.

c) Support for communities

The Mission and Values of "Teixeira Duarte - Engenharia e Construções, S.A.", particularly the value "Commitment", mirror their concern for Social Responsibility, which is also reinforced by compliance with The SA 8000 Standard, by the principles and rules established in the Code of Ethics and Conduct applicable mainly to human capital and by the vision and model of sustainability that affirms the plan of contributing to the development of communities.

In the context of support for social projects and social solidarity organizations, it should be noted that the Teixeira Duarte Group has decided to adopt an institutionalized position through initiatives that are not exclusive or centred on Boards of Directors decisions, but rather ones that involve all employees in a direct action.

It was with this in mind that in 2015 the TODOS DAMOS Program was promoted for the first time, a project that allows the Teixeira Duarte Group companies to reinforce the donations that their employees intend to make to social solidarity projects and institutions that support people.

The Teixeira Duarte Group establishes an annual amount for this purpose, and it is the employees who choose which institutions they want to support. The Company donates twice the amount given by employees, thus tripling the donation amount received by the institutions.

In 2020, 56 applications were submitted (involving employees from Portugal, Angola and Brazil).

In total, between employee donations and donations from the Teixeira Duarte Group companies, 77,885.00€ were collected, distributed by 41 institutions.

In Angola, "Teixeira Duarte - Engenharia e Construções, S.A." launched, in 2019, a social responsibility program aimed at promoting the regular voluntary blood donation by employees, contributing to an increase in the blood reserve in the health system. By raising employees' awareness of the importance of voluntary blood donation and providing conditions for effective donation, through technical partnerships, the Company aims to contribute towards reducing the current lack of blood stock in health institutions and stimulate a greater sense of solidarity with employees and their personal spheres. This program is developed with the technical support of the Clínica Sagrada Esperança.

In December 2020, a blood collection initiative was carried out with the contribution of about 20 employees, this time from various sectors of the Group's activities. In this initiative, more than 8 litres of blood were collected, based on the collection of 450ml per donor, which represents the possibility of saving the life (or helping to survive) of up to 60 people.

Research, Development and Innovation (RDI)

In 2020, the Strategic Innovation Plan for the 2019-2020 biennium was followed up within the Teixeira Duarte Group, involving "Teixeira Duarte - Engenharia e Construções, S.A.", and the Facilities Management and Real Estate of the Teixeira Duarte Group, where construction speed and modular construction are identified as strategic guidelines.

Within the scope of this plan, during this period, several projects were being developed, of which the following should be emphasized:

a) Construction Revolution Digital Project - REV@CONSTRUCTION

The project has a global investment of circa 8.5 million euros, of which about 1.3 million euros are the corresponding value of the Teixeira Duarte Group.

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

Products, Processes and Services to be developed within the scope of this project:

- DIGI4Construction - development of a national digital platform for construction, with BIM4bridges pilot application, involving Infraestruturas de Portugal, S.A.;
- Digital Twin for AEC - processing of design/construction data, with pilot applications, namely paving 4.0 (Mota-Engil) and concrete 4.0 (Teixeira Duarte);
- RCM4Assets - Digital Twin for Operation and Maintenance / Asset Management, predictive maintenance (Coordination Teixeira Duarte and TDGI);
- Integration of all solutions with living lab projects, including BIM4Bridges using the concepts of RCM4Assets and,
- Project Management and Communication.

The project funds these activities through outright grants.

b) Project "OMICRON"

"OMICRON" is a European project funded by Horizon 2020, as part of the Mobility for Growth applications, lasting 42 months, in which "Teixeira Duarte - Engenharia e Construções, S.A." participates with 15 other partners from 7 European countries.

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

Teixeira Duarte is responsible for coordinating the main demonstrator of the project that aims to develop modular solutions for the execution of superior passages (for situations of: highway widening; fauna pathways and replacement of existing ones), in a fast, safe and sustainable way. On the Portuguese team, by Teixeira Duarte's indication, the company Armando Rito is also involved (BRISA will also be involved as an interested party), and will participate as an interested party, providing access, signalling and safety during tests to be carried out on the demonstrator.

The financing originates 100% from outright grants, where 268.500,00€ have been allocated to Teixeira Duarte.

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

This project began in 2019 and is ongoing. The intention is to develop a globally innovative product, which can be installed in a central location of any apartment and will save the human lives of occupants in the event of an intense earthquake, with very low associated costs.

It is a 1.1-million-euro project co-promoted by the Instituto Superior Técnico (IST), funded by the Portugal 2020 Program, with a total duration of 3 years. The project internally involves the areas of Metalworking, in the development of prototypes, and Buildings, in the construction of partial models of masonry buildings by Teixeira Duarte - Engineering and Constructions. Externally, the Laboratório Nacional de Engenharia Civil (LNEC) participates, for testing on a seismic table, the IADE – Universidade Europeia, for the design and architectural integration of the shelter and SPI, through a system of service provision.

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:

- System of bridge trays and / or viaducts assembly by incremental progress, with reaction in the temporary support beams in the meeting and sliding over plastic material;
- Method of protecting the fixation of the rubber-gutter in the expansion joints of bridges/viaducts and their assembly and,
- Suspended scaffold on the funicular cables of a suspension bridge equipped with means to allow them to be moved and transposition of the existing brackets on the hanging cables of that bridge.

In the 2020 financial year, no new invention patents were submitted for registration.

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 this context, it is noteworthy that, in 2020, "Teixeira Duarte - Engenharia e Construções, S.A." maintained its participation in the *European Federation of Foundation Contractors* (EFFC) and *CO2 Foundations – Geotechnical Carbon Calculator* working groups, targeted towards the calculation of the carbon footprint in geotechnical works, as well as in the *Technical Working Group* (TWG) which strives for cooperation and development of guides and standards for the execution of geotechnical works.

The Company also participates in the standardization activities of the Comissão Técnica Portuguesa de Normalização CT156 – Geotecnia em Engenharia Civil, chairing the SC10 subcommittee, technical body targeted towards issuing normative opinions and translating CEN's European standards in the scope of Geotechnical Structures Testing and Implementation of Special Geotechnical works, also integrating ISO's TC182 Technical Commission WG11 work group, responsible for creating the *Geotechnical investigation and testing – Testing of geotechnical structures - Part 2: Testing of piles: Static tension load testing* ISO 22477-2 norm.

Partnerships with entities of the scientific and technological system of the Construction sector

Within the sector where it is located, "Teixeira Duarte - Engenharia e Construções, S.A." promotes innovation and technological development, also developing RDI activities in partnership with institutions of the scientific and technological system and other similar companies.

a) Portuguese Construction Technology Platform (PTPC – Plataforma Tecnológica Portuguesa de Construção)

THE PTPC brings together companies, designers, universities, public entities and other entities of the Scientific and Technological National System (SCTN - Sistema Científico e Tecnológico Nacional), 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 constitution (2011).

b) AEC Cluster – Architecture, Engineering and Construction (AEC – Arquitetura, Engenharia e Construção)

Established in 2016, the AEC Cluster is managed by PTPC. Targeting performance 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, participation in international networks.

c) Collaborative Laboratory for the Environment Built from the Future (Built CoLAB –Laboratório Colaborativo para o Ambiente Construído do Futuro)

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 5-year outright grant financing 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; and
- Sustainable and Resilient Buildings and Infrastructures.

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

d) Portuguese Structures' Engineering Association (APEE - Associação Portuguesa de Engenharia de Estruturas), which constitutes the Portuguese group of the International Association for Bridge & Structural Engineer (IABSE)

"Teixeira Duarte - Engenharia e Construções, S.A.", through PTPC, participates in this association that targets the development and promotion of structural engineering, at an international level. It's in charge of the organization of major congresses and international conferences.

"Teixeira Duarte - Engenharia e Construções, S.A." has established protocols with the following entities of the national scientific and technological system: Faculdade de Engenharia da Universidade do Porto (FEUP), Instituto Superior Técnico (IST), Laboratório Nacional de Engenharia Civil (LNEC) and Universidade do Minho (UM).

e) ENCORD - European Network of Construction for Research and Development

"Teixeira Duarte - Engenharia e Construções, S.A." was admitted to ENCORD in 2014. However, due to a statutory change, it is considered an ENCORD founding partner, an association founded in 1989.

ENCORD is the contact association with the European Commission on construction innovation matters and oversees the ECTP - European Construction Technology Platform activity. Encord has the participation of the largest Construction companies in Europe in promoting innovation and competitiveness.

"Teixeira Duarte - Engenharia e Construções, S.A." is a member of ENCORD's Strategic Council and participates, among others, in the "Foresight" group.

f) ECTP – European Construction Technology Platform

ECTP is a similar association to PTPC but with a European scope. As PTPC's President, Teixeira Duarte - Engenharia e Construções participates in the ECTP Steering Committee, Vision Group and Working Group Heritage and Regeneration.

ENVIRONMENTAL MANAGEMENT

The management of environmental aspects at "Teixeira Duarte - Engenharia e Construções, S.A." is directly related to the environmental impacts of its activities and the environmental performance of the buildings and infrastructures it builds for its clients.

In this context, the obligation to comply with the applicable legal requirements and other requirements associated with the identified environmental aspects, as well as the minimization of environmental impacts arising from the activities, is highlighted in order to ensure a sustained development of the activities.

Within the scope of its Code of Ethics and Conduct, the Company expresses that preservation and respect for the environment must constitute essential principles in employee performance, which should also be transmitted to the indirect recipients of this instrument.

Since the Company's activity is subject to strong fluctuations in the impacts caused depending on the works in progress (type, quantity and phase) - which limits annual comparability of data - the choice of a scoreboard and an appropriate reporting approach to reflect the performance of its activities is contingent.

Environmental management systems

The transversal principles of employees' actions in relation to the environment, which are enshrined in the Code of Ethics and Conduct, materialize through the adoption of environmental management systems, which allow an effective management of environmental risks and contribute to the objectives of the areas of activity.

ISO 14001 is a worldwide reference for environmental management systems, by which "Teixeira Duarte - Engenharia e Construções, S.A." governs its practices with a view to continuous improvement of its environmental performance, incorporating specific processes to identify and manage the main environmental risks.

As of December 31, 2020, the Company had a certified environmental management system according to the ISO 14001 reference in Portugal and Brazil.

Certified Production of Metal Structures

The production of metal structures by "Teixeira Duarte - Engenharia e Construções, S.A." is certified by EN 1090-1, and the process maintained the necessary control audits during the year under analysis.

Compliance with this standard thus allows the Company to provide quality structures aligned with European standards

Provisions and financial guarantees on environmental risks

In the normal course of their activities, companies operating in the Construction sector and complementary areas are exposed to environmental risks. In this regard, it should be said that, in order to comply with the legal obligations under the liability for environmental damage, arising from Directive No. 2004/35/EC, amended by Directive No. 2006/21/EC, "Teixeira Duarte - Engenharia e Construções, S.A." opted, in Portugal, to constitute financial guarantees totalling 67,395€ as of December 31, 2020.

It is thus considered that the risk of possible environmental damage arising in the activities of those companies is duly safeguarded.

Energy

Focusing on operational efficiency, particularly within environmentally certified companies, where this efficiency is added to the continuous demand for improvement of environmental performance, the Company has acted with a view to minimizing energy consumption and, consequently, the emission of greenhouse gases.

In this sense, energy rationalization measures have been implemented to reduce specific consumption per user in the Company's fixed facilities, particularly in the offices and operational centres, which include raising employee awareness of the frugal use of energy and good practices to be taken into account.

Water resources

Within the scope of environmental management systems, "Teixeira Duarte - Engenharia e Construções, S.A." evaluates the environmental impacts resulting from the use of water resources, seeking to act in reducing consumption and minimizing the pollution load discharged in a soil or water environment.

During the pursuit of its activities, water resources can be consumed from various sources - public supply network, groundwater collection, rain collection, externally supplied and packed cistern - with this consumption being subject to significant fluctuations depending on the type, quantity and phase of each project.

It is common practice, in construction activities, the reuse of water for parallel activities such as watering / sprinkler on powdery surfaces, wheel washing at the yard exit, concrete mixers washing, among others. This topic is widely publicized in training and awareness-raising initiatives, with the aim of eliminating waste and maximizing the resources available on site. Still, the water consumed is mostly that which originates in the supply network.

The activities that usually take place along water lines are the target of monitoring of surface water resources in order to identify any change in quantitative or qualitative terms. 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.

The implementation of good practices and the search for constant improvement in the reduction and reuse of water has been converted into the implementation of good practices, which include water reuse measures, optimizing the moments of consumption and awareness-raising initiatives for employees.

Consumption of Materials

The consumption of materials in Construction is directly related to the quantity, dimension and type of works performed.

Among the most commonly used raw materials are concrete, cement and aggregates.

Regarding paper consumption in the various fixed and temporary Company facilities, it should be noted that, in 2020, the Group initiated a digital transformation project that should allow, among other improvements, a faster digitization of numerous processes. An example of the measures that are part of this digitalization process was the adoption of a single platform that brings together several integrated collaborative environment solutions for projects, contacts, files, video calls, message exchange and more.

Concrete and aggregates laboratory in Portugal



"Teixeira Duarte - Engenharia e Construções, S.A." maintains a Materials Laboratory in Portugal with the objective of supporting the manufacture and control of concrete to be applied in its works.

Certified by IPQ – Instituto Português da Qualidade since 1996 and having been one of the first laboratories to obtain this Certification in the field of concrete and aggregates in the country, the Materials Laboratory maintained its accreditation under the EN ISO/IEC17025 Standard in 2019.

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 performance of the works.

Emissions

Whether in offices or in its operational facilities, "Teixeira Duarte - Engenharia e Construções, S.A." works to reduce its ecological footprint by reducing CO2 emissions inherent to its activities.

As part of its certification in environmental management, "Teixeira Duarte - Engenharia e Construções, S.A.", collects data related to CO2 emissions in Portugal, Brazil and Angola, with the possibility of extrapolating results obtained for most of its operations. Emissions are obtained from two major sources: travel made at the Company's service (plane, train and car) and energy consumption (electricity, gaseous and liquid fuels).

The most significant source of energy in the emissions produced by "Teixeira Duarte - Engenharia e Construções, S.A." are liquid fuels, of fossil origin, used to carry out the works.

Waste

Waste production is one of the most relevant environmental aspects in the Construction sector. The Company has, in recent years, developed awareness and training campaigns, with the objective of promoting waste segregation and, consequently, its 'recovery. These campaigns are aimed not only at the Company's employees, but also at all interested parties and players in waste management, including subcontractors and suppliers.

When it is not possible to guarantee recycling and/or recovery solutions, waste is sent to duly authorized and licensed locations.

IV. CORPORATE FACTS

Of note in this regard is the Annual General Meeting, which took place on April 24, 2020, where it was unanimously decided:

To approve the Management Report presented by the Board of Directors, the Balance Sheet, the Company's Accounts and the Report and Opinion of the Statutory Auditor, relating to the 2019 period, in accordance with the respective documents filed in due course.

To approve the proposal of the Board of Directors so that "Teixeira Duarte - Engenharia e Construções, S.A." 's net results, calculated in 2019, in the amount of 1,644,426.18 € (one million six hundred and forty-four thousand four hundred and twenty-six euros and eighteen cents), have the following application:

Legal Reserve: 100,000.00 €

Other Reserves: 1,544,426.18 €

To approve a vote of confidence in the Board of Directors, in each of its Members and in the Statutory Auditor, as well as a vote of praise for the way in which, in the period ended, they performed their duties.

Also relevant is the fact that, as previously agreed, the resignations submitted to the positions of director by Fernando Frias Correia and José Magalhães Gonçalves, respectively on February 28, 2020 and April 24 of the same year, were accepted, and in both cases, it was resolved not to appoint anyone to fill such vacancies.

Already on January 21, 2021 and also as previously expected in the context of his transition to retirement, the resignation of the position as director presented by Joel Vaz Viana de Lemos was accepted, and no one was elected to fill such a vacancy, such that on the date of the preparation of this report, the Board of Directors has the following composition:

President:	Manuel Maria Calainho de Azevedo Teixeira Duarte
Directors:	Pedro Miguel Martins Cardoso Costa; Sérgio Paulo Reis Pereira; Paulo Alfredo de Carvalho Serradas.

V. PROSPECTS OF FUTURE DEVELOPMENT

RELEVANT FACTS OCCURRING AFTER THE END OF THE PERIOD

"Teixeira Duarte - Engenharia e Construções, S.A." continued its activity in the various areas and markets in which it operates, highlighting, in the current global framework, the fact that the development of the COVID-19 pandemic situation is being monitored. This Board encourages actions in accordance with the recommendations issued by the World Health Organization and the public entities responsible for the health sector in the respective countries in which the Group's companies operate.

In this framework, contingency and prevention measures have been taken to comply with the guidelines of those entities and to mitigate and contain the public health risk, balancing this determination with the necessary steps to safeguard the continuity of the business and the impact it has on all its stakeholders.

PROSPECTS OF FUTURE DEVELOPMENT

"Teixeira Duarte - Engenharia e Construções, S.A." foresees the continuity of operations in the different sectors and markets in which it has been operating, despite influenced by the impacts of the global COVID-19 pandemic situation and potential currency devaluations in countries where the Group operates decreasing the relevance of the activity in euros.

Without prejudice and bearing in mind the relevance of Construction in the Group's operating income, it is emphasized that the Construction Order Book had an overall value of 1,348,441 thousand euros as of December 31, 2020.

VI. LEGAL INFORMATION

Pursuant to and for the purposes of Article 447 of the Commercial Companies Code, it is reported that the members of the Company's Administrative and Supervisory Bodies do not hold any shares of Teixeira Duarte – Engenharia e Construções, S.A., nor have they carried out any transactions with shares of the company during the 2020 fiscal year.

There was no business between the company and its directors.

The Company did not carry out transactions with its own shares, and on December 31, 2020 TD-EC did not own any shares of its own.

VII. PROPOSAL FOR THE APPROPRIATION OF PROFITS

PROPOSAL FOR THE APPROPRIATION OF PROFITS

The Board of Directors proposes that the net results of "Teixeira Duarte - Engenharia e Construções, S.A." calculated in the 2020 period, negative in the amount of 7,933,587.60€ (seven million, nine hundred and thirty-three thousand, five hundred and eighty-seven euros and sixty cents) be brought forward to retained earnings.

Lagoas Park, April 7, 2021

The Board of Directors,

(Manuel Maria Calainho de Azevedo Teixeira Duarte)

(Pedro Miguel Martins Cardoso Costa)

(Sergio Paulo Reis Pereira)

(Paulo Alfredo de Carvalho Serradas)

FINANCIAL STATEMENTS

I. BALANCE SHEET

Items	Notes	31/12/2020	12/31/2019 Restated
Assets			
Non-current assets:			
Tangible fixed assets	7	19.932	26.333
Investment properties	8	189	265
Goodwill	10	21.783	26.140
Intangible assets	6	39.704	39.107
Financial holdings - equity method	11	209.263	218.359
Other financial investments	20.1	17.945	30.284
Accounts receivable	20.1	184.494	235.664
Deferred tax assets	19	13.917	12.665
		507.227	588.817
Current assets:			
Inventories	13	2.245	2.719
Clients	20.1 and 27	231.588	303.435
Government and other public entities	20.1	12.104	11.068
Other accounts receivable	20.1	459.933	406.655
Deferrals	20.1	8.648	7.633
Non-current assets held for sale	20.1	5	5
Cash and bank deposits	4	36.536	48.012
		751.059	779.527
Total Assets		1.258.286	1.368.344
Equity and Liabilities			
Equity:			
Subscribed capital	28	280.000	280.000
Legal reserves	28	45.600	45.500
Other reserves	28	114.082	112.537
Retained earnings:			
Retained earnings		102.667	102.667
Unallocated earnings - equity method		(74.227)	(182.629)
Adjustments / other changes in equity:			
Unallocated earnings - equity method		74.227	182.629
Other adjustments to financial assets		(110.051)	(76.061)
Other changes in equity		(63.570)	(38.779)
		368.728	425.864
Net income for the period	28	(7.934)	1.645
Total Equity		360.794	427.509
Liabilities			
Non-current liabilities:			
Provisions	16	22.951	20.001
Financing obtained	20.2 and 27	311.470	305.153
Deferred tax liabilities	19	1.565	2.057
Other debts payable	20.2 and 27	11.334	11.110
		347.320	338.321
Current liabilities:			
Suppliers	20.2 and 27	140.222	151.536
Advanced client payments	20.2 and 27	63.704	77.609
Government and other public entities	20.2 and 27	11.488	14.271
Financing obtained	20.2 and 27	252.203	254.260
Other debts payable	20.2 and 27	58.570	81.231
Deferrals	20.2	23.985	23.607
		550.172	602.514
Total Liabilities		897.492	940.835
Total Equity and Liabilities		1.258.286	1.368.344

(Amounts in thousands of euros)

The Appendix is part of the Balance Sheet as of 31 December 2020.

The Certified Accountant

The Board of Directors

II. INCOME STATEMENT BY ACTIVITY

Income and expenses	Notes	2020	2019 Restated
Sales and services rendered	15	276.649	377.130
Operating subsidies		101	-
Recognized gains / losses from subsidiaries and joint ventures	12	2.723	1.755
Changes in production inventories	13	(32)	(5)
Own work capitalised	7	768	600
Cost of goods sold and materials consumed	13	(53.491)	(58.408)
Supplies and external services	24	(160.709)	(220.914)
Personnel costs	23	(58.268)	(88.051)
Inventory impairment (losses / reversals)	9	(3)	(5)
Impairment of debts receivable (losses / reversals)	9	(5.676)	(263)
Provisions (increases / decreases)	16	(4.038)	(5.026)
Fair value increases / decreases	8	(13)	2
Other income	25	45.235	94.141
Other expenses	26	(25.020)	(52.424)
EBITDA		18.226	48.532
Depreciation and amortization expenses	6, 7 and 11	(15.138)	(16.203)
Impairment on depreciable investments (losses)	6 and 9	(113)	-
EBIT		2.975	32.329
Interest and similar income obtained	22	27.216	24.328
Interest and similar expenses incurred	22	(37.722)	(52.181)
Income before taxes		(7.531)	4.476
Current income taxes	19	(403)	(2.831)
Net income for the period		(7.934)	1.645

(Amounts in thousands of euros)

The Appendix is part of the Income Statement by Activity as of 31 December 2020.

The Certified Accountant

The Board of Directors

III. STATEMENT OF CHANGES IN EQUITY

Description	Notes	Subscribed capital	Legal reserves	Other reserves	Retained earnings	Adjustments in financial assets of subsidiaries and joint ventures	Other changes in equity	Net income for the period	Total
Balance on January 1, 2019	1	280.000	45.000	103.062	(64.919)	134.327	(4.232)	9.975	503.213
Changes in the period:									
Conversion differences for financial statements	18	-	-	-	-	-	(34.547)	-	(34.547)
Application of the equity method	11, 12 and 16	-	-	-	(15.021)	(27.759)	-	-	(42.780)
Appropriation of profits		-	500	9.475	-	-	-	(9.975)	-
Other equity recognized transactions		-	-	-	(22)	-	-	-	(22)
Net income for the period	2	-	500	9.475	(15.043)	(27.759)	(34.547)	(9.975)	(77.349)
Comprehensive income for the period	3	-	-	-	-	-	-	1.645	1.645
	4=2+3	-	-	-	-	-	-	-	(75.704)
Balance on December 31, 2019	5=1+2+3	280.000	45.500	112.537	(79.962)	106.568	(38.779)	1.645	427.509
Balance on January 1, 2020	6	280.000	45.500	112.537	(79.962)	106.568	(38.779)	1.645	427.509
Changes in the period:									
Financial statements conversion differences	18	-	-	-	-	-	(24.794)	-	(24.794)
Application of the equity method	11, 12 and 16	-	-	-	-	(33.990)	-	-	(33.990)
Appropriation of profits		-	100	1.545	-	-	-	(1.645)	-
Other equity recognized transactions		-	-	-	108.402	(108.402)	3	-	3
Net income for the period	7	-	100	1.545	108.402	(142.392)	(24.791)	(1.645)	(58.781)
Comprehensive income for the period	8	-	-	-	-	-	-	(7.934)	(7.934)
Transactions with capital holders in the period:	9=7+8	-	-	-	-	-	-	-	(66.715)
Balance as of December 31, 2020	10=7+8+6	280.000	45.600	114.082	28.440	(35.824)	(63.570)	(7.934)	360.794

(Amounts in thousands of euros)

The Appendix is part of the Statement of Changes in Equity as of 31 December 2020.

The Certified Accountant

The Board of Directors

IV. CASH FLOW STATEMENT

Description	Notes	2020	2019 Restated
Operational activities:			
Client receivables		250.888	315.887
Payments to suppliers		(222.674)	(289.437)
Personnel payments		(29.566)	(49.272)
Cash generated by operations		(1.352)	(22.822)
Income tax payment / receipt		(964)	(6.953)
Other receipts / payments		30.016	15.008
Cash flows from operating activities (1)		27.700	(14.767)
Investment activities:			
Payments relating to:			
- Tangible fixed assets		(2.140)	(5.458)
- Intangible assets		(971)	(89)
- Financial investments	4	(13)	-
- Related parties		(22.107)	(2.661)
Receipts from:			
- Tangible fixed assets		1.291	604
- Financial investments	4	18	784
- Interest and similar income		2.398	6.569
- Dividends	4	1.118	2.000
- Related parties		9.113	17.780
Cash flows from investment activities (2)		(11.293)	19.529
Financing activities:			
Receipts from:			
- Financing obtained		2.707.825	3.016.768
- Related parties		168.163	361.945
- Donations		91	-
Payments relating to:			
- Financing obtained		(2.732.339)	(3.008.985)
- Amortization of financial lease contracts		(154)	-
- Interest and similar expenses		(22.941)	(32.054)
- Related parties		(142.901)	(342.215)
- Other financing operations		-	(473)
Cash flows from financing activities (3)		(22.256)	(5.014)
Change in cash and cash equivalents (1 + 2 + 3)		(5.849)	(252)
Effect of exchange rate differences		(5.627)	(6.993)
Cash and cash equivalents at the beginning of the period	4	48.012	55.257
Cash and cash equivalents at the end of the period	4	36.536	48.012

(Amounts in thousands of euros)

The appendix is part of the Cash Flow Statement as of 31 December 2020.

The Certified Accountant

The Board of Directors

V. APPENDIX

1. INTRODUCTORY NOTE

Teixeira Duarte - Engenharia e Construções, S.A. (hereinafter referred to as Teixeira Duarte or Company), legal person number 500.097.488, has its headquarters in Lagoas Park, was incorporated on January 4, 1934 and its main activity is civil construction and public works.

All values in this appendix are expressed in thousands of euros.

2. ACCOUNTING BENCHMARK

These financial statements, which include the Balance Sheet, the Income Statement by activity, the Statement of Changes in Equity, the Cash Flow Statement and Appendix, were prepared in accordance with the Generally Accepted Accounting Principles (GAAP) foreseen by the Accounting Normalization System (SNC – Sistema de Normalização Contabilística), approved by Decree-Law No. 158/2009 of July 13, with the corrections of The Rectification Declaration No. 67-B/2009 of September 11, and with the amendments introduced by Law No. 20/2010 of August 23 and Decree-Law No. 98/2015 of 2 June, which introduced into the Accounting Normalization System (SNC) the amendments considered indispensable to ensure their compliance with Directive No 2013/34/EU of the European Parliament and the Council, of June 26, with the Decrees and Notices relating to the accounting instruments that make up the SNC being consequently amended.

On January 1, 2018, Teixeira Duarte considered companies in Angola and Venezuela as belonging to hyperinflationary economies, complying with the application of IAS 29, with significant impacts on the companies' own capital. However, on January 1, 2019, Teixeira Duarte suspended this application in Angolan companies because it was no longer considered a hyperinflationary economy.

Additionally, on December 31, 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 31, 2020 and 2019, the set of impacts mentioned above, with relevant effect on the Company's equity capital.

No provisions of the Accounting Normalization 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.

2.1 IN THE PERIOD ENDED DECEMBER 31, 2020, THE COMPANY CARRIED OUT THE FOLLOWING "RESTATEMENTS"

Balance sheet

For the purposes of comparison with the same period, the "restatements" made for the period ended 31 December 2019 are as follows:

Items	31/12/2019	Restatement	31/12/2019 Restated
Assets			
Non-current assets:			
Tangible fixed assets	26.333	-	26.333
Investment properties	265	-	265
Goodwill	26.140	-	26.140
Intangible assets	39.107	-	39.107
Financial holdings - equity method	216.586	1.773	218.359
Other financial investments	30.284	-	30.284
Credits receivable	235.664	-	235.664
Deferred tax assets	12.665	-	12.665
	587.044	1.773	588.817
Current assets:			
Inventories	2.719	-	2.719
Clients	303.657	(222)	303.435
Government and other public entities	11.082	(14)	11.068
Other receivables	404.588	2.067	406.655
Deferrals	7.634	(1)	7.633
Non-current assets held for sale	5	-	5
Cash and bank deposits	49.092	(1.080)	48.012
	778.777	750	779.527
Total Assets	1.365.821	2.523	1.368.344
Equity and Liabilities			
Equity:			
Subscribed capital	280.000	-	280.000
Legal reserves	45.500	-	45.500
Other reserves	112.537	-	112.537
Retained earnings:			
Retained earnings:	102.667	-	102.667
Unallocated earnings - equity method	(182.629)	-	(182.629)
Adjustments / other changes in equity:			
Unallocated earnings - equity method	182.629	-	182.629
Other adjustments to financial assets	(76.061)	-	(76.061)
Other changes in equity	(38.779)	-	(38.779)
	425.864	-	425.864
Net income for the period	1.645	-	1.645
Total Equity	427.509	-	427.509
Liabilities			
Non-current liabilities:			
Provisions	20.589	(588)	20.001
Financing obtained	305.153	-	305.153
Deferred tax liabilities	2.057	-	2.057
Other debts payable	11.110	-	11.110
	338.909	(588)	338.321
Current liabilities:			
Suppliers	147.479	4.057	151.536
Advance payments from clients	77.609	-	77.609
Government and other public entities	14.271	-	14.271
Financing obtained	254.540	(280)	254.260
Other debts payable	81.897	(666)	81.231
Deferrals	23.607	-	23.607
	599.403	3.111	602.514
Total Liabilities	938.312	2.523	940.835
Total Equity and Liabilities	1.365.821	2.523	1.368.344

In the period ended December 31, 2019, the restatements refer to the reclassification of interests in joint ventures, which began to be recognized by the equity method when they were previously recognized by the proportional consolidation method.

Income statement

For the purposes of comparison with the same period, the "restatements" made for the period ended 31 December 2019 are as follows:

Income and expenses	2019	Restatement	2019 Restated
Sales and services rendered	377.184	(54)	377.130
Imputed gains / losses of subsidiaries and joint ventures	1.930	(175)	1.755
Changes in production inventories	(5)	-	(5)
Works for the entity itself	600	-	600
Cost of goods sold and materials consumed	(58.408)	-	(58.408)
Supplies and external services	(221.279)	365	(220.914)
Personnel costs	(88.079)	28	(88.051)
Inventory impairment (losses / reversals)	(5)	-	(5)
Impairment of accounts receivable (losses / reversals)	(278)	15	(263)
Provisions (increases / decreases)	(4.995)	(31)	(5.026)
Fair value increases / decreases	2	-	2
Other income	94.299	(158)	94.141
Other expenses	(52.426)	2	(52.424)
EBITDA	48.540	(8)	48.532
Depreciation and amortization expenses	(16.203)	-	(16.203)
EBIT	32.337	(8)	32.329
Interest and similar income obtained	24.328	-	24.328
Interest and similar expenses incurred	(52.189)	8	(52.181)
Income before taxes	4.476	-	4.476
Tax over the period's income	(2.831)	-	(2.831)
Net income for the period	1.645	-	1.645

In the period ended December 31, 2019, the restatements refer to the reclassification of interests in joint ventures, which began to be recognized by the equity method when they were previously recognized by the proportional consolidation method.

Cash Flow Statement

Description	2019	Restatement	2019 Restated
Operational Activities:			
Client receivables	316.019	(132)	315.887
Payments to suppliers	(289.722)	285	(289.437)
Payments to personnel	(49.277)	5	(49.272)
Cash generated by operations	(22.980)	158	(22.822)
Income tax payment / receipt	(6.942)	(11)	(6.953)
Other receipts / payments	15.111	(102)	15.009
Cash flows from operating activities (1)	(14.811)	45	(14.766)
Investment activities:			
Payments relating to:			
- Tangible fixed assets	(5.458)	-	(5.458)
- Intangible assets	(89)	-	(89)
- Related parties	(2.661)	-	(2.661)
Receipts from:			
- Tangible fixed assets	604	-	604
- Financial investments	784	-	784
- Interest and similar income	6.570	(1)	6.569
- Dividends	2.000	-	2.000
- Related parties	17.780	-	17.780
Cash flows from investment activities (2)	19.530	(1)	19.529
Financing activities:			
Receipts from:			
- Financing obtained	176.387	2.840.380	3.016.767
- Related parties	361.945	-	361.945
Payments relating to:			
- Financing obtained	(168.586)	(2.840.400)	(3.008.986)
- Interest and similar expenses	(32.054)	-	(32.054)
- Related parties	(342.215)	-	(342.215)
- Other financing operations	(473)	-	(473)
Cash flows from financing activities (3)	(4.996)	(20)	(5.016)
Change in cash and cash equivalents (1 + 2 + 3)	(277)	24	(253)
Effect of exchange rate differences	(6.993)	-	(6.993)
Cash and cash equivalents at the beginning of the period	56.362	(1.104)	55.258
Cash and cash equivalents at the end of the period	49.092	(1.080)	48.012

In the period ended December 31, 2019, the restatement refers to:

- reclassification of interests in joint ventures, which began to be recognized by the equity method when they were previously recognized by the proportional consolidation method; and

- reclassification of receipts and payments of financing obtained in commercial paper.

3. MAIN ACCOUNTING POLICIES

3.1 MEASUREMENT BASES

The financial statements were prepared in accordance with the historical cost convention, except for investment properties, 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 Normalization System (SNC - Sistema de Normalização Contabilística).

The Company integrates all branch movements eliminating internal operations and, if any, the results derived from them.

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, associates and interests in jointly controlled entities, are registered by the equity method, and the shares 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 the first application of said method.

The differences between the acquisition cost of investments in subsidiaries, associates and interests in jointly controlled entities and the investor's share of the fair net value of the identifiable contingent assets and liabilities of the subsidiary, if positive, are recorded as Goodwill. In cases where the acquisition cost is less than the fair value of the net assets identified, the difference determined (negative Goodwill) is recorded as a gain for the period in which the acquisition takes place, under the heading "Other income".

Amortizations are calculated using the straight-line method in accordance with the usefulness period expected by the company for the Goodwill concerned. Amortization is undertaken according to the following estimated service life:

	Years of useful life
Goodwill	10

According to the equity method, financial holdings are adjusted periodically by the amount corresponding to the equity interest of the subsidiary, associated and joint ventures in return for "Subsidiaries', associates' and joint ventures' allocated gains/losses", and for other variations in their own capital in return for the item "Other financial assets adjustments", as well as for the recognition of impairment losses. Additionally, dividends received from these companies are registered as a decrease in the value of financial investments.

When losses in subsidiaries, associates and joint ventures exceed the investment in these entities, a provision is recognized up to the limit of said participation.

The classification of financial investments as jointly controlled entities is determined based on agreements regulating joint control.

b) Investment properties

Investment properties concern buildings held for lease, capital appreciation, or both. They are initially recorded at their purchase price or their construction date cost (in the case of own construction investment), including any directly attributable expenditure.

After initial appreciation, all investment properties, including those under construction, are measured at their value reflecting market conditions at the balance sheet date. All gains or losses arising from changes in the fair value of investment properties are acknowledged in the results of the period in which they occur and recorded under the heading "Fair value increases/decreases".

The fair value of each investment property is determined through valuations carried out by an independent expert entity and according to generally accepted valuation criteria for 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.

c) Tangible fixed assets

Tangible fixed assets used in the production, provision of services or for administrative use, including expenses attributable to the purchase, deducted from accumulated depreciation and impairment losses, where applicable.

Tangible fixed assets are depreciated by the straight-line method, according to their estimated service life, from the date on which they are available for the intended use and cease when the assets are disposed of or 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 constructions	50
Basic equipment	4 - 8
Transport equipment	4 - 5
Office equipment	3 - 10
Other tangible fixed assets	1

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 from the moment the underlying assets are completed or in a state of use.

Potential gains and losses resulting from the sale or write-off of tangible fixed assets are determined by the difference between the selling price and the net book value on the disposal/write-off date and are recorded at net value in the income statement under the headings "Other income" or "Other expenses".

All works that the company carries out for itself, under its direct management, applying own or acquired means for this purpose and which are used for its tangible fixed assets, are recognized as gain for the period under the heading "Works for the entity itself".

d) Intangible assets

Intangible assets essentially comprise contractual rights in computer programs, surface rights and concession agreements, are recorded at acquisition cost, deducted from accumulated amortizations and impairment losses. Intangible assets are only recognised if it is likely that future economic benefits for the company will arise from them, are controllable by the company and their respective value can be reliably measured.

Internal costs associated with software maintenance and development are recorded as costs in the income statement when incurred, except where these costs are directly associated with projects for which future economic benefits are likely to be generated for the company. In these situations, these costs are capitalized as intangible assets.

Amortizations are calculated from the date on which they are available for the intended use, by the straight-line method in accordance with the service period expected by the company for the assets concerned. Amortization is carried out according to the following estimated service lives:

	Years of useful life
Computer programs	3 - 6
Contract law	3 - 20

e) Inventories

Raw materials are recorded at acquisition cost, using the weighted average cost as a costing method.

Finished and intermediate products are valued at the weighted average cost of production, which includes the cost of incorporated raw materials, labour and general manufacturing costs (considering depreciation of production equipment calculated according to normal levels of use), which is lower than the net achievable value. The net achievable value corresponds to the normal sales price deducted from the costs to complete production and marketing costs.

Inventories' impairment adjustments are recorded by the difference between the cost value and the respective inventory realization value if they are less than the cost.

f) Impairment of assets

On the date of each report, or when an event or change in circumstances is identified indicating that the amount by which the asset is registered may not be recoverable, an impairment assessment of the same is carried out.

When the amount by which the asset is registered is greater than its recoverable amount, an impairment loss is recognised, recorded in the income statement under the respective headings, according to its nature.

The recoverable amount is the highest between the net sales price and the value-in-use. The net sales price is the amount that would be obtained from the disposal of the asset, in a transaction between independent and knowledgeable entities, minus the costs directly attributable to the disposal. The value-in-use is the present value of the estimated future cash flows

expected to arise from the continued use of the asset and its disposal at the end of its service life. The recoverable amount is estimated for each asset, individually, or if that's not possible, for the cash flow generating unit to which the asset belongs.

The reversal of impairment losses recognised in previous periods is recorded when it is concluded that previously recognised impairment losses no longer exist or have decreased. The reversal of impairment losses is recognised in the income statement under the respective headings.

The reversal of the loss by impairment is carried out up to the limit of the amount that would be recognized (net of depreciation or amortization), if the loss by impairment had not been recorded in previous periods.

g) 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 expenses are recorded under the headings "Other receivable credits" and asset "Deferrals" and "Other payable debts" and liability "Deferrals".

h) Expenses on financing obtained

Expenses on financing obtained are recognized 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 capitalized, being part of the cost of the asset. The capitalization 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 capitalization.

i) Construction contracts

The company recognizes the revenue and expenses of the works in progress according to the percentage of completion method, which is understood as being the relationship between the expenses incurred in each contract up to the balance sheet date and the sum of these expenses with the estimated expenses to complete the work. The assessment of the percentage of completion of each contract is periodically reviewed considering the latest production indicators.

Provisions are constituted for expensive contracts when it is likely that the total expenses of the contract will exceed its total revenue. The corresponding expected loss is immediately recognized as an expense. The amount of such loss is determined independently of: (i) whether or not the work of the contract has begun, (ii) the completion percentage of the contract activity, or (iii) the profit amount expected to arise in other contracts that are not treated as a single construction contract.

j) Revenue

Revenue from the sale of goods is recognised when all the following conditions have been met:

- the Company has transferred the significant risks and advantages of ownership of the goods to the buyer;
- The Company does not maintain continued management involvement with a degree generally associated with ownership, or effective control of the goods sold;
- The amount of revenue can be reliably measured;
- The economic benefits associated with the transaction are likely to flow to the Company; and
- The costs incurred or to be incurred in connection with the transaction can be reliably measured.

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 with the transaction and the costs to complete the transaction can be reliably measured.

Revenue originating from interest, royalties and dividends is recognised when future economic benefits are likely to flow to the Company and its respective amount can be valued and measured reliably. Interest revenue must be recognised using the effective interest method, the royalty-related revenue must be recognised under an accrual basis and according to the substance of its contract and, finally, dividend revenue must be recognised when the right of the shareholder to receive payment is established.

k) Balances and transactions expressed in foreign currency

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.

I) Financial instruments

Financial assets and liabilities are recognized 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 and term deposits, which can be due less than three months, and which are immediately callable at negligible value change risk.

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 recognized 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.

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 likely; (ii) the asset is available for immediate sale in its current conditions; (iii) management is committed to a sales plan; and (iv) the sale is expected to take place within a period of twelve months.

Non-current Assets (or discontinued transactions) classified as held for sale are measured at the lowest value between their book value or their fair value minus their sale costs.

Non-current Assets held for sale are measured, based on the assumptions in the first paragraph of the IFRS 8 (International Financial Reporting Standards), at the lowest value between the carrying amount and the fair value minus the costs associated with the sale, as well as worthy of distinction from their display on the balance sheet.

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 recognized 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 granted is initially recorded and recognized as an asset at the nominal value paid, net of expenses with the issuance of these loans and subsequently measured by the amortized cost method. Financial charges, calculated according to the effective interest rate and including premiums to be paid, are recorded in accordance with the accrual basis.

m) Pension 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.

n) 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 Teixeira Duarte, S.A. (Parent Company) has been the dominant company since January 1, 2012.

The "Period Income Tax" recorded in the income statement represents the sum of the current and deferred tax.

The current income tax is calculated based on the Company's taxable income in accordance with the tax rules in force. Taxable income may differ from accounting results, as they may exclude various expenses and income that are only deductible or taxable in future periods, as well as expenses and income that will never be deductible or taxable.

Deferred tax is the result of temporary differences between the amount of assets and liabilities for accounting reporting purposes (carrying amount) and their amounts for taxation purposes (tax basis), as provided for in NCRF 25 - Income taxes.

Deferred taxes on assets and liabilities are calculated and annually assessed using the tax rates in force or announced to be in force at the expected date of reversal of 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 recognized for all taxable temporary differences.

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.

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.

o) 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 recognized 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.

p) Provisions

Provisions are recorded when the Company has a present obligation (legal or implied) resulting from a past event, it is likely that for the settlement of that obligation there will be an outflow of resources and the amount of the obligation may be reasonably estimated.

The amount of the provisions recorded consists of the best estimate, on the reporting date, of the resources necessary to settle the obligation. Such an estimate, revised at each reporting date, is determined considering the risks and uncertainties associated with each obligation.

Present obligations resulting from onerous contracts are recognized and measured as provisions. There is an onerous contract when the Company is an integral part of the obligations of a contract or agreement, the fulfilment of which has associated expenses that cannot be avoided, which exceed the economic benefits derived from it.

q) Exchange rate conversion

Functional and reporting currency

The Company's financial statements are presented in euros, which is the functional and reporting currency of the Company.

The financial statements include elements depending on different functional currencies, according to the currency of the economic environment in which the Company operates.

Transactions and balances

Transactions in a currency other than the euro are converted into functional currency using the exchange rate at the date of the transactions.

The associated income and expenses realized in the period, as well as the potential ones, are recognized in the Income Statement.

Foreign operating unit and subsidiaries with reporting currency other than the euro

The financial statements of foreign operating units and subsidiaries with reporting currency other than the euro that have a functional currency other than the reporting currency are converted to the reporting currency as follows:

- The assets and liabilities of each Balance Sheet are converted at the exchange rate in force on the date of the financial statements;
- The income and expenses of each Income Statement are converted by the average exchange rate, except for Venezuela where, given it is a hyperinflationary economy, financial Statements are transposed to the exchange rates in force at the time; and
- The resulting exchange rate differences are recognised as a separate component in equity.

3.3 VALUE JUDGMENTS 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) service lives of tangible and intangible fixed assets; (ii) impairment analyses, including accounts receivable, inventories and financial investments; (iii) construction contracts; (iv) provisions; v) accruals and deferrals; and vi) Goodwill and financial investments; vii) assessment of deferred taxes.

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 31, 2020 and 2019, the detail of cash and bank deposits was as follows:

	31/12/2020	12/31/2019 Restated
Cash	271	627
Current Accounts	22.337	46.074
Fixed-term deposits	13.928	1.311
	36.536	48.012

Flows from investment activities

Payments for financial investments in the periods ended December 31, 2020 and 2019, relate to the following transactions:

	2020	2019
BUILT COLAB Association paid-up capital	13	-

Receipts from financial investments in the periods ended December 31, 2020 and 2019, relate to the following transactions:

	2020	2019
TDHOSP, SA additional payments	-	768
Reembolso de Fundo de compensação do trabalho - F.C.T.	18	16
	18	784

Receipts from dividends in the periods ended December 31, 2020 and 2019, were as follows:

	2020	2019
AEBT, S.A.	311	-
EPOS, S.A.	-	2.000
TDHOSP, S.A.	370	-
GUAYAQUIL II	437	-
	1.118	2.000

5. RELATED PARTIES

Final parent company

Identification: Teixeira Duarte, S.A.

Head office: Lagoas Park, Building 2, Porto Salvo, Oeiras.

Compensation awarded to members of the governing bodies and company senior management

Compensation awarded to the members of the Company's governing bodies, in the periods ended December 31, 2020 and 2019, was as follows:

	2020	2019
Executive directors:		
Short-term benefits	1.626	1.448

Compensation awarded to members of the Company's senior management, in the periods ended December 31, 2020 and 2019, was as follows:

	2020	2019
Top management		
Short-term benefits	4.304	3.884

Balances and transactions

The prevailing terms or conditions between the Company and its related parties are substantially identical to those normally contracted, accepted and practiced between independent entities in comparable transactions.

The main balances in the periods ended December 31, 2020 and 2019, with the parent company, subsidiary companies, joint ventures and other related parties can be detailed as follows:

	Clients		Client advance payments		Credits receivable / Other receivables		Suppliers	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Mother company								
TEIXEIRA DUARTE, SA	68.987	67.268	-	-	427.766	410.181	7.392	2.045
Subsidiaries:								
CBLG	11.334	12.441	-	-	241	-	-	(195)
EMPA, SA	324	775	-	-	-	-	98	5.755
EPOS, SA	2.480	2.390	-	-	-	562	21	111
EPOS, SA (Angola Branch)	-	4	-	-	-	2	16	5
EPOS, SA (Colombia Branch)	142	155	-	-	-	-	-	-
TEIXEIRA DUARTE Algérie, SPA	439	2.592	-	-	3.949	7.357	11.106	11.317
TEIXEIRA DUARTE - EC (Angola), Lda.	23.540	32.459	-	-	25.508	7.975	16.694	1.921
TEIXEIRA DUARTE - EC Colombia, SAS	1.289	1.789	-	-	-	1	-	-
TEIXEIRA DUARTE - EC, Lda. (Macau)	-	-	-	-	(158)	(158)	-	-
TEIXEIRA DUARTE - EC, Lda. (Mozambique)	3.527	2.544	-	-	3.485	674	13.996	15.466
TEGAVEN - Teixeira Duarte y Asociados, CA	-	2	-	-	238	240	-	-
UTE - Viana	2.240	5.950	-	-	29	27	-	-
	45.315	61.101	-	-	33.292	16.680	41.931	34.380
Affiliates:								
CONBATE, ACE	13	9	-	-	-	-	1	1
CONSTRUSALAMONDE, ACE	1	-	-	-	-	10	1	2
DOURO LITORAL OBRAS ESPECIAIS, A.C.E.	-	189	-	-	-	-	2	35
DOURO LITORAL, A.C.E.	14	19	-	-	5	13	41	(21)
METROLIGEIRO, A.C.E.	32	32	-	-	11	11	-	-
NOVA ESTACÃO, A.C.E.	286	267	-	-	14	6	88	88
TD / SOPOL - Metro Superfície, A.C.E.	7	7	-	-	-	-	55	55
TD / SOMAFEL - Viad. do Campo Grande, A.C.E.	-	-	-	-	-	-	-	-
TRÊS PONTO DOIS, ACE	-	-	-	-	-	-	35	35
	353	523	-	-	30	40	223	195
Other related parties:								
ALVALADE, Lda.	226	61	-	-	2	105	212	215
AUTO COMPETIÇÃO ANGOLA (S.U.), Lda.	225	1.080	-	-	-	44	-	1
AVENIDA, Lda.	733	659	-	-	-	63	129	113
C + PA, SA	1	-	-	-	-	12	192	371
COMÉRCIO DE AUTOMÓVEIS (S.U.), Lda.	62	2.870	-	-	-	79	-	1
CND (S.U.), Lda.	26.761	26.115	-	-	21	427	26.324	4.083
ESTA, S.A.	37	15	-	-	-	101	18	15
FUNDO DE INVESTIMENTO - TDF	4.631	3.114	4.177	5.342	-	-	-	-
GO CORP, S.A.	1.264	1.391	-	-	-	38	49	142
IMOPEDROUÇOS, S.A.	1	9	-	-	-	7	36	36
LAGOAS HOTEL, S.A.	13	7	-	-	-	66	22	20
SOMAFEL, S.A.	91	31	-	-	207	786	2.146	3.321
TDA (S.U.), Lda.	407	2.133	-	-	2	15.626	40	22.472
TDGI, S.A.	234	164	-	-	(16)	478	44	69
TDH - SGPS, S.A.	1	-	-	-	-	9	9	9
TDO, S.A.	31	12	-	-	-	102	287	304
TEDAL - SGPS, S.A.	2	-	-	-	-	26	20	10
TEIXEIRA DUARTE - Distribuição, S.A.	91	81	-	-	-	221	708	694
TEIXEIRA DUARTE - G.P.I.I., S.A.	672	750	-	-	56.950	49.531	505	477
Others	4.996	5.007	-	-	2.475	1.592	1.884	1.795
	40.479	43.499	4.177	5.342	59.641	69.313	32.625	34.148
	155.134	172.391	4.177	5.342	520.729	496.214	82.171	70.768

	Financing obtained		Deferrals		Other debts payable	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Mother company						
TEIXEIRA DUARTE, SA	-	-	133	133	3.996	7.742
Subsidiaries:						
CBLG	-	-	-	-	-	-
EMPA, SA	69	516	-	-	(108)	464
EPOS, SA	6.623	5.745	-	58	626	180
EPOS, SA (Angola Branch)	-	-	-	-	753	1.354
EPOS, SA (Colombia Branch)	-	-	-	-	-	218
TEIXEIRA DUARTE Algérie, SPA	-	-	-	-	216	2.676
TEIXEIRA DUARTE - EC (Angola), Lda.	-	-	-	-	27	286
TEIXEIRA DUARTE - EC Colombia, SAS	-	-	-	-	(94)	-
TEIXEIRA DUARTE - EC, Lda. (Macau)	-	-	-	-	13	28
TEIXEIRA DUARTE - EC, Lda. (Mozambique)	-	-	-	-	13.509	15.627
TEGAVEN - Teixeira Duarte y Asociados, CA	-	-	-	-	124	136
UTE - Viana	-	-	-	-	-	-
	6.692	6.261	-	58	15.066	20.969
Affiliates:						
CONBATE, ACE	-	-	-	-	-	(1)
CONSTRUSALAMONDE, ACE	440	455	-	-	2	6
DOURO LITORAL OBRAS ESPECIAIS, A.C.E.	-	260	-	-	-	10
DOURO LITORAL, A.C.E.	-	-	-	-	-	(23)
METROLIGEIRO, A.C.E.	-	-	-	-	-	(2)
NOVA ESTAÇÃO, A.C.E.	(7)	(7)	-	-	163	-
TD / SOPOL - Metro Superfície, A.C.E.	-	-	-	-	-	1
TD / SOMAFEL - Viad. do Campo Grande, A.C.E.	-	-	-	-	8	-
TRÊS PONTO DOIS, ACE	-	-	-	-	-	-
	433	708	-	-	173	(9)
Other related parties:						
ALVALADE, Lda.	-	-	-	-	-	-
AUTO COMPETIÇÃO ANGOLA (S.U.), Lda.	-	-	-	-	-	-
AVENIDA, Lda.	-	-	-	-	-	-
C + PA, SA	58.109	55.496	-	-	200	190
COMÉRCIO DE AUTOMÓVEIS (S.U.), Lda.	-	-	-	-	-	2
CND (S.U.), Lda.	-	-	-	-	7	15
ESTA, S.A.	1.567	876	-	-	7	3
FUNDO DE INVESTIMENTO - TDF	-	-	-	-	-	-
GO CORP, S.A.	10.233	8.829	-	-	35	31
IMOPEDROUÇOS, S.A.	10.939	10.924	-	-	37	38
LAGOAS HOTEL, S.A.	2.940	3.950	-	-	10	14
SOMAFEL, S.A.	7.645	3.092	(917)	(11)	431	216
TDA (S.U.), Lda.	-	-	-	-	-	9
TDGI, S.A.	8.308	5.400	(208)	-	273	230
TDH - SGPS, S.A.	4.038	3.973	-	-	14	14
TDQ, S.A.	87.804	73.351	-	-	7.924	9.208
TEDAL - SGPS, S.A.	9.366	3.141	-	-	25	11
TEIXEIRA DUARTE - Distribuição, S.A.	2.720	4.293	-	-	732	854
TEIXEIRA DUARTE - G.P.I.I., S.A.	-	-	-	-	(8)	224
Others	4.109	3.020	(3)	(2)	441	414
	207.778	176.345	(1.128)	(13)	10.128	11.473
	214.903	183.314	(995)	178	29.363	40.175

The main transactions carried out in the periods ended December 31, 2020 and 2019, with the parent company, subsidiary companies, joint ventures and other related parties were as follows:

	Sales and services rendered		Interest and similar income obtained		Other income		Cost of goods sold and materials consumed	
	2020	2019	2020	2019	2020	2019	2020	2019
Mother company:								
TEIXEIRA DUARTE, S.A.	474	778	15.912	17.408	-	-	-	-
CBLG	-	-	-	-	-	523	-	-
EMPA, S.A.	82	76	311	-	693	616	-	-
EPOS, S.A.	851	1.388	-	-	546	1.740	4	108
EPOS, S.A. (Angola Branch)	6	9	-	5	-	-	4	-
EPOS, S.A. (Colombia Branch)	-	-	-	-	446	-	-	-
TEIXEIRA DUARTE Algérie, S.P.A.	38	613	-	-	200	-	-	-
TEIXEIRA DUARTE - E.C. (Angola), Lda.	292	493	195	1.635	216	99	1	19
TEIXEIRA DUARTE - E.C. Colombia, S.A.S.	71	141	-	-	-	7	-	-
TEIXEIRA DUARTE - E.C., Lda. (Macau)	-	-	-	-	-	7	-	-
TEIXEIRA DUARTE - E.C., Lda. (Mozambique)	5.832	2.393	-	-	1.230	6.608	1	-
TEGAIVEN - Teixeira Duarte y Asociados, C.A.	-	-	-	-	-	94	-	-
UTE - Viana	-	-	-	-	2.844	3.421	-	-
	7.172	5.113	506	1.640	6.175	13.115	10	127
CONBATE, A.C.E.	89	89	-	-	-	-	-	-
CONSTRUSALAMONDE, A.C.E.	6	19	-	-	-	-	-	-
DOURO LITORAL OBRAS ESPECIAIS, A.C.E.	-	6	-	-	-	-	-	-
DOURO LITORAL, A.C.E.	57	45	-	-	-	-	-	-
NOVA ESTAÇÃO, A.C.E.	19	-	-	-	7	-	-	-
TD / SOMAFEL - Viad. do Campo Grande, A.C.E.	-	-	-	-	-	-	-	-
	171	159	-	-	7	-	-	-
ALVALADE, Lda.	429	435	-	-	21	88	-	-
AUTO COMPETIÇÃO ANGOLA (S.U.), Lda.	46	88	-	-	-	1	-	-
AVENIDA, Lda.	72	136	-	-	155	(6)	-	-
C + PA, S.A.	13	12	-	-	-	-	-	-
COMÉRCIO DE AUTOMÓVEIS (S.U.), Lda.	67	142	-	-	3	6	-	-
CND (S.U.), Lda.	992	1.541	-	15	31	37	5	86
ESTA, S.A.	305	184	-	27	2	13	-	-
FUNDO DE INVESTIMENTO - TDF	30.775	14.238	-	-	-	-	-	-
GO CORP, S.A.	39	39	-	-	-	661	-	-
IMOPEDROUÇOS, S.A.	10	42	-	-	-	-	-	-
LAGOAS HOTEL, S.A.	115	128	-	-	2	3	-	-
SOMAFEL, S.A.	750	573	-	-	112	207	1.794	(189)
TDA (S.U.), Lda.	392	519	607	401	34	131	2	1
TDGI, S.A.	1.430	1.018	-	-	32	37	1	2
TDH - SGPS, S.A.	9	9	-	-	-	-	-	-
TDO, S.A.	265	213	-	-	15	(3)	-	-
TEDAL - SGPS, S.A.	20	26	-	-	-	-	-	-
TEIXEIRA DUARTE - Distribuição, S.A.	611	469	-	-	4	(76)	-	-
TEIXEIRA DUARTE - G.P.I.I., S.A.	704	456	2.019	2.257	5	486	-	-
Others	2.173	2.950	18	15	563	1.281	35	77
	39.217	23.218	2.644	2.715	979	2.866	1.837	(23)
	47.034	29.268	19.062	21.763	7.161	15.981	1.847	104

	Supplies and external services		Personnel costs		Interest and similar expenses incurred		Other expenses	
	2020	2019	2020	2019	2020	2019	2020	2019
Mother company:								
TEIXEIRA DUARTE, S.A.	3.859	7.701	-	1	1.801	1.521	4	2.190
CBLG	-	-	-	-	-	-	-	-
EMPA, S.A.	-	-	-	-	-	119	22	-
EPOS, S.A.	1.006	2.144	-	-	286	341	-	-
EPOS, S.A. (Angola Branch)	-	-	-	-	-	-	-	-
EPOS, S.A. (Colombia Branch)	-	-	-	-	-	-	-	-
TEIXEIRA DUARTE Algérie, S.P.A.	3.456	3.024	-	-	-	-	-	-
TEIXEIRA DUARTE - E.C. (Angola), Lda.	263	495	-	17	-	961	-	-
TEIXEIRA DUARTE - E.C. Colombia, S.A.S.	-	-	-	-	-	-	288	563
TEIXEIRA DUARTE - E.C., Lda. (Macau)	-	-	-	-	-	-	-	1
TEIXEIRA DUARTE - E.C., Lda. (Mozambique)	327	-	1	-	5.114	6.196	-	-
TEGAVEN - Teixeira Duarte y Asociados, C.A.	5	3	-	-	-	-	-	-
UTE - Viana	-	-	-	-	-	-	-	-
	5.057	5.666	1	17	5.400	7.617	310	564
CONBATE, A.C.E.	-	-	-	-	-	-	-	-
CONSTRUSALAMONDE, A.C.E.	-	-	-	-	18	18	-	-
DOURO LITORAL OBRAS ESPECIAIS, A.C.E.	-	-	-	-	-	-	-	-
DOURO LITORAL, A.C.E.	6	2	-	-	-	-	-	-
NOVA ESTAÇÃO, A.C.E.	-	-	-	-	-	-	163	-
TD / SOMAFEL - Viad. do Campo Grande, A.C.E.	3	-	-	-	-	-	-	-
	9	2	-	-	18	18	163	-
ALVALADE, Lda.	-	7	-	-	-	183	-	-
AUTO COMPETIÇÃO ANGOLA (S.U.), Lda.	5	13	-	-	-	-	-	-
AVENIDA, Lda.	-	-	-	-	7	91	-	-
C + PA, S.A.	-	-	-	-	2.306	2.171	-	-
COMÉRCIO DE AUTOMÓVEIS (S.U.), Lda.	3	3	-	-	-	-	-	-
CND (S.U.), Lda.	114	220	2	-	-	-	1	-
ESTA, S.A.	-	-	-	-	80	51	-	-
FUNDO DE INVESTIMENTO - TDF	-	-	-	-	-	-	-	-
GO CORP, S.A.	189	146	-	-	404	324	-	-
IMOPEDROUÇOS, S.A.	-	-	-	-	442	413	-	-
LAGOAS HOTEL, S.A.	51	61	18	28	151	163	-	-
SOMAFEL, S.A.	4.827	8.306	125	-	580	185	-	-
TDA (S.U.), Lda.	345	758	-	-	-	-	-	-
TDGI, S.A.	397	149	-	-	263	147	-	-
TDH - SGPS, S.A.	-	-	-	-	161	161	-	-
TDO, S.A.	13	-	-	-	3.256	2.903	-	72
TEDAL - SGPS, S.A.	-	-	-	-	190	318	-	-
TEIXEIRA DUARTE - Distribuição, S.A.	2	-	-	-	365	206	-	-
TEIXEIRA DUARTE - G.P.I.I., S.A.	1.585	1.663	1	-	223	290	-	-
Others	732	934	592	-	107	314	11	(1)
	8.263	12.260	738	28	8.535	7.920	12	71
	17.188	25.629	739	46	15.754	17.076	489	2.825

6. INTANGIBLE ASSETS

During the period ended December 31, 2020, the changes in intangible Assets, as well as in the respective accumulated amortizations, were as follows:

	2020			
	Opening balance	Additions	Transfers and write-offs	Final balance
Gross assets:				
Computer software	4.268	294	(187)	4.375
Industrial property and other rights	44.855	-	1.339	46.194
Other intangible assets	-	1.240	-	1.240
Intangible assets in progress	743	217	-	960
	49.866	1.751	1.152	52.769
Accumulated depreciation:				
Computer software	4.149	88	(187)	4.050
Industrial property and other rights	6.610	2.029	263	8.902
	10.759	2.117	76	12.952
Accumulated impairment losses:				
Other intangible assets (Note 9)	-	113	-	113
Net value of intangible Assets	39.107			39.704

The item "Industrial property and other rights" refers essentially to the "Harbour Management of the Specialized Container Terminal of De La Guaira Harbour" concession, for a period of 20 years, for the marketing, maintenance, operation, management, construction and use of said terminal.

With reference to December 31, 2020, based on the forecast business plan, management did not identify impairment evidence.

During the period ended December 31, 2019, the changes in intangible Assets, as well as in the respective accumulated amortizations, were as follows:

	2019 Restated			
	Opening balance	Additions	Transfers and write-offs	Final balance
Gross assets:				
Computer software	4.177	95	(4)	4.268
Industrial property and other rights	44.855	-	-	44.855
Intangible assets in progress	-	743	-	743
	49.032	838	(4)	49.866
Accumulated depreciation:				
Computer software	4.060	94	(5)	4.149
Industrial property and other rights	4.604	2.006	-	6.610
	8.664	2.100	(5)	10.759
Net value of intangible Assets	40.368			39.107

7. TANGIBLE FIXED ASSETS

During the period ended December 31, 2020, the changes in tangible fixed Assets, as well as in their accumulated depreciation, were as follows:

2020						
	Opening balance	Additions	Works for the entity itself - (a)	Transfers and write-offs	Disposals	Final balance
Gross assets:						
Land and natural resources	-	-	-	-	-	-
Buildings and other constructions	19.888	542	605	(1.835)	(363)	18.837
Basic equipment	114.723	1.495	60	(2.733)	(5.967)	107.578
Transport equipment	22.903	339	103	(253)	(3.273)	19.819
Tools and utensils	26.808	1.088	-	(434)	(150)	27.312
Office equipment	8.888	304	-	(2.704)	(80)	6.408
Other tangible fixed assets	178	24	-	(165)	-	37
	193.388	3.792	768	(8.124)	(9.833)	179.991
Accumulated depreciation:						
Basic equipment	13.018	642	-	(502)	(200)	12.958
Transport equipment	103.057	4.977	-	(2.656)	(5.311)	100.067
Tools and utensils	19.327	998	-	(252)	(3.246)	16.827
Office equipment	23.098	1.706	-	(403)	(148)	24.253
Other tangible fixed assets	8.377	339	-	(2.701)	(76)	5.939
	178	2	-	(165)	-	15
	167.055	8.664	-	(6.679)	(8.981)	160.059
Net value of tangible fixed assets	26.333					19.932

(a) - The works for the entity itself are essentially due to the capitalization of costs associated with the manufacture of basic equipment and tools and utensils.

During the period ended December 31, 2019, the changes in tangible fixed Assets, as well as in their accumulated depreciation, were as follows:

2019 Restated						
	Opening balance	Additions	Works for the entity itself - (a)	Transfers and write-offs	Disposals	Final balance
Gross assets:						
Buildings and other constructions	20.210	6	12	(210)	(130)	19.888
Basic equipment	115.811	3.168	489	(1.591)	(3.154)	114.723
Transport equipment	25.700	892	-	(35)	(3.654)	22.903
Tools and utensils	28.641	1.302	99	(2.835)	(399)	26.808
Office equipment	9.167	246	-	(505)	(20)	8.888
Other tangible fixed assets	178	-	-	-	-	178
	199.707	5.614	600	(5.176)	(7.357)	193.388
Accumulated depreciation:						
Buildings and other constructions	12.627	689	-	(173)	(125)	13.018
Basic equipment	100.904	5.794	-	(543)	(3.098)	103.057
Transport equipment	21.768	1.188	-	(36)	(3.593)	19.327
Tools and utensils	24.557	1.760	-	(2.823)	(396)	23.098
Office equipment	8.581	315	-	(502)	(17)	8.377
Other tangible fixed assets	178	-	-	-	-	178
	168.615	9.746	-	(4.077)	(7.229)	167.055
Net value of tangible fixed assets	31.092					26.333

(a) - The work for the entity itself is essentially due to the capitalization of costs associated with the manufacture of basic equipment, transport equipment and tools and utensils.

8. INVESTMENT PROPERTIES

In the measurement of the Investment Properties item, the fair value method was used (Note 3.2.b)).

As of December 31, 2020 and 2019, the amounts entered under the investment properties item are as follows:

	31/12/2020	31/12/2019
Buildings and other constructions	189	265

The fair value of each investment property was determined through valuations, carried out by an independent evaluator expert registered in the Securities and Exchange Commission (CMVM), according to generally accepted valuation methodologies for the real estate market, namely market comparison, replacement cost and the multiples of income method, depending on the particular situation of each property.

The main assumptions and methods inherent in the valuations to support the market value of the Investment Properties were as follows:

- Yield of 8%; and
- Average of the comparative and multiples of income method.

The amounts related to Investment Properties recognized in results in the periods ended December 31, 2020 and 2019 were:

	2020	2019
Income:		
Investment property rents	24	27
	24	27
Direct operating expenses:		
Generated rental income	(11)	(5)
	(11)	(5)
	13	22

The item "Expenses" is mostly composed of condominium expenses, sewer conservation rate and municipal property tax.

During the periods ended December 31, 2020 and 2019, the change occurred in investment properties was as follows:

	2020	2019
Balance on January 1	265	263
Decreases	(63)	-
Change in fair value	(13)	2
Balance in December 31	189	265

The decrease in the period ended 31 December 2020 refers to the disposal of a fraction.

9. ASSETS IMPAIRMENT LOSSES

The amounts related to losses/unwinding of assets recognized in results in the periods ended December 31, 2020 and 2019, were:

2020						
	Opening balance	Increases	Reversals	Use	Currency conversion effects	Final balance
Debts receivable (Note 20.1)	50.671	5.701	(34)	(339)	(3.367)	52.632
Inventories (Note 13)	304	7	(4)	-	(69)	238
Intangible assets (Note 6)	-	113	-	-	-	113
Other debtors (Note 20.1)	207	9	-	-	-	216
	51.182	5.830	(38)	(339)	(3.436)	53.199

2019						
	Opening balance	Increases	Reversals	Use	Currency conversion effects	Final balance
Debts receivable (20.1)	55.734	5.372	(5.109)	-	(5.326)	50.671
Inventories (Note 13)	393	8	(3)	-	(94)	304
Other debtors (Note 20.1)	217	-	-	(10)	-	207
	56.344	5.380	(5.112)	(10)	(5.420)	51.182

The credit risk of accounts receivable balances is assessed at each reporting date, considering client's and other debtors' historical information and their risk profile. Receivables are adjusted by the management's assessment of the collection risks existing at the closing date of the financial statements, which may differ from the actual risk to be incurred.

The cost of inventories may not be recoverable if these inventories are damaged or become fully or partially obsolete.

The practice of reducing the cost of inventories (write down) to net realizable value is consistent with the view that assets should not be booked for amounts greater than those that were expected to result from their use or sale.

Asset impairment is adjusted by the evaluation carried out by the management at each reporting date, based on the recoverability risk of the same.

10. GOODWILL

The Goodwill amounts for the periods ended December 31, 2020 and 2019 were:

	31/12/2020			
	Gross amounts	Accumulated depreciation	Accumulated impairment losses	Net amounts
Investments in subsidiaries (Note 11)	43.567	(21.784)	-	21.783

	31/12/2019			
	Gross amounts	Accumulated depreciation	Accumulated impairment losses	Net amounts
Investments in subsidiaries (Note 11)	43.567	(17.427)	-	26.140

In the period ended December 31, 2020, based on the forecast business plan of subsidiary EPOS, S.A., management did not identify impairment evidence.

11. FINANCIAL HOLDINGS - EQUITY METHOD

As of December 31, 2020, and 2019, the Company had registered in the Financial holdings item – equity method, the following different amounts per investment:

	31/12/2020	31/12/2019 restated
	Net amounts	Net amounts
Investments in subsidiaries	207.375	216.586
Investments in jointly controlled entities	1.888	1.773
	209.263	218.359

Associated companies

In the period ended December 31, 2020, the Company participated in the following associated companies:

Corporate name	Headquarters	Percentage of effective participation
CINTEL - Construção do Interceptor de Esgotos de Lisboa, Lda.	Av. 24 de Julho, nº 24, Lisboa	25,00%

Investments in subsidiaries

As of December 31, 2020, and December 31, 2019, the Company had the following financial holdings in subsidiaries, measured by the equity method:

Corporate name	Headquarters	Percentage of effective participation
ADOQUINVAR - Adoquines Vargas, C.A.	Calle 4, Casa nº 4, Urbanización Los Laureles, Valle de la Pascoa - Venezuela	49,00%
CBLG - Consorcio Boyacá - La Guaira	Av. San Juan Bosco, Edificio Centro Altamira, Piso 5, Oficina 54 - Venezuela	57,20%
CONLUVAR - Consorcio Minero Luso Vargas	Distribo Capital - Caracas - Venezuela	49,00%
EMPA - Serviços de Engenharia, S.A.	Rua Major Lopes, nº 800 - Belo Horizonte - Brasil	99,99%
EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A.	Edifício 2, Lagoas Park - Oeiras - Portugal	100,00%
GUAYAQUIL II - Consorcio Puente Daule	Avenida Francisco de Orellana, Guayaquil - República do Ecuador	61,00%
OPSUT - Consorcio Octavo Proyecto de Servicio Universal de Telecomunicaciones	Calle 4, Casa nº 4, Urbanización Los Laureles, Valle de la Pascoa - Venezuela	51,00%
TDAP - Atividades Portuárias, S.A.	Rua das Pretas nº 4 - Fração 4 D - Funchal - Portugal	100,00%
TEGAVEN - Teixeira Duarte Y Asociados, C.A.	Distribo Capital - Caracas - Venezuela	100,00%
TEIXEIRA DUARTE - Construtions Services (EUA), LLC	New Jersey - Estados Unidos da América	100,00%
TEIXEIRA DUARTE - Engenharia e Construções (Colômbia), S.A.S.	Bogotá, D.C. - Colômbia	100,00%
TEIXEIRA DUARTE - Engenharia e Construções (Angola), Lda.	Rua Amílcar Cabral, nº 27 C - Luanda - Angola	80,00%
TEIXEIRA DUARTE - Engenharia e Construções (Macau), Lda.	Av. Dr. Mário Soares, nº 25, Apr. 26 e 28 - 3º andar - Macau	80,00%
TEIXEIRA DUARTE - Engenharia e Construções (Moçambique), Lda.	Av. Vinte e Quatro de Julho, nº 141 - Maputo - Moçambique	49,00%
TEIXEIRA DUARTE Algérie, SPA	Parc Miremont, Rue A, nº136 - Argel - Argélia	99,94%
TEIXEIRA DUARTE PERÚ - Ingeniería y Construcciones, S.A.C.	Lima - Perú	80,00%
UTE VIANA	Av. Alberto Alcacer, 24-7ª - Madrid - Espanha	30,00%

The main financial information, adjusted for the purposes of applying the equity method for subsidiary companies as of December 31, 2020 and 2019, is as follows:

	Assets		Liabilities		Income		Net income	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	2020	2019	2020	2019
ADOQUINVAR, C.A.	14	117	101	112	60	215	(87)	5
CBLG	14.036	18.579	14.045	19.167	18	2	(11)	(589)
CONLUVAR	94	74	128	74	185	42	(34)	-
EMPA, S.A.	33.597	56.006	14.162	30.394	223.868	66.169	(1.084)	(4.614)
EPOS, S.A.	42.159	47.675	29.523	35.859	53.157	64.899	1.702	4.358
GUAYAQUIL II	33.910	20.664	30.619	15.477	15.482	37.797	686	4.961
TDAP, S.A.	78	90	17	18	-	3	(12)	-
TEGAVEN, C.A.	5	9	154	69	18	5	(145)	(60)
TEIXEIRA DUARTE - C.S., LLC	354	1.066	1.171	1.278	(24)	-	(24)	(194)
TEIXEIRA DUARTE - E.C.(Colômbia), S.A.S.	1.198	2.860	809	2.351	2.871	3.093	(59)	61
TEIXEIRA DUARTE - E.C.(Angola), Lda. (a)	296.819	323.990	91.907	102.536	33.986	38.681	4.442	(4.444)
TEIXEIRA DUARTE - E.C.(Macau), Lda.	183	199	1	201	-	-	(1)	(2)
TEIXEIRA DUARTE - E.C.(Moçambique), Lda.	43.469	57.001	15.657	18.567	16.454	38.157	(1.879)	(345)
TEIXEIRA DUARTE, SPA	17.832	29.049	8.666	17.934	6.719	15.356	(23)	4.557
TEIXEIRA DUARTE PERÚ - I.C., S.A.C.	30	41	268	289	7	15	(35)	(55)
UTE VIANA	2.516	2.544	2.339	2.517	157	137	157	7
	486.294	559.964	209.567	246.843	352.958	264.571	3.593	3.646

(a) - In the periods ended December 31, 2020 and 2019, Teixeira Duarte – Engenharia e Construções (Angola), Lda has in its equity the amounts of 17,647,000 thousand euros and 40,582 thousand euros, respectively, referring to additional payments subject to the supplementary instalments scheme.

On December 31, 2018, the Teixeira Duarte group's measurement model of a set of "homogeneous class" assets changed from the cost model to the revaluation model. This change had a cumulative impact in 2020 of 90,364 thousand euros on the Company's equity.

The equity holdings in subsidiary companies had the following changes in the periods ended December 31, 2020 and 2019:

	Equity holdings	Goodwill (Note 10)	Total
Balance on January 1, 2019	248.644	30.497	279.141
Increase	20.246	-	20.246
Decrease	(9.431)	-	(9.431)
Amortization	-	(4.357)	(4.357)
Effects of applying the equity method:			
- Effect on income for the period	1.930	-	1.930
- Effect on equity	(42.775)	-	(42.775)
- Dividends received	(2.027)	-	(2.027)
Currency conversion effects	(1)	-	(1)
Balance on December 31, 2019	216.586	26.140	242.726
Balance on January 1, 2020	216.586	26.140	242.726
Increase	22.731	-	22.731
Amortization	-	(4.357)	(4.357)
Effects of applying the equity method:			
- Effect on income for the period	2.608	-	2.608
- Effect on equity	(34.041)	-	(34.041)
- Dividends received	(410)	-	(410)
Currency conversion effects	(99)	-	(99)
Balance at December 31, 2020	207.375	21.783	229.158

The detail of investments in subsidiaries in the periods ended December 31, 2020 and 2019 is as follows:

	Equity Holdings	
	31/12/2020	31/12/2019
ADOQUINVAR - Adoquines Vargas, C.A.	-	3
EMPA - Serviços de Engenharia, S.A.	19.865	25.613
EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A.	18.522	14.270
GUAYAQUIL II - Consorcio Puente Daule	658	1.024
OPSUT - Consorcio Octavo Proyecto de Servicio Universal de Telecomunicaciones	-	-
TDAP - Atividades Portuárias, S.A.	21	-
TEIXEIRA DUARTE - Construccions Services (EUA), LLC	-	32
TEIXEIRA DUARTE - Engenharia e Construções (Colômbia), S.A.S.	367	509
TEIXEIRA DUARTE - Engenharia e Construções Angola, Lda.	144.703	144.696
TEIXEIRA DUARTE - Engenharia e Construções Macau, Lda.	107	159
TEIXEIRA DUARTE - Engenharia e Construções Moçambique, Lda.	13.919	19.164
TEIXEIRA DUARTE Algérie, SPA	9.160	11.108
UTE VIANA	53	8
	207.375	216.586

The increase in the periods ended December 31, 2020 and 2019 refers to:

	2020	2019
EMPA, S.A. capital increase	3.144	-
TEIXEIRA DUARTE - E.C (Angola) Lda. coverage of losses	19.587	20.246
	22.731	20.246

The decrease in the period ended December 31, 2019 refers to:

	2020	2019
EMPA, S.A. capital decrease	-	9.431
	-	9.431

The Company has, in the period ended December 31, 2020, a Goodwill registered in the amount of 21,783 thousand euros related to the participation in the company EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A., which, since 2016, has been amortized over a period of 10 years.

The effect of the application of the equity method in the periods of December 31, 2020 and 2019, can be detailed as follows:

	Gains / losses		Equity adjustments		Dividends	
	2020	2019	2020	2019	2020	2019
ADOQUINVAR, CA.	-	2	-	-	-	-
EMPA, LTD.	(2.045)	(4.614)	(6.845)	(193)	-	-
EPOS, S.A.	1.670	4.952	2.582	1.157	-	(2.000)
GUAYAQUIL	137	883	-	-	(408)	-
TDAP, S.A.	(12)	-	1	3	-	-
TEIXEIRA DUARTE - E.C.(Colômbia), S.A.S.	(81)	61	(61)	5	-	-
TEIXEIRA DUARTE - E.C. (Angola), Lda.	3.553	(3.554)	(23.134)	(44.301)	-	-
TEIXEIRA DUARTE - E.C.(Macau), Lda.	(7)	(2)	(46)	4	-	-
TEIXEIRA DUARTE - E.C.(Moçambique), Lda.	(631)	(354)	(4.614)	467	-	-
TEIXEIRA DUARTE, SPA	(24)	4.554	(1.924)	83	-	-
UTE VIANA	47	2	-	-	(2)	(27)
	2.607	1.930	(34.041)	(42.775)	(410)	(2.027)

Interests in joint ventures

As of December 31, 2020, the company had the following financial holdings in joint ventures, measured by the equity method:

Corporate name	Headquarters	Percentage of effective participation
CONBATE, ACE	Building 2, Lagoas Park, Oeiras	20,00%
CONSTRUSALAMONDE, ACE	Building 2, Lagoas Park, Oeiras	56,76%
DOURO LITORAL, ACE	Tower Plaza, Rotunda Edgar Cardoso, nº 23, 12º andar, sala C - Vila Nova de Gaia	40,00%
D.L.O.E. - Douro Litoral Obras Especiais, ACE	Building 2, Lagoas Park, Oeiras	40,00%
METROLIGEIRO - Construção de Infraestruturas, ACE	Rua Abranches Ferrão, Nº 10 – 5º F, Lisboa	26,80%
NOVA ESTAÇÃO, ACE	Building 6, Floor 1, Lagoas Park, Oeiras	25,00%
TEIXEIRA DUARTE - SOMAFEL - Vialitos do Campo Grande, ACE	Building 2, Lagoas Park, Oeiras	78,00%
TEIXEIRA DUARTE / SOPOL - Metro de Superfície, ACE	Building 2, Lagoas Park, Oeiras	57,30%
TRÊS PONTO DOIS - Trabalhos Gerais de Construção Civil, Via e Catenária de Modernização da Linha do Norte, ACE	Av. Das Forças Armadas, 125 - 2ºC, Lisboa	50,00%

The main financial information, for purposes of the equity method application, for joint ventures as of December 31, 2020 and 2019 is as follows:

	Assets		Liabilities		Income		Net income	
	2020	2019	2020	2019	2020	2019	2020	2019
CONBATE, ACE	291	389	256	300	-	12	(55)	(57)
CONSTRUSALAMONDE, ACE	483	282	739	429	24	80	1	37
DOURO LITORAL, ACE	5.345	2.566	1.580	1.200	668	15	351	(110)
D.L.O.E., ACE	757	504	2	190	-	-	(31)	(8)
METROLIGEIRO, ACE	24	8	110	29	-	-	-	(3)
NOVA ESTAÇÃO, ACE	735	240	740	242	501	36	-	-
TEIXEIRA DUARTE - SOMAFEL, ACE	15	-	15	-	10	-	-	-
TEIXEIRA DUARTE / SOPOL, ACE	192	110	192	110	-	-	-	-
TRÊS PONTO DOIS, ACE	183	379	93	374	98	-	85	-
	8.025	4.478	3.727	2.874	1.301	143	351	(141)

The equity holdings in joint ventures had the following changes in the periods ended in 2020 and 2019:

	Equity holdings	Total
Balance on January 1, 2019	1.948	1.948
Effects of applying the equity method:		
- Effect on income for the period	(175)	(175)
Balance on December 31, 2019	1.773	1.773
Balance on January 1, 2020	1.773	1.773
Effects of applying the equity method:		
- Effect on income for the period	115	115
Balance on December 31, 2020	1.888	1.888

The effect of the application of the equity method in the periods ended December 31, 2020 and 2019, can be detailed as follows:

	Gains / losses	
	2020	2019
CONBATE, ACE	(55)	(57)
DOURO LITORAL, ACE	140	(110)
D.L.O.E., ACE	(12)	(8)
TRÊS PONTO DOIS, ACE	42	-
	115	(175)

12. GAINS/LOSSES ATTRIBUTABLE TO SUBSIDIARIES AND JOINT VENTURES

In the periods ended December 31, 2020 and 2019, the Company had the following amounts in results in investments in subsidiary financial holdings and joint ventures:

	2020	2019 Restated
Income:		
Application of the equity method	5.591	10.455
	5.591	10.455
Expenses:		
Application of the equity method	(2.868)	(8.700)
	(2.868)	(8.700)
	2.723	1.755

13. INVENTORIES

The change in the goods, raw materials, subsidiaries and consumption, products and work in progress and finished and intermediate products items in the periods ended December 31, 2020 and 2019, is as follows:

	2020							Accumulated impairment losses (Note 9)	Net amounts
	Opening balance	Settlements	Currency conversion effects	Purchases	Costs for the period	Variation in production inventories	Final balance		
Raw materials and consumables	2.695	(2)	220	52.765	(53.491)	-	2.187	(238)	1.949
Finished and intermediate products	328	-	-	-	-	(32)	296	-	296
	3.023	(2)	220	52.765	(53.491)	(32)	2.483	(238)	2.245

	2019							Accumulated impairment losses (Note 9)	Net amounts
	Opening balance	Settlements	Currency conversion effects	Purchases	Costs for the period	Variation in production inventories	Final balance		
Raw materials and consumables	5.468	-	43	55.592	(58.408)	-	2.695	(304)	2.391
Finished and intermediate products	375	-	-	(42)	-	(5)	328	-	328
	5.843	-	43	55.550	(58.408)	(5)	3.023	(304)	2.719

14. CONSTRUCTION AGREEMENTS

As of December 31, 2020, and 2019, the Company had its accounts impacted by the following amounts, referring to construction agreements (a):

	2020	2019
Estimated costs	1.742.233	2.108.338
Costs incurred in previous periods	1.099.450	1.155.438
Costs incurred in the period	221.268	310.360
Accumulated costs incurred	1.320.718	1.465.798
Contract value	1.804.947	2.235.079
Revenue from previous periods	1.074.676	1.180.347
Revenue for the period	206.289	289.234
Accumulated revenue	1.280.965	1.469.581
Amount of advances received	33.998	73.653
Amount of withholdings	5.665	4.291

(a) - Includes works in warranty period

15. REVENUE

In the periods ended December 31, 2020 and 2019, the company's recognized revenue had the following decomposition:

	2020	2019 Restated
Sales and services rendered	276.649	377.130
Royalties (Note 25)	170	137
Interest	21.464	22.734
Dividends	992	311
	299.275	400.312

For the periods ended December 31, 2020 and 2019, the Company's turnover was geographically distributed as follows:

	2020	2019 Restated
	Sales and services rendered	Sales and services rendered
Angola	9.135	36.206
Algeria	69.179	97.132
Brazil	33.261	80.582
Cape Verde	2.111	122
Colombia	317	630
Ecuador	595	1.017
Morocco	-	(40)
Mozambique	6.003	1.653
Kuwait	7.063	-
Portugal	135.904	144.906
Venezuela	13.081	14.922
	276.649	377.130

16. PROVISIONS

The change in accumulated Provisions in the periods ended December 31, 2020 and 2019, was as follows:

	2020					
	Opening balance	Additional / reinforcements	Reversal	Settlement	Currency conversion effects	Final balance
Client Guarantees	11.636	138	(1.807)	-	(523)	9.444
Legal proceedings in progress	1.906	265	(509)	-	(91)	1.571
Onerous contracts	4.013	6.840	(1.217)	-	(36)	9.600
Other provisions	2.446	339	(11)	(53)	(385)	2.336
	20.001	7.582	(3.544)	(53)	(1.035)	22.951

	2019 Restated					
	Opening balance	Additional / reinforcements	Reversal	Settlement	Currency conversion effects	Final balance
Client Guarantees	9.189	3.082	(187)	-	-	11.636
Legal proceedings in progress	1.363	628	(75)	-	-	1.906
Onerous contracts	3.033	3.583	(2.602)	-	-	4.013
Other provisions	2.191	670	(40)	(16)	4	2.446
	15.776	7.963	(2.904)	(16)	4	20.001

"Other provisions" include provisions relating to equity holdings intended to cover liabilities arising from losses in affiliate companies held with negative equity.

17. CONTINGENT LIABILITIES

Fiscal procedures

Following several inspections to the periods from 2008 to 2011, carried out by the Tax and Customs Authority (AT – Autoridade Tributária) to TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.'s accounting elements, an organization held directly at 100% of its share capital by the Company at the time, the following corrections were made to the tax losses initially determined by this affiliate:

	Calculated tax loss	TA correction
2008	36.573	45.938
2009	46.203	24.807
2010	5.123	6.467
2011	12.779	3.213

Nature of corrections made:

(a) Refused financial charges

With the exception of situations listed in the following paragraphs, corrections result from the disregard, such as tax expenditure, of the financial burden incurred with the investment made in affiliates in the form of additional benefits subject to the supplementary benefits scheme.

Since TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. is Corporate taxed under the Special Taxation Regime for Group Companies (Article 69 and following of the Income Tax Code), corrections to tax losses for the years 2008 to 2011 were the subject of the Corporate Tax Settlement Statements and compensatory interest issued to the Company, the controlling company at the time. The Company disputed, under the law, the corrections made by the Tax Authority (AT) in the 2008 to 2011 period.

With reference to this correction and based on fundamentally identical support arguments on the part of the Fiscal Authority, it is reported that the company obtained a favourable outcome in the context of the 2007 Corporate Tax, by judgment of the Supreme Administrative Court, with the same outcome expected in the remaining periods in dispute.

(b) Removal of economic double taxation - income distributed by the TDF Fund

The correction to the 2008 tax loss includes the amount of 611 thousand euros, which concerns, according to the TA, the undue application of Article 22.10 of the Statute of Tax Benefits (EBF – Estatuto Benefícios Fiscais) to the income distribution by the TDF Real Estate Investment Fund.

The Company, as the controlling organization in the 2008 period, contested this correction under the terms of the law.

Following an inspection carried out by the TA on the Company's accounting elements for the 2008 period, taxable income calculated with reference to that period was corrected in the amount of 35,467 thousand euros.

Regarding this correction, the Company, as the controlling organization of the group of companies in force at the time, contested 32,595 thousand euros, pertaining to tax credit, tax capital gains reinvestment scheme and application of Article 22.10 of the Statute of Tax Benefits.

18. EFFECT OF EXCHANGE RATE CHANGES

The quotes used to convert the assets and liabilities expressed in foreign currency as of December 31, 2020 and 2019, into euros, as well as the results of operations carried out in countries with an operating currency other than the Euro, of the periods ended on those dates were as follows:

Currency	Closing exchange rate			Average exchange rate		
	2020	2019	Variação	2020	2019	Variação
Venezuelan Sovereign Bolivar (VES)	1.225.801,899990	58.228,664202	2005,15%	1.225.801,899994	58.228,664202	2005,15%
Algerian Dinar (DZD)	161,437300	133,444200	20,98%	144,660500	133,583108	8,29%
Kuwaiti Dinar (KWD)	0,372670	0,340220	9,54%	0,350635	0,340220	3,06%
Moroccan Dinar (MAD)	10,923300	10,744200	1,67%	10,831385	10,792577	0,36%
Tunisian Dinar (TND)	3,305400	3,132900	5,51%	3,200123	3,283415	-2,54%
United Arab States Dirhan (AED)	4,506900	4,126000	9,23%	4,205992	4,118777	2,12%
United States Dollar (USD)	1,227100	1,123400	9,23%	1,145180	1,121415	2,12%
Cape Verdean Shield (CVE)	110,265000	110,265000	0,00%	110,265000	110,265000	0,00%
Angolan Kwanza (AON)	797,129100	536,261700	48,65%	655,887492	410,132154	59,92%
United Kingdom Pound (GBP)	0,899030	0,850800	5,67%	0,886383	0,877301	1,04%
Mozambican Metical (MZN)	91,050000	68,700000	32,53%	78,929231	69,498462	13,57%
Peruvian New Sol (PEN)	4,440900	3,719600	19,39%	4,005938	3,745785	6,95%
Macanese Pataca (MOP)	9,799600	9,009700	8,77%	9,151615	9,048023	1,14%
Colombian Peso (COP)	4.189,930000	3.690,630000	13,53%	4.216,393846	3.690,803846	14,24%
South African Rand (ZAR)	18,021900	15,777300	14,23%	18,672577	16,192385	15,32%
Brazilian Real (BRA)	6,373500	4,515700	41,14%	5,884700	4,419492	33,15%
Qatar Rial (QAR)	4,466600	4,089200	9,23%	4,176138	4,082877	2,28%
Russian Ruble (RUB)	91,467100	69,956300	30,75%	83,127138	72,794915	14,19%

The differences in net foreign exchange recognized in equity related to the transposition of operating units with a reporting currency other than the euro (Note 3.2 q)), in the periods ended December 31, 2020 and 2019 were as follows:

	Net exchange rate differences
Balance on January 1, 2019	(4.232)
Positive exchange rate differences	4.540
Negative exchange rate differences	(39.087)
Balance on December 31, 2019	(38.779)
Balance on January 1, 2020	(38.779)
Positive exchange rate differences	724
Negative exchange rate differences	(25.518)
Balance at December 31, 2020	(63.573)

19. INCOME TAX

The Company is subject to Corporate Income Tax, at the rate of 21%, incurring on taxable income. If taxable profit is calculated in the period, it is also subject to Municipal Tax, whose rate may vary up to a maximum of 1.5%, as well as the State Tax, incurred on the share of taxable profit that exceeds the amount of 1,500, 7,500 and 35,000 thousand euros, at the rates of 3%, 5% and 9%, respectively. It is also subject to autonomous taxation, on fees and expenditure, charges and expenses provided for in Article 88 of the Corporate Income Tax Code.

In the process of determining taxable income, amounts that do not compete fiscally are added and subtracted from the accounting result. These differences between accounting and tax results may be temporary or permanent in nature.

Under the Corporate Income Tax Code, tax losses can be brought forward over a period of 5 (five) years for those generated in the tax period of 2018 onwards, being eligible for a deduction from taxable income at a later date, and such deduction is limited to 70% of the taxable income calculated in the tax period in which it occurs.

The Supplementary State Budget Law for 2020 changed the rules for reporting and deducting tax losses listed above, in the following terms:

- Tax losses in the 2020 and 2021 tax periods can be brought forward 10 (ten) years;
- The calculation of the reporting period of tax losses, applicable to those still in force on the first day of the 2020 tax period, shall be suspended during that tax period and the one following; and
- The limit on the deduction of tax losses when the difference results from tax losses calculated in the 2020 and 2021 tax periods is raised to 80% of taxable income.

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.

For countries where the Company operates through Branches / Permanent Establishments, the period for reviewing its tax returns varies between four and six 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 as of December 31, 2020.

The item "Income Tax for the Period" represents the sum of current tax and deferred tax, the latter being the recognition of temporary differences between the accounting and the tax result, as provided for in the IFRS 25 – Income Taxes.

The current income tax is calculated based on the taxable income calculated by the Company, in accordance with the tax rules in force.

Deferred taxes on assets and liabilities are calculated and annually assessed using the tax rates in force or announced to be in force at the expected date of reversal of 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 recognized for all taxable temporary differences.

Deferred taxes are recorded as expenditure or income for the period, unless they comply with temporary differences recorded in equity, in which case the deferred tax is recorded under the same heading.

At the end of each period, a review of deferred taxes is carried out and they are reduced whenever future use is no longer likely.

The tax charge recorded in the periods ended 31 December 2020 and 2019 may be presented as follows:

	2020	2019
Current tax:		
Income tax in Portugal	789	166
Income tax in other jurisdictions	2.204	5.551
	2.993	5.717
Deferred tax:		
Deferred tax in Portugal	(2.558)	(4.508)
Deferred tax in other jurisdictions	(32)	1.622
	(2.590)	(2.886)
	403	2.831

The relation, in Portugal, between expenditure and accounting profit, in the periods ended December 31, 2020 and 2019, is as follows:

	2020	2019
Net income for the period	(7.934)	1.645
Adjustments to taxable income:		
Definitive differences:		
- To be added	10.031	22.997
- To be subtracted	(9.098)	(17.700)
Temporary differences:		
- To be added	11.395	5.238
- To be subtracted	(5.129)	(3.982)
Tax loss / taxable income	(735)	8.198
Tax base	-	8.198
Total collection (includes state surcharge)	-	1.936
International double taxation offsetting tax	(1.165)	(2.051)
Other components of income tax:		
Autonomous taxation	789	166
Municipal surcharge	-	115
Current tax	789	166
Deferred tax	(2.558)	(4.508)
Income tax expense	(1.769)	(4.342)

The changes in deferred tax assets and liabilities in the periods ended December 31, 2020 and 2019, were as follows:

2020						
	Initial balance	Constitution	Reversal	Effects of exchange rate conversion	Adjustment	Final balance
		Net income	Net income			
Deferred tax assets:						
Dubious client adjustments	25	-	-	-	-	25
Reportable tax losses	1.790	154	-	(522)	(1.422)	-
International double taxation	8.944	1.165	-	-	916	11.025
Works undertaken at a loss	906	1.491	(273)	(5)	82	2.200
Other taxed provisions	1.000	-	-	(97)	(237)	667
	12.665	2.810	(273)	(624)	(661)	13.917
Deferred tax liabilities:						
Investment properties	34	-	(18)	-	-	16
Revaluations of tangible fixed assets	2.023	-	(35)	(143)	(295)	1.549
	2.057	-	(53)	(143)	(295)	1.565

2019						
	Initial balance	Constitution	Reversal	Effects of exchange rate	Adjustment	Final balance
		Net income	Net income			
Deferred tax assets:						
Dubious client adjustments	25	-	-	-	-	25
Reportable tax losses	3.562	128	(1.610)	(290)	-	1.790
International double taxation	10.334	4.143	-	-	(5.533)	8.944
Works undertaken at a loss	683	223	(38)	38	-	906
Other taxed provisions	1.069	-	(63)	(6)	-	1.000
	15.673	4.494	(1.711)	(258)	(5.533)	12.665
Deferred tax liabilities:						
Investment properties	34	-	-	-	-	34
Revaluations of tangible fixed assets	1.672	49	(152)	454	-	2.023
	1.706	49	(152)	454	-	2.057

The constitutions and unwinding verified in the periods ended were recognized as expenses or income for the period under the heading "Income Tax for the period".

The adjustments made in the periods ended 31 December 2020 and 2019 under the items Reportable Tax Losses and international Double taxation refer to transfers in favour of the controlling company under the Special Taxation Regime of Group Companies (RETGS).

20. FINANCIAL INSTRUMENTS

Current and non-current financial assets and liabilities had the following decomposition in the periods ended December 31, 2020 and 2019:

20.1 FINANCIAL ASSETS

Clients

As of December 31, 2020, and 2019, current customers had the following decomposition:

	31/12/2020			2019 Restated		
	Non group	Group	Total	Non group	Group	Total
Current account customers	76.454	155.134	231.588	131.044	172.391	303.435
Dubious clients	52.632	-	52.632	50.671	-	50.671
	129.086	155.134	284.220	181.715	172.391	354.106
Accumulated impairment losses (Note 9)	(52.632)	-	(52.632)	(50.671)	-	(50.671)
	76.454	155.134	231.588	131.044	172.391	303.435

Accounts receivable

As of 31 December 2020, and 2019 the items Other accounts receivable (current) and Accounts receivable (non-current) had the following decomposition:

	31/12/2020		12/31/2019 Restated	
	Current	Non-current	Current	Non-current
Debtors through accrued income	120.294	-	103.804	-
Other debtors:				
Advanced payments to suppliers	7.351	-	19.638	-
Shareholders	215.322	174.246	221.746	216.746
RETGS	32	-	64	-
Related parties	18.856	-	19.771	-
Others	62.251	-	1	-
	36.043	10.248	41.838	18.918
	339.855	184.494	303.058	235.664
Accumulated impairment losses:				
Other debtors (Note 9)	(216)	-	(207)	-
	(216)	-	(207)	-
	459.933	184.494	406.655	235.664

In the period ended 31 December 2020, the item "Debtors through increase in revenue" includes an amount of 99,541 thousand euros, resulting from the application of the percentage of completion method.

Other assets

As of December 31, 2020, and 2019 the remaining current assets had the following decomposition:

	31/12/2020	12/31/2019 Restated
Government and other public entities:		
Income tax	3.803	4.074
Value-added tax	1.590	1.610
Other taxes	1.365	3.742
Social Security Contributions	-	1
Other charges	5.346	1.640
	12.104	11.068
Deferrals:		
Expenses to be recognized	8.648	7.633

Non-current assets held for sale

As of December 31, 2020, and 2019, the non-current Assets held for sale item had the following decomposition:

	31/12/2020	31/12/2019
Non-current assets held for sale:		
AEBT - Autoestradas do Baixo Tejo, SA	5	5
	5	5

Other financial investments

As of 31 December 2020, and 2019 the item "Other financial investments" net of impairment losses had the following decomposition:

	31/12/2020	31/12/2019
Financing loans:		-
CBLG - Consorcio Boyacá - La Guaira	148	-
TDAP - Actividades Portuárias, SA	40	40
TEIXEIRA DUARTE Algérie, SPA	12	12
TEIXEIRA DUARTE - Engenharia e Construções Angola, Lda. (A)	17.647	30.194
	17.847	30.246
Financial holdings other methods:		
Built Colab Association - Colaborative Laboratory For The Future Built Environment	13	-
TD HOSP - Gestão de Edifício Hospitalar, SA	-	-
	13	-
Other Contributions:		
Labour compensation fund - FCT	85	38
	17.945	30.284

- (a) The change occurred in the period ended December 31, 2020 resulted essentially from the use of additional payments to cover losses in the subsidiary TEIXEIRA DUARTE- Engenharia e Construções, Lda.

20.2 FINANCIAL LIABILITIES

Suppliers

As of 31 December 2020, and 2019 the Suppliers item had the following decomposition:

	31/12/2020			12/31/2019 Restated		
	Non group	Group	Total	Non group	Group	Total
Current account suppliers	48.286	82.171	130.457	69.733	70.568	140.301
Received supplier invoices under analysis	332	-	332	113	-	113
Other suppliers	9.433	-	9.433	11.122	-	11.122
	58.051	82.171	140.222	80.968	70.568	151.536

Other debts payable

As of 31 December 2020, and 2019 the Other debt payable item had the following decomposition:

	31/12/2020		12/31/2019 Restated	
	Current	Non-current	Current	Non-current
Creditors due to increased expenses	23.707	-	39.360	-
Other creditors:				
Personnel	5.389	-	9.723	-
Shareholders / partners	181	-	159	-
RETGS	1.855	-	-	-
Others	27.437	11.334	31.988	11.110
	34.863	11.334	41.871	11.110
	58.570	11.334	81.231	11.110

As of 31 December 2020, and 2019, the Other creditors – other item includes the amounts of 8,563 thousand euros and 26,725 thousand euros for related parties, respectively.

Other liabilities

As of 31 December 2020, and 2019 the remaining current liabilities had the following decomposition:

	31/12/2020	31/12/2019
Government and other public entities:		
Income tax	5.864	7.599
Income tax retention	542	684
Other taxes	1.400	3.077
Social Security Contributions	763	963
Other charges	2.919	1.948
	11.488	14.271
Deferrals:		
Income to be recognized	23.985	23.607
	63.704	77.609

Income recognized in the period ended 31 December 2020 includes the amount of 15,291 thousand euros resulting from the application of the percentage of completion method.

Financing obtained

As of 31 December 2020, and 2019 the Financing obtained item (current and non-current) had the following decomposition:

		31/12/2020			31/12/2019 Restated		
		Current	Non-current	Total	Current	Non-current	Total
Bank loans	a)	28.981	83.321	112.302	68.272	62.121	130.393
Bank overdrafts	a)	2.998	-	2.998	-	4.782	4.782
Financial leases	a)	27	99	126	-	-	-
Other financing	d)	196	-	196	340	-	340
Securities market - Bond loans	c)	500	-	500	500	500	1.000
Securities market - Other financing	b)	4.500	228.050	232.550	2.100	237.750	239.850
Shareholder loans and others	Note 5	207.714	-	207.714	176.744	-	176.744
Subsidiaries, affiliates and joint ventures	Note 5	7.287	-	7.287	6.304	-	6.304
Other financiers	d)	-	-	-	-	-	-
		252.203	311.470	563.673	254.260	305.153	559.413

During the period ended December 31, 2020, the movements in the Financing obtained were as follows:

	2020					Final balance
	Initial balance	Increase	Decrease	Moratoriums	Currency conversion	
Bank loans	130.393	12.590	(32.776)	2.095	-	112.302
Bank overdrafts	4.782	-	(1.784)	-	-	2.998
Financial leases	-	280	(154)	-	-	126
Other financing	340	39.934	(40.590)	51	461	196
Securities market - Bond loans	1.000	-	(500)	-	-	500
Securities market - Other financing	239.850	2.655.300	(2.662.600)	-	-	232.550
Shareholder loans and others	176.744	40.471	(9.501)	-	-	207.714
Subsidiaries, affiliates and joint ventures	6.304	127.692	(127.489)	-	780	7.287
	559.413	2.876.267	(2.875.394)	2.146	1.241	563.673

During the period ended December 31, 2019, changes in the Financing obtained were as follows:

	2019 Restated					Final balance
	Initial balance	Increase	Decrease	Currency conversion		
Bank loans	146.314	-	(15.921)	-	-	130.393
Bank overdrafts	612	81.765	(77.595)	-	-	4.782
Other financing	650	93.003	(93.750)	437	-	340
Securities market - Bond loans	1.500	-	(500)	-	-	1.000
Securities market - Other financing	248.950	2.842.000	(2.851.100)	-	-	239.850
Shareholder loans and others	170.310	44.939	(38.505)	-	-	176.744
Subsidiaries, affiliates and joint ventures	19.506	317.006	(327.811)	(2.397)	-	6.304
	587.842	3.378.713	(3.405.182)	(1.960)	-	559.413

As of December 31, 2020, 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 31, 2020, bank loans for 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	Due date	Financing	Currency	Total financing amount - Currency	Total financing amount - (€)	Used credit lines Company - (€)	Used credit lines remaining group - (€)
Banco Angolano de Investimentos, S.A.	Loan	merch 25, 2014	december 21, 2021	Individual	Angolan kwanza	1.800.000	2.258	2.257	-
Banco BIC Português, S.A.	Loan	january 2, 2020	July 2, 2025	Grouped	Euros	5.123	5.123	5.123	-
Banco BIC Português, S.A.	Escrow account	january 1, 2016	december 31, 2021	Individual	Angolan kwanza	380.000	477	477	-
Banco BIC Português, S.A.	Escrow account	June 2, 2020	June 2, 2021	Individual	Angolan kwanza	1.745.216	2.189	2.189	-
Banco BIC Português, S.A.	Escrow account	august 6, 2015	december 31, 2033	Grouped	Euros	22.450	22.450	-	17.450
Banco Comercial Português, S.A.	Loan	november 27, 2017	december 30, 2033	Grouped	Euros	31.705	31.705	6.959	25
Banco Comercial Português, S.A.	Loan	january 20, 2018	november 30, 2021	Grouped	Euros	13.072	13.072	11.741	1
Banco Comercial Português, S.A.	Loan	august 12, 2016	december 30, 2033	Grouped	Euros	9.166	9.166	9.166	-
Banco de Fomento Angol, S.A.	Escrow account	merch 27, 2013	merch 31, 2021	Individual	Angolan kwanza	1.960.000	2.459	2.458	-
Banco Millennium Atlantic, S.A.	Escrow account	november 29, 2012	december 31, 2021	Individual	Angolan kwanza	285.000	358	358	-
Banco Português de Investimento, S.A.	Loan	July 5, 2016	november 5, 2021	Grouped	Euros	6.213	6.213	6.213	-
Caixa Económica Montepio Geral, S.A.	Factoring	january 17, 2017	december 31, 2021	Individual	Euros	410	410	410	-
Caixa Geral de Depósitos, S.A.	Loan	december 15, 2018	June 15, 2022	Grouped	Euros	4.217	4.217	1.607	2.610
Caixa Geral de Depósitos, S.A.	Loan	september 22, 2014	June 1, 2034	Grouped	Euros	85.697	85.697	10.284	75
Caixa Geral de Depósitos, S.A.	Loan	august 12, 2016	december 30, 2033	Grouped	Euros	6.523	6.523	6.523	-
Caixa Geral de Depósitos, S.A.	Loan	january 30, 2018	november 30, 2021	Grouped	Euros	2.685	2.685	2.685	-
Caixa Geral de Depósitos, S.A.	Loan	July 25, 2019	March 15, 2021	Individual	Euros	9.250	9.250	505	-
Caixa Geral de Depósitos, S.A.	Escrow account	July 7, 2010	december 31, 2033	Grouped	Euros	5.331	5.331	745	-
Novo Banco, S.A.	Loan	december 30, 2015	June 1, 2022	Individual	Euros	31.493	31.493	31.493	-
Novo Banco, S.A.	Loan	august 12, 2016	december 31, 2033	Individual	Euros	9.722	9.722	2.309	-
Novo Banco, S.A.	Loan	january 12, 2018	december 31, 2033	Individual	Euros	16.260	16.260	8.800	-
Novo Banco, S.A.	Bank overdrafts	february 1, 2007	december 31, 2033	Grouped	Euros	18.335	18.335	2.998	2.932
Banco Português de Investimento, S.A.	Leasing	august 25, 2020	may 25, 2025	Individual	Euros	126	126	87	-
Banco Montepio, S.A.	Leasing	december 1, 2020	december 01, 2024	Individual	Euros	126	126	39	-
						6.448.120	285.645	115.426	23.093

(b) Commercial paper

As of December 31, 2020, the Company has been negotiating the following commercial paper programs:

Bank	Type of financing	Start date	Due date	Financing	Currency	Total financing amount - Currency	Total financing amount - (€)	Used credit lines Company - (€)	Used credit lines remaining group - (€)
Banco Português de Investimento, S.A.	Commercial Paper	January 30, 2018	January 30, 2021	Grouped	Euros	4.500	4.500	4.500	-
Caixa Geral de Depósitos, S.A.	Commercial Paper	July 7, 2010	December 31, 2033	Grouped	Euros	20.850	20.850	20.850	-
Novo Banco, S.A.	Commercial Paper	December 30, 2013	December 31, 2033	Grouped	Euros	119.300	119.300	119.300	-
Novo Banco, S.A.	Commercial Paper	December 28, 2015	June 15, 2027	Grouped	Euros	94.200	94.200	7.750	86.450
Novo Banco, S.A.	Commercial Paper	January 14, 2016	December 31, 2033	Grouped	Euros	16.700	16.700	16.700	-
Novo Banco, S.A.	Commercial Paper	December 16, 2005	December 15, 2023	Grouped	Euros	42.450	42.450	-	42.450
Novo Banco, S.A.	Commercial Paper	December 30, 2013	December 31, 2033	Grouped	Euros	63.450	63.450	63.450	-
						361.450	361.450	232.550	128.900

(c) Bond loan

The Company and Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. signed a "Contract for the Provision of Services in Assistance and Placement of a Private Offer for the Issuance of Bonds" with Banco Comercial Português, as well as a "Paying Agent Agreement for a Private Bond Subscription Issue" in the amount of 15,300 thousand euros (1,500 thousand euros on behalf of the Company and 13,800 thousand euros on behalf of Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A.) called "Teixeira Duarte - Engenharia e Construções, S.A. / Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. - 2014/2021". Interest is settled quarterly at a 4.57% rate and repayment will be at par in three instalments of equal amounts, the first on April 2, 2019, the second on April 2, 2020 and the third on April 2, 2021.

(d) Other financing

Other financing taken out by the Company corresponds essentially to:

Banco	Type of financing	Start date	Due date	Amount
Caterpillar Financial Corporación Financiera	Other financing	June 7, 2016	March 31, 2021	83
Caterpillar Financial Corporación Financiera	Other financing	July 7, 2016	March 31, 2021	49
Caterpillar Financial Corporación Financiera	Other financing	August 7, 2016	March 31, 2021	16
Caterpillar Financial Corporación Financiera	Other financing	December 12, 2016	March 31, 2021	48
				196

The financing obtained above is refundable according to the following repayment periods:

	31/12/2020	12/31/2019 Restated
Less than a year	252.203	254.260
1 to 2 years	40.846	23.078
2 to 3 years	7.957	7.375
3 to 4 years	4.693	3.355
4 to 5 years	3.699	3.462
More than 5 years	254.275	267.883
	563.673	559.413

To guarantee the financing obtained above, mortgages were set up and various pledges rendered.

21. GUARANTEES AND COMMITMENTS

Guarantees

As of December 31, 2020 and 2019, the Company had provided third parties with bank guarantees and bond insurance, as follows:

	31/12/2020	31/12/2019
Bank guarantees	299.756	189.519
Bond insurance	58.991	93.600
	358.748	283.119

As of December 31, 2020, the following bank guarantees and bond insurances were active:

Description	Bank	Currency	Total financing amount - Currency	Total financing amount - (€)
Bond insurance:	Cosec-Companhia de Seguros de Crédito, S.A.	Algerian Dinar	3.077.680	19.064
	Cosec-Companhia de Seguros de Crédito, S.A.	Euros	34.628	34.628
	Mapfire - Seguros Gerais S.A.	Euros	5.299	5.299
				58.991
Bank guarantees:	Banco Bilbao V. ARG.	Euros	2.500	2.500
	Novo Banco, S.A.	Algerian Dinar	631.702	3.913
	Novo Banco, S.A.	Cape Verdean Shield	103.346	937
	Novo Banco, S.A.	United States Dollar	5.120	4.173
	Novo Banco, S.A.	Euros	75.023	75.023
	Caixa Geral de Depósitos, S.A	Algerian Dinar	7.810.436	48.381
	Caixa Geral de Depósitos, S.A	Euros	77.023	77.023
	Banco Comercial Português, S.A	Algerian Dinar	371.537	2.301
	Banco Comercial Português, S.A	Kuwaiti Dinar	400	1.073
	Banco Comercial Português, S.A	United States Dollar	413	336
	Banco Comercial Português, S.A	Euros	54.900	54.900
	Banco BIC Português, S.A	Euros	8.217	8.217
	Banco Santander Totta, S.A.	Euros	256	256
	Banco Português de Investimento, S.A	Algerian Dinar	791.353	4.902
	Banco Português de Investimento, S.A	Euros	1.516	1.516
	Caixa Económica Montepio Geral, S.A	Euros	4.118	4.118
	Banco Del Pacifico	United States Dollar	12.500	10.187
				299.756

Bank guarantees and bond insurance were provided primarily for the purposes of tenders, advances received and as a good works execution guarantee.

For the purposes of suspension of tax enforcement proceedings initiated against the Company relating to the 2008 Corporate tax debt, bank guarantees were issued in favour of the TA, whose value, on December 31, 2020, amounts to 16,887 thousand euros.

For the purpose of suspending a tax enforcement procedure brought against the Company in the 2010 Corporate tax debt, Teixeira Duarte, S.A., submitted a deposit, in the amount of 10,139 thousand euros, which was accepted by the TA.

In addition to the guarantees indicated above, the following pledges and mortgages were also provided:

Bank	Type of financing	Start date	Due date	Amount	Collateral
Banco Comercial Português, S.A	Loan	november 27, 2017	december 30, 2033	6.959	Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda Mortgage Angola Hotels: Alvalade and Baía Mortgage Hotels Mozambique: Avenida e Tivoli Beira
Banco Comercial Português, S.A	Loan	january 30, 2018	november 30, 2021	11.741	Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda Mortgage Angola Hotels: Alvalade and Baía Mortgage Hotels Mozambique: Avenida and Tivoli Beira.
Banco Comercial Português, S.A	Loan	october 23, 2018	december 30, 2033	9.166	Mortgage of: (i) Lot 26 of the Magnólia Project (TDGPII), (ii) Land designated Troviscal (Transbril), (iii) Lezíria Park II (TDVIA), (iv) Vila Rio, 50 lots of land (TDVIA), (v) Land designated as Jardins da Póvoa and Logistical Park of Póvoa (TDVIA). Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda Mortgage Angola Hotels: Alvalade and Baía Mortgage Hotels Mozambique: Avenida and Tivoli Beira.
Caixa Geral de Depósitos, S.A	Escrow account	july 7, 2010	december 31, 2033	745	Pledge 4,675,000 Units of the TDF Fund (TDGPII). Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda Mortgage Angola Hotels: Alvalade and Baía Mortgage Hotels Mozambique: Avenida and Tivoli Beira.
Caixa Geral de Depósitos, S.A	Loan	october 23, 2018	december 30, 2033	6.523	Mortgage of: (i) Lot 26 of the Magnólia Project (TDGPII), (ii) Land designated Troviscal (Transbril), (iii) Lezíria Park II (TDVIA), (iv) Vila Rio, 50 lots of land (TDVIA), (v) Land designated as Jardins da Póvoa and Logistical Park of Póvoa (TDVIA). Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda Mortgage Angola Hotels: Alvalade and Baía Mortgage Hotels Mozambique: Avenida and Tivoli Beira.
Caixa Geral de Depósitos, S.A	Loan	september 22, 2014	june 15, 2023	10.284	Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda Mortgage Angola Hotels: Alvalade and Baía Mortgage Hotels Mozambique: Avenida and Tivoli Beira.
Caixa Geral de Depósitos, S.A	Loan	january 30, 2018	november 30, 2021	2.685	Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda Mortgage Angola Hotels: Alvalade and Baía Mortgage Hotels Mozambique: Avenida and Tivoli Beira.
Caixa Geral de Depósitos, S.A	Loan	december 15, 2018	december 30, 2021	1.607	Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda Mortgage Angola Hotels: Alvalade and Baía Mortgage Hotels Mozambique: Avenida and Tivoli Beira
Caixa Geral de Depósitos, S.A	Commercial Paper	july 7, 2010	december 31, 2033	20.850	
Novo Banco, S.A	Loan	october 23, 2018	december 30, 2033	8.800	Mortgage of: (i) Lot 26 of the Magnólia Project (TDGPII), (ii) Land designated Troviscal (Transbril), (iii) Lezíria Park II (TDVIA), (iv) Vila Rio, 50 lots of land (TDVIA), (v) Land designated as Jardins da Póvoa and Logistical Park of Póvoa (TDVIA). Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda Mortgage Angola Hotels: Alvalade and Baía Mortgage Hotels Mozambique: Avenida and Tivoli Beira.
Novo Banco, S.A	Loan	december 30, 2015	june 1, 2022	31.493	Pledge 70,000 BCP Shares (TDGPII) + Pledge 1,936,396 BCP Shares (C + PA). Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda Mortgage Angola Hotels: Alvalade and Baía Mortgage Hotels Mozambique: Avenida and Tivoli Beira
Novo Banco, S.A	Commercial Paper	december 30, 2013	december 31, 2033	119.300	Pledge of: (i) Totality of EPOS shares, (ii) Totality of C + PA shares, (iii) 1,325,000 units of participation in the TDF Closed Investment Fund and the mortgage of: (i) Industrial Complex of Montijo (TDGPII), (ii) 10 plots of land (V8), (iii) 9 plots of land (Quinta do Cravel). Full quotas: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda Mortgage Angola Hotels: Alvalade and Baía Mortgage Hotels Mozambique: Avenida and Tivoli Beira.
Novo Banco, S.A	Commercial Paper	december 30, 2013	december 31, 2033	63.450	Pledge of: (i) Totality of EPOS shares, (ii) Totality of C + PA shares, (iii) 1,325,000 units of participation in the TDF Closed Investment Fund and the mortgage of: (i) Industrial Complex of Montijo (TDGPII), (ii) 10 plots of land (V8), (iii) 9 plots of land (Quinta do Cravel). Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda Mortgage Angola Hotels: Alvalade and Baía Mortgage Hotels Mozambique: Avenida and Tivoli Beira.
Novo Banco, S.A	Commercial Paper	january 14, 2016	december 31, 2033	16.700	Pledge of all shares of TDGI. Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda Mortgage Angola Hotels: Alvalade and Baía Mortgage Hotels Mozambique: Avenida and Tivoli Beira.
Novo Banco, S.A	Overdraft	april 24, 2019	december 31, 2033	2.998	Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda Mortgage Angola Hotels: Alvalade and Baía Mortgage Hotels Mozambique: Avenida and Tivoli Beira
Novo Banco, S.A	Commercial Paper	december 28, 2015	june 15, 2027	7.750	Pledge 1,045,610 Recolte Espanha's shares (TEDAL) + Pledge of 50% of TDE's shares. Full pledge: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda Mortgage Angola Hotels: Alvalade and Baía Mortgage Hotels Mozambique: Avenida and Tivoli Beira.
Caterpillar Financial Corporación Financiera	Other financing	june 7, 2016	march 31, 2021	83	Respective (s) Equipment (s)
Caterpillar Financial Corporación Financiera	Other financing	july 7, 2016	march 31, 2021	49	Respective (s) Equipment (s)
Caterpillar Financial Corporación Financiera	Other financing	august 7, 2016	march 31, 2021	16	Respective (s) Equipment (s)
Caterpillar Financial Corporación Financiera	Other financing	december 12, 2016	march 31, 2021	48	Respective (s) Equipment (s)

Undertaken financial commitments

As of December 31, 2020, and 2019, factoring contracts with no right of recourse were in force, which were recorded as a decrease in accounts receivable, as follows:

	31/12/2020	31/12/2019
<i>Notified factoring without appeal</i>	497	1.342

In accordance with the contractual conditions, the Company's responsibility is limited to guaranteeing that clients accept the invoices subject to *factoring*.

As of December 31, 2020, the Company issued comfort letters in favour of group companies as follows:

	Currency Value	Currency	Value in thousands of euros
BONAPARTE - Imóveis Comerciais e Participações, S.A.	8.330.850,00	EUR	8.331
ESTA - Gestão de Hotéis, S.A.	997.595,79	EUR	998
HOTEL TRÓPICO, S.A.	2.000.000.000,00	AON	2.509
RECOLTE, Servicios y Medioambiente, S.A.	33.550.000,00	EUR	33.550
TDHC - Instalações para Desporto e Saúde, S.A.	397.867,86	EUR	398
TDHOSP - Gestão de Edifício Hospitalar, S.A.	8.050.000,00	EUR	8.050
TEIXEIRA DUARTE (Algérie), S.P.A.	700.000.000,00	DZD	4.336
TEIXEIRA DUARTE - Engenharia e Construções (Angola), Lda.	2.000.000,00	USD	1.630
TEIXEIRA DUARTE - Engenharia e Construções, S.A. (Sucursal Angola)	29.000.000,00	USD	23.633
TEIXEIRA DUARTE - Engenharia e Construções, S.A. (Sucursal Venezuela)	300.000.000,00	VES	1
TEIXEIRA DUARTE - Engenharia e Construção, Lda. (Moçambique)	5.726.311.081,51	MZN	83.352
TEIXEIRA DUARTE - Engenharia e Construção, Lda. (Moçambique)	66.000.000,00	USD	53.785
TEIXEIRA DUARTE - Gestão de Participa e Investimentos Imobiliários, S.A.	13.500.000,00	EUR	13.500
			234.073

22. FINANCIAL RESULTS

In the periods ended December 31, 2020 and 2019, financial results were broken down as follows:

	2020	2019 Restated
Financial and expenses:		
Interest expenses - Interest on financing obtained	(16.048)	(17.605)
Other interest expenses	(2.575)	(2.981)
Unfavourable exchange rate differences	(8.637)	(22.537)
Other financing expenses	(10.462)	(9.058)
	(37.722)	(52.181)
Financial returns:		
Interest received	21.237	21.943
Favourable exchange rate differences	5.979	2.385
	27.216	24.328
	(10.506)	(27.853)

23. EMPLOYEE BENEFITS

During the periods ended December 31, 2020 and 2019, the average number of employees hired directly by Portugal was 843 and 884 people, respectively. The average number of employees hired directly by branches and permanent establishments abroad was 1,281 and 2,533 people, respectively.

In the periods ended on those dates, personnel Expenses had the following decomposition:

	2020	2019
Compensation of corporate bodies	844	845
Employee compensation	37.756	50.484
Severance pay	2.958	6.666
Compensation charges	9.515	14.603
Insurance against accidents at work and occupational diseases	610	1.123
Social action spending	102	-
Other personnel expenses	6.483	14.330
	58.268	88.051

24. EXTERNAL SUPPLIES AND SERVICES

For the periods ended December 31, 2020 and 2019, the external Supplies and services item had the following decomposition:

	2020	2019
Subcontracts	81.659	120.344
Specialized services	25.463	33.458
Materials	15.700	10.500
Energy and fluids	1.478	2.619
Travel, accommodation and transport	11.238	15.719
Miscellaneous services	25.171	38.274
	160.709	220.914

25. OTHER INCOME

In the periods ended December 31, 2020 and 2019, Other income was as follows:

	2020	2019 Restated
Equipment rental	146	112
Performance of positions in governing bodies	539	716
<i>Royalties</i> (Note 15)	170	137
Other additional revenue	4.682	8.450
Inventory Gains - Surpluses	16	-
Other gains on financial assets	1	-
Disposal of property, plant and equipment	1.798	1.309
Adjustments to the provision for income taxes	1.141	6.076
Severance payments	611	198
Favourable exchange rate differences	35.246	76.259
Interest earned on deposits	90	395
Late-payment interest	137	86
Interest earned on other financing granted	-	310
Others	659	93
	45.236	94.141

26. OTHER EXPENSES

In the periods ended December 31, 2020 and 2019, Other expenses were as follows:

	2020	2019 Restated
Taxes and fees	4.591	6.297
Unrecoverable debt	65	216
Inventory shortfalls	14	-
Unfavourable exchange rate differences	13.702	36.727
Tangible fixed assets losses	156	80
Corrections for previous periods	192	153
Contributions	11	158
Insufficiency of provision for income tax	2.772	1.494
Others	3.517	7.299
	25.020	52.424

27. 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 risk arising from financial liabilities;
- Exchange rate risk resulting primarily from the existence of operations and assets located outside the Euro zone, namely Angola, Algeria, Brazil, Cape Verde, Colombia, Ecuador, Kuwait, Macau, Mozambique, Peru and Venezuela;
- Credit risk, particularly client credits related to the company's operational activity; and
- Liquidity risk, regarding maintaining a cash balance equilibrium.

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 counterparty risk.

In addition, 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 analysed in more detail 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 31, 2020, and 2019, financial liabilities are composed solely and exclusively of variable interest rates.

If market interest rates had been 1% lower during the periods ended 31 December 2020 and 2019, the financial results of those periods would have decreased by 5,586 thousand euros and 601 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 5,586,000 thousand euros and 601 thousand euros, respectively.

(b) Foreign exchange risk

The company's operating activities are exposed to changes in the Euro exchange rates against other currencies.

Furthermore, taking into account the various countries where the Company operates, its exposure to exchange rate risk stems from the fact that its subsidiaries report assets and liabilities denominated in currency other than the reporting currency, namely Angola, Algeria, Brazil, Cape Verde, Colombia, Ecuador, Kuwait, Macau, Mozambique, Peru and Venezuela.

The company's exchange rate risk management policy has as its ultimate objective to reduce the sensitivity of the company's results to exchange rate fluctuations as much as possible.

Monetary assets and liabilities denominated in foreign currency, converted to euros as of December 31, 2020 and 2019, are as follows:

	Assets		Liabilities		Balances	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Venezuelan Sovereign Bolivar	2.306	134	3.584	136	(1.278)	(2)
Algerian Dinar	17.605	17.253	7.479	14.524	10.126	2.729
Kuwaiti Dinar	15	26	252	-	(237)	26
Moroccan Dinar	-	-	-	134	-	(134)
American dollar	77.588	75.436	17.079	18.351	60.509	57.085
Cape Verdean Shield	-	2	-	-	-	2
Angolan Kwanza	16.435	42.690	7.967	2.896	8.468	39.794
United Kingdom Pound	-	50	-	-	-	50
Mozambican Metical	978	978	29.846	35.189	(28.868)	(34.211)
Peruvian New Sun	4	5	-	-	4	5
Macanese pataca	-	-	-	301	-	(301)
Colombian peso	-	-	366	446	(366)	(446)
Brazilian real	-	1.197	2.381	-	(2.381)	1.197
	114.931	137.771	68.954	71.977	45.977	65.794

Potential impacts stemming from the Company's financial statements, if there was an appreciation of 5% of the above-mentioned currency, can be summarized as follows:

	Assets		Liabilities		Balances	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Venezuelan Sovereign Bolivar	115	7	179	7	(64)	-
Algerian Dinar	880	863	374	726	506	137
Kuwaiti Dinar	1	1	13	-	(12)	1
Moroccan Dinar	-	-	-	7	-	(7)
American dollar	3.879	3.772	854	918	3.025	2.854
Angolan Kwanza	822	2.135	398	145	424	1.990
United Kingdom Pound	-	3	-	-	-	3
Mozambican Metical	49	49	1.492	1.759	(1.443)	(1.710)
Macanese pataca	-	-	-	15	-	(15)
Colombian peso	-	-	18	22	(18)	(22)
Brazilian real	-	60	119	-	(119)	60
	5.746	6.890	3.447	3.599	2.299	3.291

(c) Credit risk

As of 31 December 2020, and 2019, the balances of accounts receivable from clients for whom no adjustments have been made, given that the Board of Directors considers that they are achievable, are as follows:

	31/12/2020	12/31/2019 Restated
Balances:		
Outstanding	44.899	27.845
Up to 180 days	23.731	76.557
180 to 360 days	27.939	22.085
More than 360 days	135.018	176.948
	231.588	303.435

(d) 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 as of December 31, 2020 and 2019 is as follows:

	31/12/2020				Total
	Up to 1 year	From 1 to 2 years	From 2 to 3 years	More than 3 years	
Suppliers	140.222	-	-	-	140.222
Financing obtained	252.203	40.846	7.957	262.667	563.673
Government and other public entities	11.488	-	-	-	11.488
Other debts payable	58.570	3.391	3.310	4.633	69.904
Advance payments from clients	63.704	-	-	-	63.704
	526.187	44.237	11.267	267.300	848.991

	31/12/2019				Total
	Up to 1 year	From 1 to 2 years	From 2 to 3 years	More than 3 years	
Suppliers	151.536	-	-	-	151.536
Financing obtained	254.260	23.078	7.375	274.700	559.413
Government and other public entities	14.271	-	-	-	14.271
Other debts payable	81.231	2.672	3.975	4.463	92.341
Advance payments from clients	77.609	-	-	-	77.609
	578.907	25.750	11.350	279.163	895.170

28. CAPITAL

Share capital

As of December 31, 2020, and 2019, the Company's paid-in capital is fully subscribed and fulfilled, consisting of 280,000,000 shares with a nominal value of 1.00 euro each.

As of December 31, 2020, and 2019, the Company's share capital was 280,000 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 31, 2020, and 2019, the Legal Reserve was 45,600 thousand euros and 45,500 thousand euros respectively.

Other reserves

Other reserves are composed solely and exclusively by open reserves.

As of 31 December 2020, and 2019, Other reserves were 114,082 thousand euros and 112,537 thousand euros respectively.

Appropriation of Profits

By decision of the General Meeting, held on April 24, 2020, the accounts for the 2019 period were approved and it was decided that the Net Result in the amount of 1,644,426.18 € (one million six hundred and forty-four thousand four hundred and twenty-six euros and eighteen cents) is as follows:

	Value
Legal reserve	100,000.00
Other reserves	1,544,426.18
	1,644,426.18

As presented in the Management Report, the proposal for the appropriation of profits in the period ended December 31, 2020, in the negative amount of 7,933,587.60 € (seven million nine hundred and thirty-three thousand five hundred and eighty-seven euros and sixty cents) is as follows:

	Value
Retained earnings	7,933,587.60

29. OTHER INFORMATION

The Board of Directors approved and authorized the issuance of the financial statements for the 2020 period on April 7, 2021.

Management declares that the Company does not have overdue debts to the Government.

Management declares that the Company's situation before the Social Security authority is regularized, within the legally stipulated deadlines.

Additional disclosures

Total fees invoiced by a statutory auditor's company for the statutory review of the financial statements were as follows:

	2020	2019
Statutory auditor:		
Short-term benefits	58	58
	58	58

30. EVENTS AFTER THE BALANCE SHEET DATE

"Teixeira Duarte - Engenharia e Construções, S.A." continued its activity in the various areas and markets in which it operates, highlighting, in the current global framework, the fact that the development of the COVID-19 pandemic situation is being followed, encouraging the Board of Directors to act in accordance with the recommendations issued by the World Health Organization and the public entities responsible for the health area in the respective countries in which the Group's companies operate.

In this framework, contingency and prevention measures have been taken to comply with the guidelines of those entities and to mitigate and contain the public health risk, balancing this plan with the necessary steps to safeguard the continuity of the business and the impact it has on all its stakeholders.

After the end of the period there were no events following the balance sheet date worthy of being recorded or disclosed in the financial statements as of December 31, 2020.

Lagoas Park, April 7, 2021

The Certified Accountant

The Board of Directors

REPORT AND OPINION OF THE SOLE SUPERVISOR AND LEGAL CERTIFICATION OF ACCOUNTS 2020

REPORT ON THE COMPLIANCE OF THE COMPANY MANAGEMENT REPORT AND DISTRIBUTION OF RESULTS

*(Free translation from a report originally issued in Portuguese language.
In case of doubt the Portuguese version will always prevail)*

Dear Shareholders,

In accordance with the law, we hereby submit to you, our report and opinion on the Management Board Report and accounts of Teixeira Duarte – Engenharia e Construções, S.A., for the year ended on December 31st, 2020.

In the scope of our duties, we regularly accompanied the company's activity and have obtained, from the Board of Directors and other representants of the Company, all the information and explanations requested.

We have verified the compliance with the business law and the Company's Articles of Association and accompanied the process of preparation of the Entity's financial information.

We verified the contents of Management's Report and its consistency with the financial statements presented by the Board of Directors and with the most relevant events occurred during the year.

As a result of the work described above and based on the opinion of the Statutory Auditor's Report, which conclusions shall be considered as reproduced in this report, we recommend your approval of:

- a) The Management Report and the financial statements for the year ended on December 31st, 2020; and,
- b) The distribution of the yearly results as proposed by the board.

Lisbon, April 12th, 2021

MOORE STEPHENS & ASSOCIADOS, SROC, S.A.
Represented by António Gonçalves Monteiro

STATUTORY AUDITOR'S 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 – Engenharia e Construções, S.A. (the Entity), which comprise the balance sheet as of December 31st, 2020 (showing a total of 1,258,286 thousand euros and a total net equity of 360,794 thousand euros, including a negative net profit for the period of 7,934 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 aspects, of the financial position of Teixeira Duarte – Engenharia e Construções, S.A. as of December 31st, 2020, 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 Ordem dos Revisores Oficiais de Contas code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management 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 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, the matters that may cast significant doubt about the Entity's ability to continue as a going concern.

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 skepticism 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; and,
- 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.

Our responsibility also includes the verification that the information contained in the management report is consistent with the financial statements.



REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the management report

Pursuant to article 451.º, n.º 3, al. e) of the Portuguese Company Law, 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.

Lisbon, April 12th, 2021

MOORE STEPHENS & ASSOCIADOS, SROC, S.A.
Represented by António Gonçalves Monteiro