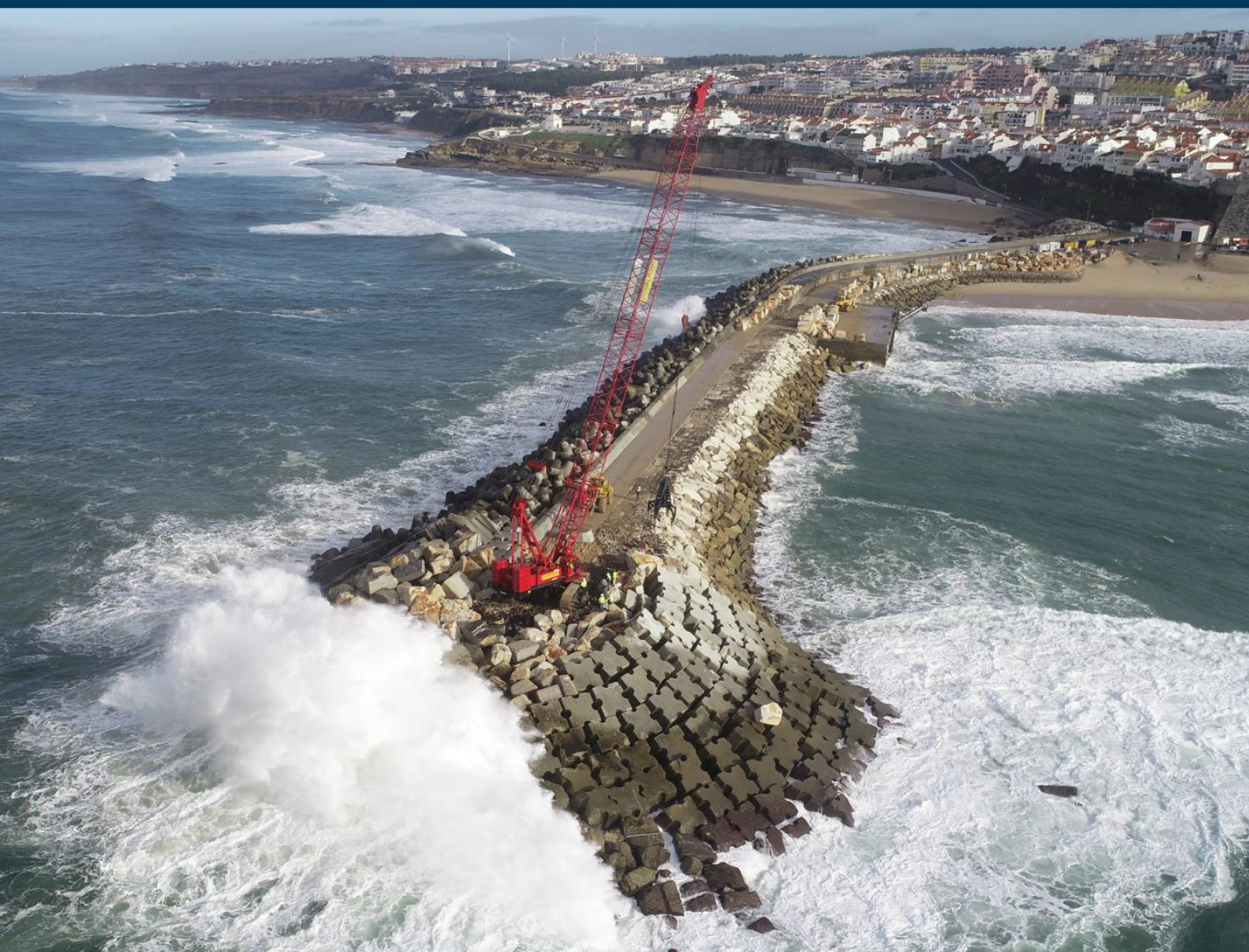


REPORT AND ACCOUNTS 2021



REPORT AND ACCOUNTS 2021

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MANAGEMENT REPORT OF THE BOARD OF DIRECTORS

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 2021 Activity Report, the 2021 Non-Financial Information Report, and the 2021 Activity Report, 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 Standardisation System (*SNC – Sistema de Normalização Contabilística*).

II. A TEIXEIRA DUARTE - ENGENHARIA E CONSTRUÇÕES, S.A. – PROFILE

1. IDENTIFICATION OF THE COMPANY AND CERTIFICATIONS

Identification of the Company

TEIXEIRA DUARTE - ENGENHARIA E CONSTRUÇÕES, S.A.

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

Share Capital: € 280.000.000

Single Number of Moral Person and Registration at the Cascais Commercial Registry (Oeiras) 500 097 488

Holder of the Building Permit n.º 24 – PUB

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 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 Foundations Technology".

2. SOCIAL BODIES

TEIXEIRA DUARTE - ENGENHARIA E CONSTRUÇÕES, S.A.

General Assembly

President: - José Pedro Poiares Cobra Ferreira

Secretary: - Filipe Manuel Cavaco Bismarck

Board of Directors

President: - Manuel Maria Calainho de Azevedo Teixeira Duarte

Members of the Board: - Pedro Miguel Martins Cardoso Costa

- Sérgio Paulo Reis Pereira

- Paulo Alfredo de Carvalho Serradas

Statutory Auditor

Active: - Moore Stephens & Associados, SROC, S.A
- Statutory Auditors Company, represented by António
Gonçalves Monteiro – ROC

Substitute: - Ana Patrícia Correia Monteiro Varela - ROC

3. 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, having completed 100 years the year under analysis.

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."

4. 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.

5. 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.

It is set forth in the said Code that, with regard to the monitoring of the implementation of its regulations, it is the duty of the Employees - and Indirect Recipients, in accordance with the terms and scopes mentioned above - to watch over the fulfilment of the Ethics and Conduct Code, by divulging it, by invoking it in their defence, by applying it and by demanding its application to their hierarchies, including these hierarchies, and to communicate eventual irregularities identified by the means and procedures implemented by each company for that purpose, which tend to be defined as Ethics Channel.

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

Besides the monitoring system of the abidance by the aforementioned Code itself, there is a system of compliance of the Group where Teixeira Duarte - Engenharia e Construções, S.A. is integrated, to ensure the safekeeping of the fulfilment of the standards applicable to the activity carried out by the company, including the following corporate control areas which provide support to the company:

- The Internal Audit Department, whose functions are the assessment and improvement of the effectiveness of the risk management procedures and internal control systems, as well as carrying out the evaluation of the activities of the Group;
- The Chief Compliance Officer, whose mission is to develop a Compliance program to promote, within the Group Teixeira Duarte (i) the respect of the legal, regulatory and internal requirements, (ii) the correct identification and evaluation of the respective risks inherent to the activities carried out by the companies of the Group and (iii) the development of effective measures for the accomplishment of the mentioned regulations and for the mitigation of the respective risks, establishing guidelines for the analysis of the reality, treatment and report of the information, defining intervention areas and respective means and subsequent monitoring of the results and promotion of the necessary revision of such measures ; and
- The Management Systems Direction, which includes in its functions to ensure the respect of the Group policies, by implementing supervision criteria, making effective the respective training, internal auditing and the presentation of improvement suggestions.

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 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".

6. ORGANISATION

"Teixeira Duarte - Engenharia e Construções, 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 Exploitation and Management Centres, equally deploying a set of Support Structures specific for this construction sector, in particular in the areas of Formwork and Pre-Stressing (including a Rebar Cages Production Centre), 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 Management and Supply Systems.

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

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

Teixeira Duarte - Engenharia e Construções, S.A.

Board of Directors

Manuel Maria Teixeira Duarte
 Pedro Costa
 Sérgio Pereira
 Paulo Serradas

CORPORATE AREA

Internal Audit
 Mário Faria

Accounting
 Alexandre de Jesus
 Sérgio Castro

Finance
 Sérgio Pereira
 Pedro Cruz

Innovation
 Rita Moura

Legal
 Maria António Ambrósio

Shared Processes
 André Henriques

Human Resources
 Rogério Fonseca

Corporate Affairs
 José Pedro Cobra Ferreira

Sustainability
 Erica Torres Silva

Information Technologies
 Rui Pedroso
 Rui Miranda

OPERACIONAL AREA

Geotechnics and Foundations Miguel Rocha	Shuttering and Pre-Stressing Caetano Machado
Buildings Carlos Timóteo Fernando Martins Luís Mendonça Luís Santos Carlos Guedes Luís Carreira Paulo Ganhão Pedro Nunes Pedro Ferreira	Project Design Laura Esteves Supplies Rosa Almeida Equipment Management Rodrigo Ouro Management Systems Ivo Rosa Proposal's Logistics Mário Baptista Materials Laboratory Ivo Rosa
Infrastructures Rosa Saraiva Hélder Matos Gustavo Lebreiro João Pedro Lopes António Diniz Jorge Barata Pinto Guedes	
Metalworking Henrique Nicolau	
Underground Works Dias de Carvalho Carlos Russo	
Railway Works Rui Costa	

III. FINANCIAL INFORMATION REPORT 2021

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

KEY INDICATORS OF THE 2021 ACTIVITY

	2017*	2018*	2019*	2020	2021	Δ 2021/2020
Employees	3.015	3.546	3.417	2.123	2.612	23,0%
Turnover	312.839	368.808	377.130	276.649	230.301	(16,8%)
EBITDA	49.410	61.387	48.532	18.226	(80.381)	-
EBITDA margin on Turnover	15,8%	16,6%	12,9%	6,6%	-	-
Net Income	16.004	9.975	1.645	(7.934)	(112.940)	-
Assets	1.607.766	1.468.270	1.368.344	1.258.286	1.142.764	(9,2%)
Liabilities	1.095.417	965.058	940.835	897.492	859.591	(4,2%)
Equity	512.345	503.212	427.509	360.794	283.173	(21,5%)
Net Debt	605.711	532.584	511.401	527.137	526.214	(0,2%)
Financial autonomy	31,9%	34,3%	31,3%	28,7%	24,8%	(3,9) p.p.
General liquidity	128,4%	146,0%	129,4%	136,5%	122,0%	(14,5) p.p.

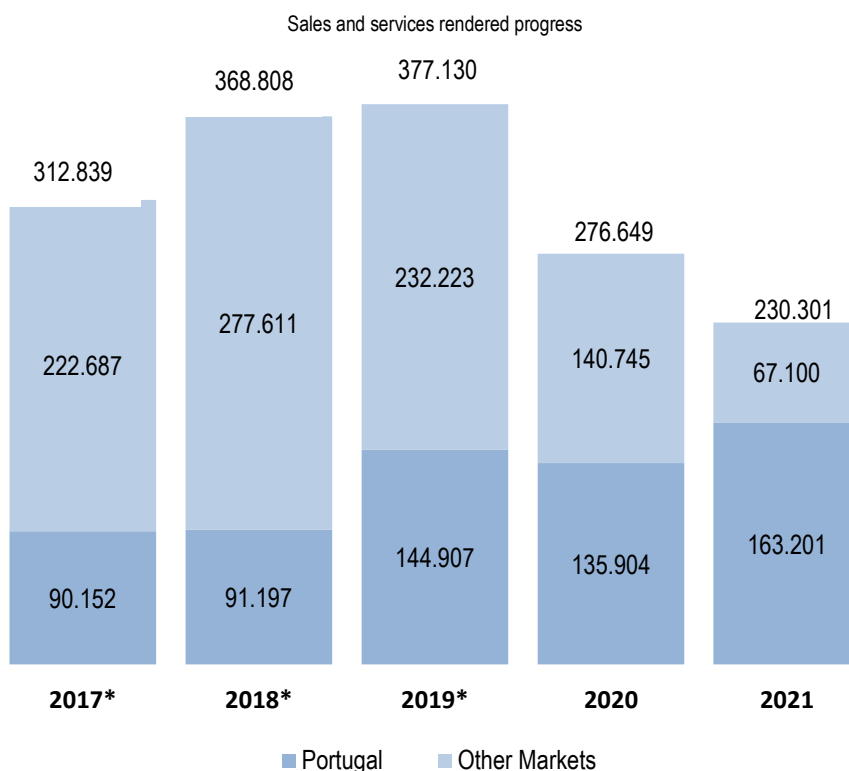
(*) - 2017, 2018 and 2019 restated values

For a global approach of Teixeira Duarte - Engenharia e Construções, S.A.'s performance throughout 2021, 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.

For an adequate reading and comprehension of the operational and financial information presented further ahead it is indispensable to know, and bear in mind, two main factors which had a relevant impact in the activity and accounts of the Company:

- Following such and unpredictable decision, on the part of the Venezuelan public company BOLIPUERTOS, S.A. which, in brief, resulted in the notification of the decision to put an end to the Strategic Alliance for the Operation and Port Management of the Specialised Terminal of the port of La Guaira, contracted with Teixeira Duarte - Engenharia e Construções, S.A. and that was in force since the 1st of April 2017 and the occupation, on the 15th of October 2021, by BOLIPUERTOS, S.A., of the facilities attributed to the Alliance, the Board of Directors of Teixeira Duarte - Engenharia e Construções, S.A. decided to recognise in this financial year the effects of the loss of the concession of the exploitation of the port La Guaira which would be in force until the 31st of March 2037, representing a reduction of the Intangible Asset and the Net Results aggravation of 26.919 thousand euros. It is expected, however, that the lack of legal grounds for the mentioned unexpected, abusive and prejudicial behaviour for the Company's interests, will give way to the respective indemnification for damages and losses.
- A judicial decision delivered on the 17th of February 2022, by an Algerian court with regard to a lawsuit involving a partner of Teixeira Duarte - Engenharia e Construções, S.A. has raised questions as to the operational and financial conditions which allowed for the normal execution of the six projects contracted in Algeria. In this context, in spite of

being a subsequent event, the Board of Directors decided to recognise in the accounts of the financial year of 2021 the effects resulting of the suspension of the activity of the said six public projects, which represents an impact in the Net Result of 61.120 thousand euros, a Liabilities reduction of 13.722 thousand euros and an Asset reduction of 74.842 thousand euros.



(Amounts in thousands of euros)

(*) - 2017, 2018 and 2019 restated values

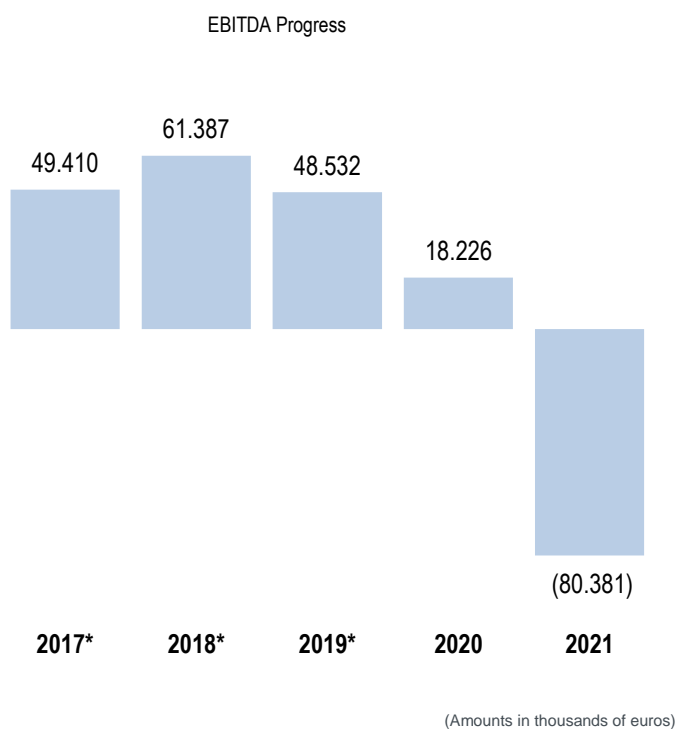
The sales and services rendered reached an amount of 230.301 thousand euros, which reflects a reduction of 16,8%, when comparing with the previous year.

In spite of the COVID 19 pandemics, the national market recorded an increase of 20,1%, of the sales and services rendered compared to 2020, boosted by the private sector.

The foreign markets, as a whole, decreased by 52,3% compared to last year, with emphasis on the reduction recorded in Algeria of 122.114 thousand euros, of which 73.123 thousand euros correspond to the de-recognition of increases in the income of the six projects in Algeria, mentioned above.

It is worth noting that, without the effect of this de-recognition, the sales and services rendered in the foreign markets would have had a reduction of 0,4 % when comparing with 2020.

In this context, foreign markets which had represented 61.6% of the Company's Turnover in 2020, evolved to represent 29,1% in 2021.

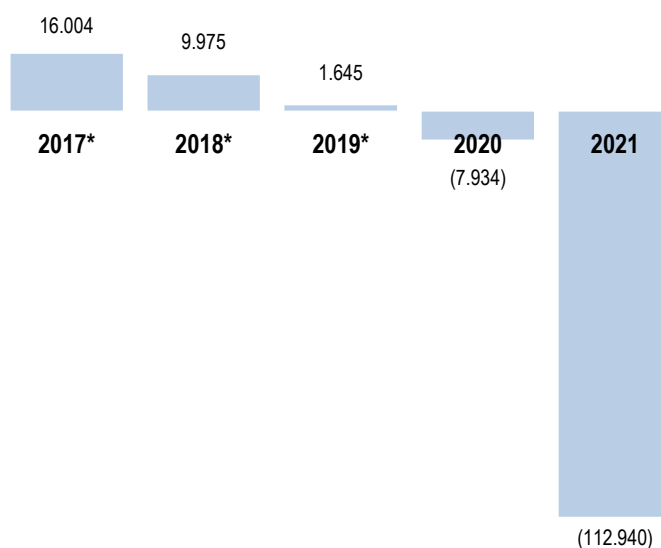


(*) - 2017, 2018 and 2019 restated values

EBITDA reached a negative amount of 80.381 which correspond to less 98.607 thousand euros compared to 2020.

This reduction is mainly due to the impact of the suspension of six projects in Algeria of 74.979 thousand euros and the impact of the impairments in Venezuela of 4.484 thousand euros, together with the negative variation of the operational exchange rates of 16.384 thousand euros.

Net Income Progress



(Amounts in thousands of euros)

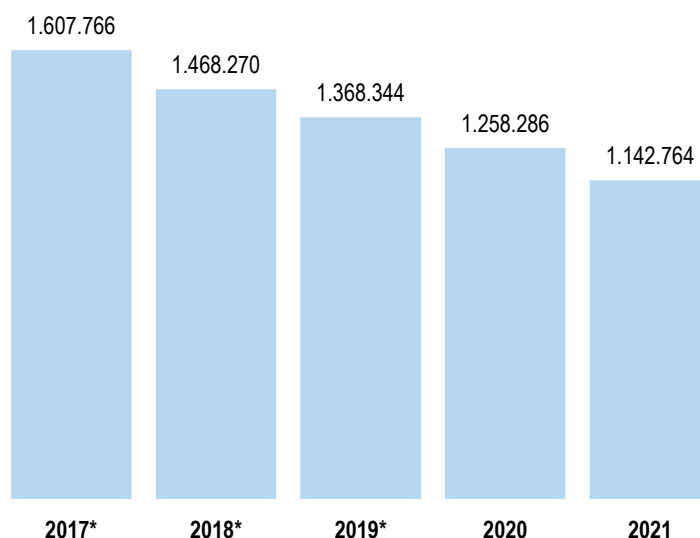
(*) - 2017, 2018 and 2019 restated values

Net Income reflected, when compared to the same period of the previous year, a decrease of 105.006 thousand euros, hitting 112,940 thousand negative euros.

Other than the development of the Company's activity, this indicator was influenced by three important facts that must be highlighted:

- recognition of losses related to the projects in Algeria of 61.120 thousand euros;
- recognition of losses related to assets of Venezuela, with a negative impact of 26.919 thousand euros;
- negative variation of the operational exchange rates, with a negative impact of 16.384 thousand euros.

Assets Progress



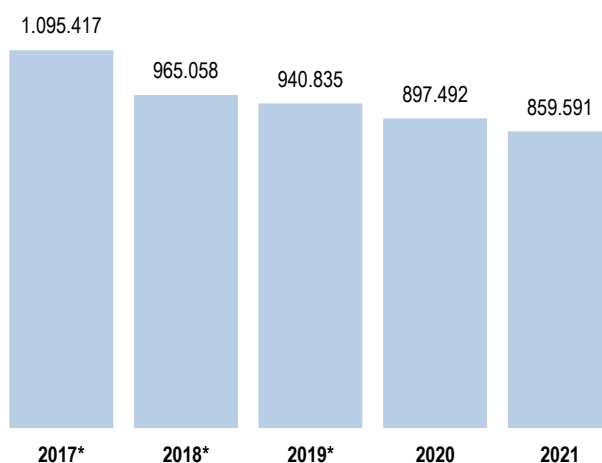
(Amounts in thousands of euros)

(*) - 2017, 2018 and 2019 restated values

Total **Assets** stood at 1,142,764 thousand euros, registering a drop of 115,522 thousand euros, a reduction of 8% when compared to the end of last year.

It must be noted that the reduction of the Assets is justified by the impact of the suspension of six projects in Algeria, representing 74.842 thousand euros, and the de-recognition of assets in Venezuela, which represent an amount of 26.919 thousand euros.

Liabilities Progress

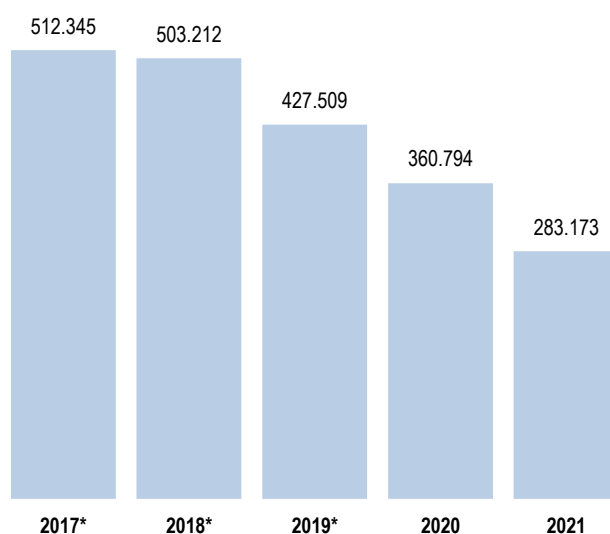


(Amounts in thousands of euros)

(*) - 2017, 2018 and 2019 restated values

Total **Liabilities** decreased by 4,2% compared to the same period, reaching 859.591 thousand euros.

Equity Progress

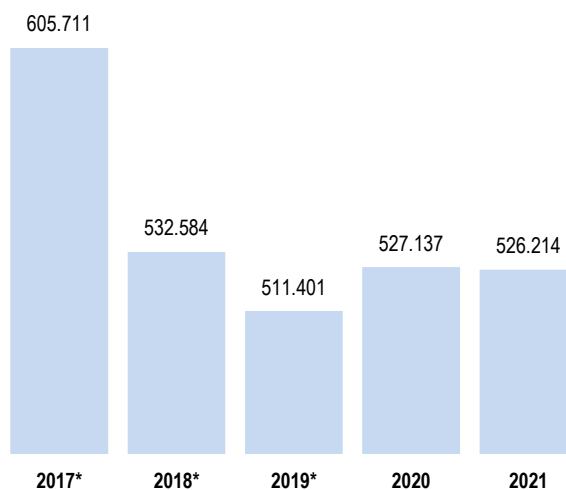


(Amounts in thousands of euros)

(*) - 2017, 2018 and 2019 restated values

Total **Equity** decreased by € 77.621, a reduction of 15,6% compared to the end of 2020.

Net Debt Progress

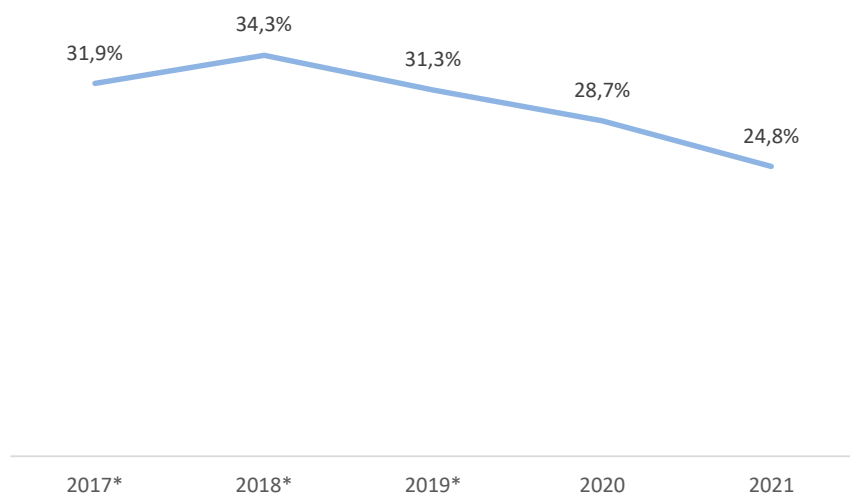


(Amounts in thousands of euros)

(*) - 2017, 2018 and 2019 restated values

Net Debt reached 526.214 thousand euros as of December 31, 2021, a 0,2% increase compared to last year.

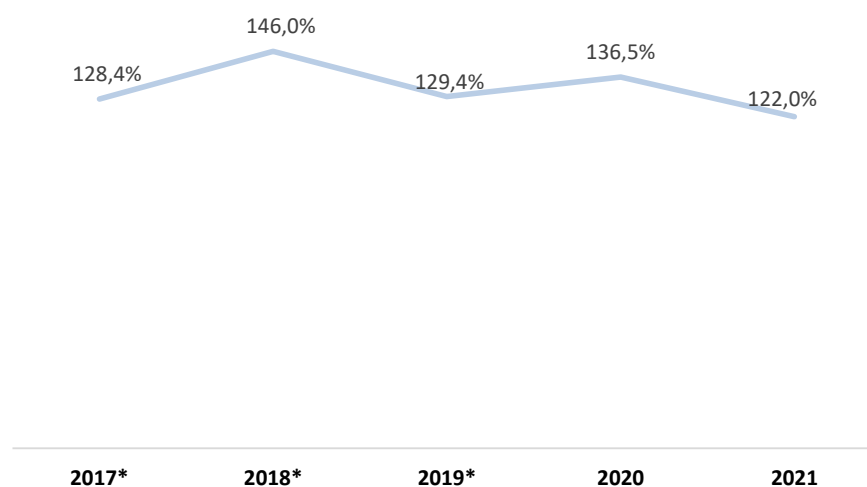
Financial Autonomy Progress



(*) - 2017, 2018 and 2019 restated values

Financial Autonomy reached 24,8% as of December 31, 2021, reflecting a 3,9 p.p. decrease compared to December 31, 2020.

General Liquidity Progress



(*) - 2017, 2018 and 2019 restated values

As of December 31, 2021, General Liquidity decreased by 14,5 p.p. compared to the same period, from 136,5% to 122,0% in 2021.

IV. NON-FINANCIAL INFORMATION OF 2021

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.

As a matter of fact, the Mission of the Group - Do, contributing to the construction of a better world - and its structuring Values - Skill, Truth and Commitment - reflect a deeply rooted acting mode throughout several generations which contributes decisively for the global sustainability of the affiliated companies, economically, socially and environmentally.

Teixeira Duarte Group defines transversal guidelines and local objectives for the affiliated companies, as to the sustainable development, being these companies responsible for coming up with an answer to the specific sustainability challenges of their activity and markets.



"Teixeira Duarte - Engenharia e Construções, S.A.", in order to ensure its alignment with the transversal principles set by the Group, takes part in its Sustainable Development Commission since its creation in 2019, with representatives of the Company from Portugal, Angola, Brazil and Mozambique.

COMMUNICATION WITH STAKEHOLDERS

There is a wide variety of groups of interested parties which "Teixeira Duarte - Engenharia e Construções, S.A." establishes relations with. For a better understanding of their expectations and to communicate more efficiently with these different groups, the Company uses the following tools:



ALIGNMENT WITH THE 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 these Objectives and its corporate mission, values and vision on Sustainability.

OUR MISSION

EXECUTE, CONTRIBUTING TOWARDS THE CONSTRUCTION OF A BETTER WORLD

HOW WE DO IT

WITH INGENUITY, TRUTH AND COMMITMENT

WE CONTRIBUTE

SUSTAINABLE DEVELOPMENT GOALS

OUR LOCAL PRIORITIES







Sustainability Model of Teixeira Duarte Group on December 31, 2021

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 identified and assesses, on a continuous basis, the impacts of the activities developed by its affiliates on the global priorities and aspirations for 2030 defined in the 17 SDGs. To give priority to the most significant impacts of these activities on the topics of sustainable development proposed in the SDGs, the sectors/business areas operating in the most relevant markets for the Group - Angola, Brazil, Portugal and Mozambique - and determined the material SDGs in each of these countries.

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



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 organisation'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.

HUMAN RESOURCES

Teixeira Duarte - Engenharia e Construções, S.A. assumes a position in the markets where it is active of acknowledged employer, with perspectives of personal and professional development for its employees, regardless of their level of experience. The promotion of young employment, with potential talent, and of strong professional training policies have been rather important for the expansion of the Company in the various markets / countries.

Coinciding its beginning with its founder activity, Engineer Ricardo Esquível Teixeira Duarte, "Teixeira Duarte - Engenharia e Construções, S.A." and the Group Teixeira Duarte celebrated, in 2021, 100 years of activity. This milestone was reached due to the commitment and dedication of thousands of men and women who, throughout this period, accompanied and contributed for the sustained growth of the Company. The commemoration of the centennial was centred on the recognition of all the persons who made Teixeira Duarte and of those who are part of it today and who share the honour and responsibility of initiating a new century of activity.



Teixeira Duarte – Engenharia e Construções, S.A., Brazil

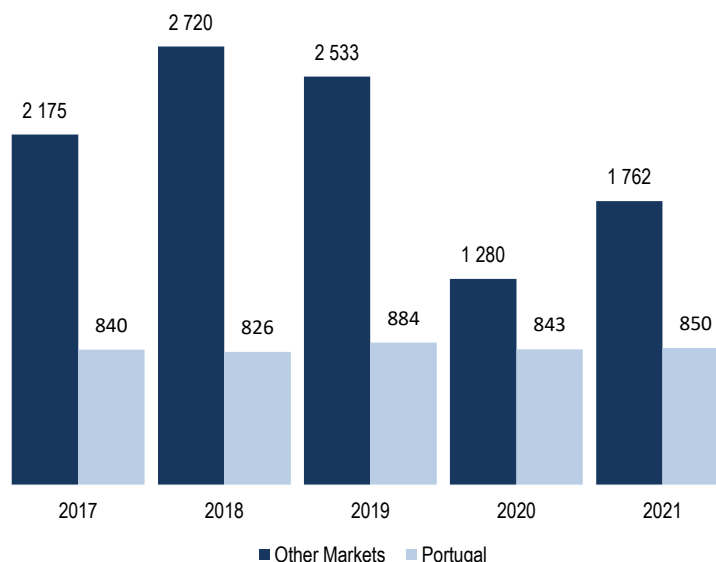


Teixeira Duarte – Engenharia e Construções, S.A., Brazil

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 employees recorded a raise of 23% when compared to 2020, with a slight increase 0,8% in Portugal, and the foreign markets a global increase of 37,7%.

This increase is mainly due to the expansion of the activity in Brazil and Kuwait.

"Teixeira Duarte - Engenharia e Construções, S.A." has always had as a principle the dignified treatment of its employees, respecting their human and labour rights, including an effective equality among all, by the adoption of the best practises to aim at the effective equality of treatment and opportunities between men and women, promoting the elimination of the discrimination based on the gender and fostering the conciliation between personal, familiar and professional life.

The Company adopted a Plan for the Equity drawn by Teixeira Duarte, S.A., whose third edition was published in 2021, and which includes a set of objectives and measures to be developed by the Group affiliated companies in a way suitable to their own realities, both geographical and sectoral, throughout 2022. This Plan aims at strengthening the affiliated companies management in the following dimensions:

- a) equal access to employment;
- b) equal working conditions;
- c) equal remuneration;
- d) protection in parenthood; and,
- e) conciliation of the professional activity and family and personal life.

The most recent edition of the plan is available at www.teixeiraduarte.com.

Compliance with the International Labour Organisation (ILO) Conventions

The promotion of the fundamental conventions of the International Labour Organisation (ILO) and of the human rights is enshrined in the "Teixeira Duarte - Engenharia e Construções, S.A."’s Code of Ethics and Conduct

The code states the commitment of the Company to the acknowledgement of the freedom of association and the right to collective bargaining. The company’s practises protect the labour rights and promote safe and healthy working environments to all workers.

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 emphasised, implemented through the widespread performance of health examinations, visits to workstations and monitoring of disease situations.

In the particular cases of Angola and Mozambique, "Teixeira Duarte - Engenharia e Construções, S.A." has also defined a policy of medical and medicine assistance, which include the access to medical consultations to all employees and their directly related family.

The Company’s best practises are reinforced by its certification in occupational health and safety management systems under the ISO 45001 standard, providing a more inclusive and effective operational risk management, and thus contributing for the employees’ protection and for a better performance.

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

World Day for Safety and Health at Work

Annually, "Teixeira Duarte - Engenharia e Construções, S.A." mobilises workers in several countries / markets to mark the 28th of April, World Day of Safety and Health at Work, to raise employees awareness and the resilience of their operations given the respective professional risks. With this purpose, in 2021, actions have been carried in various locations with several work teams.



Teixeira Duarte – Engenharia e Construções, S.A., Portugal



Teixeira Duarte – Engenharia e Construções, S.A., Brazil



Teixeira Duarte – Engenharia e Construções, S.A., Mozambique

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 his household.

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.

In 2021, "Teixeira Duarte - Engenharia e Construções, S.A." also adopted, in Portugal, a complementary solution within the scope of partnerships that made it possible to extend the network of available discounts to its employees and to their families - "Compras.td" Portal.

c) Flexible Benefits Program

In January 2021, "Teixeira Duarte - Engenharia e Construções, S.A." launched a new edition of the program created in 2020 which offers employees the chance to access a set of benefits for them and for their families, according to their preferences.

Destined to the permanent staff members in Portugal, the adhesion to the program is voluntary and enables the access to advantages, such as reimbursement of health related expenses, childhood vouchers, professional training, technology and car purchase.

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.

Driven 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 on-line platforms).

In 2021, "Teixeira Duarte - Engenharia e Construções, S.A." continued to use the e-learning tool. The implementation of this tool became particularly relevant from 2020 onwards, to mitigate the onsite training difficulties imposed by the COVID-19 pandemics, and simultaneously allowed for the globalisation of the professional and personal development regardless of the physical location of persons and operations.

Using the platform "OK – Online Knowledge" it is possible to access training sessions and information on-line, by sharing contents developed internally and externally by the Company.



PODCASTS

OPORTUNIDADES E DESAFIOS DE UMA INDÚSTRIA MAIS SUSTENTÁVEL

SÉRIE DE 4 ENTREVISTAS
A ESPECIALISTAS CONVIDADOS

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

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

04
MARÇO

 **DIA
MUNDIAL
DA ENGENHARIA**

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 of pod casts on the "Opportunities and challenges of a more sustainable industry", which were divulged during that month in its internal communications channels, in all its markets. With the participation of invited experts, the goal of this initiative was raise awareness among the employees to growth strategies grounded on new policies and regulations to profoundly transform the economy and the society, setting them in a more sustainable course.

In Portugal, "Teixeira Duarte - Engenharia e Construções, S.A." kept, in 2021, the certification as 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.

BIM specialised training

Considering the "Building Information Modelling" (BIM) methodology a pillar to enhance the digital transformation in its sector, "Teixeira Duarte - Engenharia e Construções, S.A." fosters the qualification of the BIM technology, including civil engineers, architects civil engineering technicians. Throughout 2021, training sessions of more than 60 hours were carried out by external entities, being the training adjusted to actual cases of the Company, thus preparing their attendees for every day needs.

In October 2021, the Group Teixeira Duarte began a new edition of the trainees program of the Teixeira Duarte Academy, in Portugal, which enabled "Teixeira Duarte - Engenharia e Construções, S.A." to integrate a group of new graduates of various fields of engineering, selected to integrate a 9 month program, allowing them to contact each of the Company's sectors and learn new work methodologies, with the possibility of obtaining *mentoring* e *coaching* from key-people within the organisation.



Welcome session to the trainees of the Teixeira Duarte Academy, held on the 11th of October 2021, at the Group Teixeira Duarte head office, with the participation of the President of the Board of Directors, Manuel Maria Teixeira Duarte

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 ones. 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 – Engenharia e Construções, S.A., 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.

"Teixeira Duarte - Engenharia e Construções, S.A."s compliance system 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 Ethics Channel of Teixeira Duarte may receive complaints through :
 - mail addressed to the Company using its addresses;
 - electronic message sent to compliance@teixeiraduarte.pt;
 - message sent from "Teixeira Duarte - Engenharia e Construções, S.A.'s website" (<https://teixeiraduarteconstrucao.com/contactos/>);
 - message sent from the Teixeira Duarte's Employee Portal.

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.

The employees have an obligation to report information on any actions that constitute incorrect behaviour, including those that constitute possible illegal or unlawful practices in financial and accounting matters, fraud, corruption and money laundering, as well as any actions directly or indirectly related to terrorist entities or that may target or support terrorism practices. They are also responsible for promoting the same attitude on the part of indirect recipients of this Code.

Employees must 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.

The practises and the procedures to prevent money laundering and financing of terrorism implemented by "Teixeira Duarte - Engenharia e Construções, S.A." in different markets / countries have changed to accompany the respective legislative evolution.

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, 2021, the Company had implemented Quality Management Systems (ISO 9001) in Portugal, Brazil and Mozambique.

b) Partners, suppliers and subcontractors

Conscious of the importance of third parties for the development of its activity, the principles underlying its compliance policy must always be present in the relationship between "Teixeira Duarte - Engenharia e Construções, S.A." and its business partners, and in the interaction with public agents.

The Company also encourages its business partners to implement compliance systems compatible with their activities, with the purpose of promoting and maintaining an ethical business environment. "Teixeira Duarte - Engenharia e Construções, S.A.", in accordance with SA 8000 which was implemented in Portugal, 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.

In 2021, 100% of the contracts signed by "Teixeira Duarte - Engenharia e Construções, S.A." with its suppliers included specific clauses on the conditions to meet with regard to matters such as social accountability, ethics, integrity and transparency, in alignment with the Teixeira Duarte's Code of Ethics and Conduct, thus ensuring these principles are spread through its chain of suppliers.

In the specific case of subcontractors, the Company has set specific contractual provisions which are mandatory, besides the legal ones, regarding safety and health at work, including occupational accidents insurance, personal protection equipment, accidents rates, training and information, prevention and control of alcoholism, among other.

Responsible Purchasing

"Teixeira Duarte - Engenharia e Construções, S.A." has restructured the supplier's process of qualification and risk assessment, in order to strengthen the sustainability criteria, namely regarding environment, social accountability, health and safety at work and compliance management, thus prioritising suppliers employing sustainability best practises.

Based on the geographic location of the supplier, the field of activity carried out and the Company's capacity to influence the said supplier, "Teixeira Duarte - Engenharia e Construções, S.A." evaluates the potential social risk of suppliers against the expected risk, being selected to be monitored the cases with a higher risk.

In 2021, 10 suppliers were under monitoring, in Portugal, within the universe of companies with which the Company had supplying relations.

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 decisions of the Boards of Directors, but rather ones that involve all employees in a direct action.

It was with goal 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 2021, 56 applications were approved (involving employees of 15 companies of the Group, in Portugal, Angola and Brazil).

In total, between employee donations and donations from the Teixeira Duarte Group companies, 59.103,00 € were collected, distributed by 41 institutions.

The institutions which are financially supported through employees applications within the scope of the program “Todos Damos” are sometimes identified to be part of other sort of support programs by affiliated companies, namely as beneficiaries of goods canvassing actions led among their employees, including food items, clothing, books, toys, among other.

Association ACOSIDA (Mozambique)



in 2021, as part of a joint action of the Group Teixeira Duarte companies in Mozambique, the ACOSIDA (AIDS orphan children support association) was supported with donations by the employees of this country, after having been identified, in 2020, through the “Todos Damos” program. This year, campaigns were promoted to collect goods at the World Children’s Day (toys and clothing), World Literacy Day (books) and Christmas (food).

In Angola, “Teixeira Duarte - Engenharia e Construções, S.A.” launched, in 2019, a social accountability program the aims at fostering its employees voluntary periodical donation of blood, thus contributing to increase the blood reservation in the health

care service. By raising the awareness of its employees regarding the importance of blood voluntary donation and by creating the conditions for its effective donation, through technical partnerships, the Company wants to contribute for the reduction of the current lack of blood stock in the health care institutions and to stimulate the solidarity feeling of its employees and their personal offers.

In 2020, the program “Dar Vida” (give life) was extended to all companies of the Group Teixeira Duarte in Angola and, in 2021, to the companies of Mozambique.

Therefore, in 2021, 260 blood collections were made in Angola and Mozambique which, given that each blood collection may save up to 3 lives, made it possible to save nearly 800 lives.



Certificate of the Blood National Institute of Angola awarded to Teixeira Duarte – Engenharia e Construções, S.A., in the scope of the promotion of the program “Dar Vida”



Volunteers of the program “Dar Vida” at the operational pole of Zimpeto, Mozambique

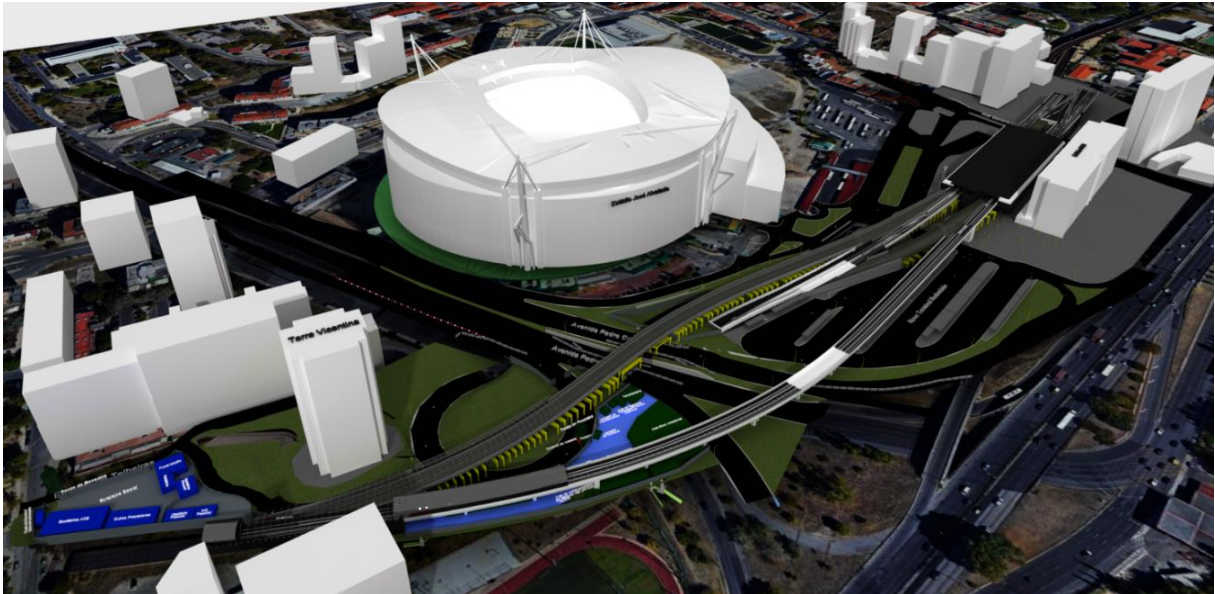
Research, Development and Innovation (RDI)

“Teixeira Duarte - Engenharia e Construções, S.A.” participates in the Innovation Committee created in 2021 by the Group Teixeira Duarte, with the objective of, with their affiliated companies, promoting the creation of innovative solutions, fostering synergies and stimulating employees as agents of innovation. This team works to:

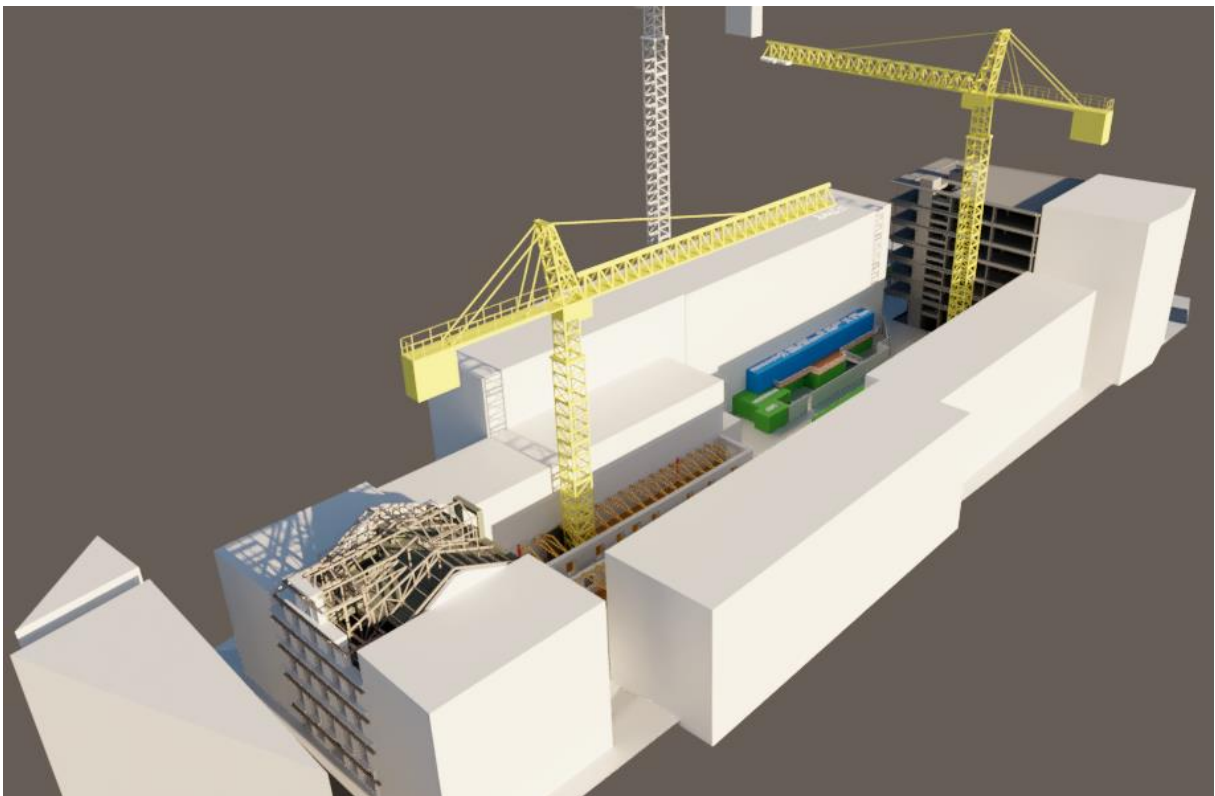
- Promote the innovation within the Group Teixeira Duarte;
- Motivate the business and to develop a culture of innovation;
- Introduce methodologies, management tools and better practises between businesses and the market;
- Measure, analyse and divulge the innovation activity within the Group Teixeira Duarte;
- Help transforming ideas in actual results and with practical application;
- Improve procedures, management and organisation and to innovate in products and services;
- Increase competitiveness of the businesses in the market.

Aware of the importance of the digital transformation in the construction sector as key to become more competitive and sustainable, “Teixeira Duarte - Engenharia e Construções, S.A.” set forth, in 2021, a new plan for the adoption of the “Building Information Modelling” (BIM) With previous BIM experiences in various projects, the new BIM strategy aims at taking the Company to a new level of skills in all its (BIM'S) dimensions and make it a reference in the market in this area. In 2021, important progress was achieved in staff training, BIM standards and templates production adjusted to Teixeira Duarte's reality

and in the development of plug-ins for the design and building teams, besides the launching of two pilot projects within the scope of this new approach.



BIM modelling of the project Viaducts of Campo Grande, Lisboa

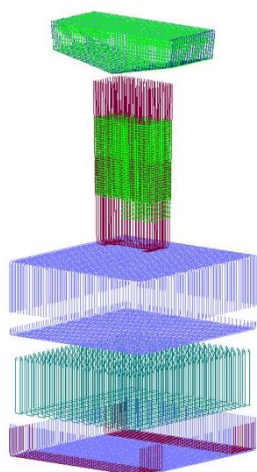


BIM modelling of the design of D. Luís building in Lisboa

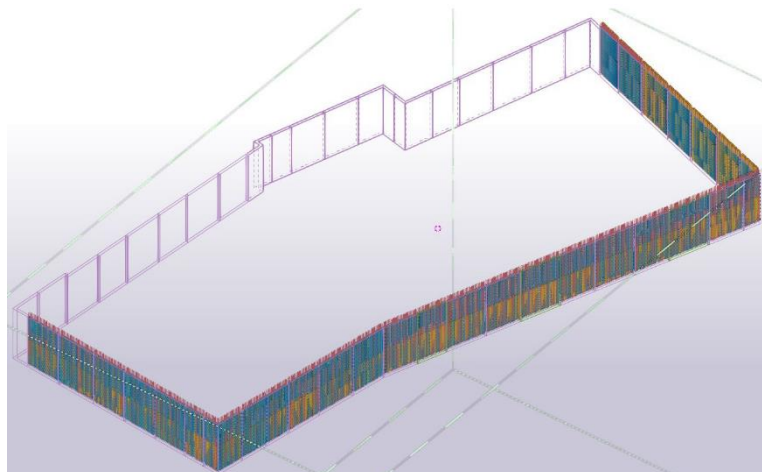
In June 2021, "Teixeira Duarte - Engenharia e Construções, S.A." opened a sector to support the production with the objective of industrialising the preparation, cutting and bending of steel for the assembling of rebar cages, thus avoiding most of the

manual labour associated to this activity and contributing to increase efficiency and productiveness, mainly when on the work front.

Located in Teixeira Duarte's operational pole of Montijo, the Rebar Cages Production Centre is equipped with equipment and technology which automate several constructive procedures. The RCPC also allows the Company to carry out procedures of digital manufacturing of several components for various projects, through the connection of the BIM models to the production machines.



Schematics for the assembling of the pillars in the of the project Viaducts of Campo Grande, Lisboa



3D modelling of walls in the project Fábrica 1921 (plot 33), Lisboa

Still within the innovation domain, namely with the objective of increasing construction speed and and modular construction, the Company has developed or / and participated in several projects, among which :

a) Digital Construction Revolution 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;
- Project Management and Communication.

The project funds these activities through outright grants.

b) "OMICRON" Project

"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 mode. 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, providing access, signalling and safety during tests to be carried out on the demonstrator.

The financing originates 100% from outright grants, having been allocated to Teixeira Duarte - Engenharia e Construções, S.A. 268.500,00€.

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

This project began in 2019 and is ongoing. The aim is to develop a worldwide 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 - Engenharia e Construções, S.A. " 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;

– 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 2021 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 2021, "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 standardisation 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* e ISO 22477-6 *Geotechnical investigation and testing – Testing of geotechnical structures – Part 6: Testing of soil nails and rock bolts*.

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.

Main Partnerships in Portugal

a) Portuguese Construction Technology Platform

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

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

b) AEC Cluster – Architecture, Engineering and Construction

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

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 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: Faculty of Engineering of the university of Porto (FEUP), High Technical Institute (IST), National Laboratory of civil Engineering (LNEC) and University of Minho (UM).

Main International Partnerships

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

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

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

b) 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 minimisation of environmental impacts arising from the activities, is highlighted in order to ensure their sustained development.

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.

World Environment Day

Every year, "Teixeira Duarte - Engenharia e Construções, S.A." promotes numerous initiatives to raise its employees awareness regarding the role of each one of them in the environment. The 5th of June, the World Environment Day, is a milestone the Company seeks to celebrate. In 2021, various activities were carried out in the different countries / markets to , once more, raise the awareness of the company's employees regarding the importance of preserving the natural resources and encourage them to concentrate their efforts around the more urgent environmental issues.



Teixeira Duarte – Engenharia e Construções, S.A., Brazil



Teixeira Duarte – Engenharia e Construções, S.A., Mozambique

Since the Company's activity is subject to strong variations in the impacts caused depending on the works carried out (type, quantity and phase) - which limits the possibility of yearly comparing data, the choice of a set of indicators and of an adequate reporting approach to reflect the performance of its activities is conditioned.

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, 2021, the Company had a certified environmental management system according to the ISO 14001 reference in Portugal and Brazil.

In what concerns the environmental sustainability analysis of the goods supply chain, in 2021, the Company continued to identify the relevant indicators applicable to suppliers of the main categories of materials. It must be highlighted the steel rebar for the production of reinforced concrete rebar cages, given that more than 80% of the supplies are assured by suppliers that have implemented an environmental management system.

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 Decree-law no. 147/2008, and subsequent amendments, "Teixeira Duarte - Engenharia e Construções, S.A." opted, in Portugal, to constitute financial guarantees totalling 67,395€ as of December 31, 2021.

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 effect gases.

In this sense, energy rationalisation 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 minimising 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 publicised 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, optimising the moments of consumption and awareness-raising initiatives for employees.



Awareness action of the preservation of water resources carried within the scope of the World Water Day , in 2021, by Teixeira Duarte – Engenharia e Construções, S.A., in Mozambique

Consumption of Materials

The consumption of materials in Construction is directly related to the quantity, dimension and type of works carried out. Among the most commonly used raw materials are concrete, cement and aggregates.

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, in 2021, under the EN ISO/IEC17025 Standard.

In 2021, the Group Teixeira Duarte carried on with its strategy of digital transformation of the procedures, consolidating various projects which are being implemented these last two years, and developing new instruments which aim at de-materialising procedures and, consequently, reducing the use of paper in the various facilities, permanent and temporary, of its companies.

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.

In 2021, 95% of "Teixeira Duarte – Engenharia e Construções, S.A." purchases were made to suppliers from Portugal, reducing their environmental impact, being that transportation is shorter and therefore the production of CO₂e is lower.

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.



Initiative to clean a beach in Luanda, Angola, carried out by employees of Teixeira Duarte – Engenharia e Construções, S.A.

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

V. 2021 ACTIVITY REPORT

Scope of the Activity Report

The figures referred to in the previous chapters (Financial Information Report and Non-Financial Information Report) reflect the results of "Teixeira Duarte - Engenharia e Construções, S.A." 's performance, and its branches as well as consortia and subsidiaries, there included through the equity method application, in accordance to note 11 of the appendixes to the financial statements.

The report that follows refers to the activity of "Teixeira Duarte - Engenharia e Construções, S.A.", and of its branches , as well as groupings and company subsidiaries which operate in the Construction sector and in operations within the scope of Concessions and Services linked to the construction activity.

Among these, besides the branches of "Teixeira Duarte - Engenharia e Construções, S.A." and of various groupings it is part of, are worthy of notice "EPOS – Empresa Portuguesa de Obras Subterrâneas, 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", "Consortium Puente Daulle-Guayaquil" (in Ecuador) and "Teixeira Duarte - Engenharia e Construções (Mozambique), Lda".

Thus, in this report is presented hereafter the joint activity of "Teixeira Duarte - Engenharia e Construções, S.A." and of all these entities in the construction field (Chapter V.1.), and then a chapter where it is highlighted the activity in connection with Concessions and Services (Chapter V.2.).

V.1. CONSTRUCTION

"Teixeira Duarte - Engenharia e Construções, 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 Exploitation and Management Centres, equally deploying a set of Support Structures specific for this construction sector, in particular in the areas of Formwork and Pre-Stressing (including a Rebar Cages Production Centre), Equipment Management and Logistics proposals and a Materials Laboratory.

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

Also integrated in "Teixeira Duarte - Engenharia e Construções, S.A." there are other structures which, though more focused in the construction activity, support other sectors of the Group in the domain of the management systems and procurement,

being that there is also an operational pole settled in Montijo, with an area of more than 100.000 m² which is a major asset for the company and for the services rendered 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 2021, "Teixeira Duarte - Engenharia e Construções, S.A." operated directly and through the above mentioned entities in the markets of Portugal, Angola, Algeria, Brazil, Cabo Verde, Colombia, Ecuador, Spain, Kuwait, Mozambique, Peru and Venezuela and kept commercial activity in several other markets for the purposes of study and research.

In all these markets, Teixeira Duarte's activity was affected by the COVID-19 pandemics, though in different circumstances and with distinct degrees, depending on the countries and on the official measures implemented, as well as the ones assumed by other stakeholders, namely clients, suppliers and partners.

A vast set of measures were implemented which varied according to the markets / countries / and clients, such as increase locker rooms and dining halls, temperature scan, logistics to avoid contact with zones of possible contamination, systematic hygiene procedures on site, spaces' use rules and capacity and entrances and exits, in many case with specific articulation with the health authorities and other interested parties (client, technical control and authorities).

This effort and cooperation of all interested parties, particularly on the part of the employees themselves, enabled the implementation of contingency and prevention measures for the fulfilment of the authorities orientations and for the mitigation and contention of the public health risk, balancing that purpose with the necessary diligences to the safeguard of the business continuity and its impact for all stakeholders.

V.1.1. GEOTECHNICS AND FOUNDATIONS

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 speciality works are conceived and executed.

In general, the activity carried out by the area of Geotechnics and Foundations decreased when compared with 2020, remaining Portugal the main operating market, representing 40% of the total, being the remaining 60% divided between the ongoing projects in Angola, Algeria, Brazil, Colombia and Mozambique.

In Portugal, it is worth mentioning the following works:

- General excavation in soil and rock, anchored retaining systems with soldier pile walls and works of shotcrete and anchors, integrated in the project “GRAND BAY RESIDENCES”, in Cascais;
- For the client “BIG CITY”, in Porto, it was executed a circular retaining system with a pile curtain and shotcrete;
- As part of the enlargement of the “TRYBA/CAIXIAVE” facilities, it was designed and built a solution with deep foundations with micropiles for the industrial hangars of the enlargement of the existing plant ;
- As part of the contract job for the “STABILISATION OF SLOPES IN IP3 (KM48+650 and 55+600)” were carried out earthworks, micropiles curtains, reinforced concrete structures, drainage and repaving;
- Slope retaining slopes were carried out in the Jamor river, in Quleuz de Baixo, for the city council of Oeiras. The implemented solution entailed the re-profiling of the slope, the installation of nailed retaining mesh executed by climbing professionals, and ending with the repositioning of the slope adjacent street capping to re-establish the necessary traffic safety conditions;
- Execution of a retaining system with diaphragm wall for the excavation, with provisional anchors and subsequent execution of the foundations piles of the building “EDIFÍCIO PRÉSTIMO”, in Porto;
- Retaining system through a diaphragm wall with various levels provisional anchors, installation of the whole monitoring system and subsequent general excavation, in the plot 33, of the real estate development “FÁBRICA 1921”, belonging to the Group Teixeira Duarte;
- Construction of the retaining system and deep foundations of two residential developments, in Alta de Lisboa, having executed the diaphragm walls, provisional anchors, monitoring system, foundation piles and general excavation;
- The Company also carried out throughout the year several works of geological and geotechnical survey, including rotation bore-holes with continuous sampling and subsequent laboratory testing.

In Angola, it is worth emphasis the completion of the project “Fundações e Betão Armado dos Silos e Fabrica de Moagem”, carried out for “HIGITEC”, as well as the execution of the deep foundations and reinforced concrete works in “INDUVE – Indústrias Alimentares, S.A.”’s plant.

In Brazil, the second most important market in this sector, representing approximatively 20% of the total, it must be pointed out:

- The completion of the works of the road works projects “BR373 and BR376, in Ponta Grossa, state of Paraná, including foundations with bored piles using polymers and root piles, besides slopes retaining with definitive anchors, nailing, slopes drapery systems and application of shotcrete;

- Execution, for “BAMIN”, of the “Foundations of the road bridge over Almada river”, in Ilhéus, state of Bahia, including driven tubular metallic piles, with a diameter of 800mm, using a vibrodriver with an impact hammer, assisted by a provisional constructive platform type “Cantitravel”, which was specifically designed and developed for that purpose, allowing for successive advances of 26 meters spans ;
- Execution, for “VALE”, of deep foundations, using monitored continuous flight auger, for the “Instalação do Memorial de Brumadinho”, in the state of Minas Gerais, with diameters ranging from 500mm to 800mm, with a total of 10.361 meters;
- For “Camargo Corrêa Infra”, it was completed the foundations of the project of “Implantação do Tramo III da Linha 1 do Sistema Metroviário de Salvador”, in the state of Bahia, including the execution of large diameter piles (1800mm), embedded in rocky substrate ;
- For “Engetec”, it was initiated the execution of large diameter deep foundation piles (1600mm and 1200mm), with a total of 809 meters, embedded in rocky substrate, for the special engineering work OAE-402, integrated in the “Construção e implantação do Contorno de São Sebastião”, located in the shoreline of the state of São Paulo;
- In the Buildings sector, it is worthy of note the real estate development “Reserva Alta Vista”, located in the city of Jundiaí, state of São Paulo, comprising the execution of the foundations of two residential towers with bored piles, with diameters ranging from 800mm to 1600mm, with a total of 3.866 meters.

In **Colombia**, the Company participated in various public contract jobs more relevant for the execution of deep foundations works with piles and slopes retaining with shotcrete, Californian drains, nailing and definitive anchors, among which “CONCESSION FERROCOL – UNIDADE FUNCIONAL 7 Y 8” for the consortium FERROVIAL/COLPATRIA and “PROYECTO MAR 2” for CHEC.

In **Mozambique**, it was accomplished the completion of the “Construction of Port Facilities for Nacala Port Development Project Phase I & II”, in Nacala, carried out as part of the contract job for the Japanese consortium “Penta Ocean/Toa”, Construction of the Nacala port, phases I and II, for the Ministry of Transports and Communications of Mozambique, and given the economic downturn the country is undergoing, only a few works of geotechnical survey were carried out.

V.1.2. 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 2021, the Group operated in this area in Portugal, Angola, Algeria, Brazil, Mozambique and Kuwait.

Overall, in 2021, there was an activity growth of 36%, when comparing with 2020, the same happening with the main economic indicators.

This turnover growth was supported by the markets of Portugal, Kuwait, Brazil and Mozambique, where were recorded relevant growths when comparing with 2020.

In Angola continues the reduction tendency of the volume of work which has been accentuated since 2018.

Portugal continues to be the main market in the Buildings sector, with approximately 60% of the sector's activity total.

In **Portugal**, in 2021, there was an activity growth of 25%, when comparing with 2020, thus resuming the cycle of economic growth initiated in 2017.

Regardless of this situation, in 2021 and as already reported last year, our activity keeps on suffering major constraints which result from the COVID-19 pandemics and also of the lack of labour which occurs in the construction sector in Portugal, situations which prevented an increase still more relevant in the volume of work in 2021.

The year was also characterised by the abnormal rise of the raw-materials prices, in particular the construction ones, as a consequence of the disruptions in the logistics and production global chains resulting from the COVID-19 pandemics, as well as the important rise of the labour costs, which impacted directly the on-going contracts in 2021.

Throughout 2021, we continued to assist a strong dynamics in private real estate market, with special emphasis on the new residential construction and in the construction of offices, which are our main current portfolio, from which it is possible to foresee a new activity growth in 2022.

It is also expected a possible activity growth in the domain of public works, as a result of the implementation of the recovery and resilience plan devised for the years to come.

In this market, in 2021, we carried out the completion, for the real estate sector of the Group Teixeira Duarte, of the residential and commercial development "One Living"- plot 2, in Cascais, as well as the development Amoreiras Garden, for EMGI, representing a total of 11,4 million euros and the development Valrio I, in Lisboa, for ENIGMACRÓPOLE, for 15,2 million euros.

Still in 2021 and for the real estate sector of the Group Teixeira Duarte, we carried on with the residential and commercial developments "One Living" – Plot 1, in Cascais and the 1st phase of "Fábrica 1921", in Benfica. It was also initiated the River Plaza development, in Vila Nova de Gaia.

Throughout 2021, in the continuation of the contracts signed in 2019 and 2020 for the development Entrada Nascente de Cascais, for GRAND BAY RESIDENCES - SICAFI, S. A. and AUCHAN RETAIL PORTUGAL, S. A., were signed, in June and December, to more addenda to the contract, of 17, 5 million euros, corresponding to the finishes and special installations of the plots 2 and 3 of the Residential Development.

For OCM Capital Partners, the continuation of the contract job Villa Unika, in Cascais, of 14 million euros, also of a residential nature, with 16 apartments, and the initiation, for the same client, the contract jobs Plots 14.3 and 14.5, in Alta de Lisboa.

Still in connection with the development Valrio, for ENIGMA COLOSSAL, we continued the execution of the contract job of the building Valrio II, in Lisboa, for a total of 55 apartments, with an awarding price of 8,9 million euros.

For Reformosa, we continued with the execution of the residential developments High Lapa and Legacy, in Cascais.

For EMGI, it was initiated the execution of the contract job for the rehabilitation of a residential building at Avenida da República 55, in Lisboa, and for the Fundo de Investimento Imobiliário Fechado Sete Colinas the Edifício Dom Luís Boavista, which will become an hotel.

In different areas of activity, still in 2021, we continued the execution of the projects Palacete Henrique Mendonça, in Lisboa, for ISMACO, and of Beneficência Familiar, in Porto, having also been initiated the works in the Hoso Tower, in Porto, for Rational Cipher, of Mude, in Lisboa, for Sociedade de Reabilitação Urbana, of iBET - Biofarma, in Oeiras, for iBET – Instituto de Biologia Experimental e Tecnologia and the Universidade Sénior, in Seixal, for Uniseixal.

In **Brazil**, in 2021, it was recorded, as expected, an activity growth, when comparing with 2020, of approximately 40%, which results from the contract job “Feira da Madrugada” and of the contract job for the construction of the 2nd phase of the “Catedral de Brasília”. In spite of all the constraints imposed by the COVID-19 pandemics throughout the year, Brazil’s economic situation improved due the continuation of the support implemented by the federal government in 2020, to the states and municipalities, companies and more vulnerable population, which promoted the growth of services consumption and, ultimately, of the industrial production.

During 2021, besides the projects already mentioned - “Feira da Madrugada” , for the Circuito de Compras São Paulo SPE S.A., and “Catedral de Brasília”, for the Igreja Universal do Reino de Deus, it is also worth mention the beginning of the execution of 4 new contracts, namely: the construction of the a temple for the Mormons, in Salvador, state of Bahia, with a price of approximately 253 million reais; the reformation works of the shopping centre, in Franca, inner state of São Paulo, for Aliansce Sonae, with a price of 17 million reais; the works of the regional hospital of Ourilândia do Norte, in the state of Pará, for Vale, with a global price of 101,85 million reais; and the reformation and enlargement works of the international airport of João Pessoa – Presidente Castro Pinto – and the airport of Campina Grande – Presidente João Suassuna – both in the state of Paraíba, for AENA Brasil, in consortium led by Teixeira Duarte and with a price of 145,5 million reais.

For 2022, it is expected a new growth of the activity resulting from the portfolio of projects and also of the expected private investment raise resulting from the economy stimulation promoted by the Central Government in the concessions’ area.

In **Angola**, the weak economic performance recorded in 2021, strongly influenced by the decline of the oil production, as well as the COVID-19 slow vaccination process, affected strongly the Construction sector, delaying the beginning of new projects, both public and private, with investment rates at historical low levels.

On the other hand, the rise in inflation and the maintenance of the public debt ratio over the GDP above 100% had an very important impact of the construction industry, reaching exceptionally low levels of activity.

However, the important raise of the importation of cement and clinker, throughout the last trimester of 2021, is a positive signal which allows for the anticipation of a moderate activity growth in 2022.

On this subject, it is worth pointing out the contract, signed in the last trimester of 2021, of the works of the 1st phase of the contract job for the construction of the general Hospital of Cacuaco, for Alkra Technologies FZ-LLC, as part of a structured financing by VAMED Engineerig Desutschland GmbH, with a price of 9,5 million euros, whose main works concern the execution of the deep foundations and reinforced concrete structure. The contract job executed in consortium with Alves Ribeiro has an estimated date of completion expected for 2022.

With a gross construction area of 28.000 m², distributed by 6 building with 3 storeys, the hospital will dispose of a total of 302 beds, of which 272 for hospitalisation and 30 for intensive care, 4 operating rooms, 4 delivery rooms and an oncology unit .

Thus, and considering the projects portfolio, namely in the hospital sector, it is expected in 2022, a moderate growth of the turnover volume in the Buildings sector.

In **Mozambique**, the activity registered low levels, as a result of the rather difficult economic and financial conjuncture the country is going through these last few years, which was aggravated by the 2nd year of the COVID-19 pandemics.

In this context, together with the effects of the climate cataclysms and instability caused by the armed conflict existing in the north of the country, it is not expected a significant alteration of the low levels of activity in 2022, in the construction sector.

Throughout 2021, within the scope of the contract for the construction of the Nacala port, phases I and II, for the Japanese consortium “Penta Ocean / Toa”, we carried on with the construction of the auxiliary buildings.

In the second semester, it is worth noting the signature of the contract job for the design / build of the Administrative building in the Maputo port, for the DP World, with a price of approximatively 3,5 million euros.

In **Kuwait**, Teixeira Duarte continued to execute the contract job for the construction of the Waste Water Treatment Plant of Umm Al Hayman, for WTE Wassertechnik GmbH – Koweit Branch, with a price of approximatively 166 million euros. As in 2020, in 2021 the construction activity remained heavily constrained by the effects of the COVID-19 pandemics.

The measures implemented by the local authorities limited, for the most part of the year, the entrance and circulation of persons, goods and services in the state of Kuwait, which affected severely the adequate deployment of human resources, equipment and materials, leading to a progression of the works rather inferior to what was expected and resulting in the prorogation of the execution term of the project until December 2023.

In the last trimester of 2021, the lift of restrictions related to Covid – 19 pandemics made it possible to gather the necessary conditions to the normal execution of the project’s works schedule.

Therefore, in 2022, if the current conditions are maintained, there will be a significant growth of production in this project and, consequently, of invoicing, when compared to 2021.

V.1.3. INFRASTRUCTURES

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.

In 2021, the Company had contract jobs in Portugal, Algeria, Brazil, Colombia, Ecuador, Mozambique and Venezuela, having also carried on with technical and commercial activity in some countries of Latin America, Africa and Europe, which anticipates, at short or medium term, the awarding of some contracts in these regions.

In **Portugal**, the activity increased with particular reference to the following projects:

- The continuation of the execution of the infrastructures of the real estate development “Vila Rio”, in Póvoa Santa Iria, for the real estate department of the Group;
- The beginning of the works for REN – Rede Elétrica Nacional for the Rehabilitation and Reinforcement of the Slopes of the Substation of Carvoeira, in Torres Vedras, which consist in the integral excavation of the existing landfills, with roughly 66.000 m3, the execution of draining ditches, the execution of new rockfill / landfill and the reconstitution of the access road ;
- Within the scope of the Grouping denominated *ACE Viadutos do Campo Grande*, composed of Teixeira Duarte - Engenharia e Construções, S.A. and its affiliate SOMAFEL– Engenharia e Obras Ferroviárias, S.A., it was finished the development of the executive design of the project of the *Contract job for the design and execution of the structural works, finishes and systems within the scope of the materialisation of the Expansion Plan of the Metro of Lisboa – Extension of the Yellow and Green Lines – VIADUCTS OF CAMPO GRANDE – PLOT 3*. It must be emphasised that the executive design was developed with the methodology BIM, which constituted a challenge in the scope of Innovation and technological development of the Company;
- For IP, Infraestrutura de Portugal, S.A., it was initiated the Contract job for the Modernisation of the Railway Line of Beira da Alta, section Celorico da Beira – Guarda, which is executed in consortium with the participation of “SOMAFEL – Engenharia e Obras Ferroviárias, S.A.”, another company of the Group. The intervention includes the trains stations of Celorico da Beira, Vila Franca das Naves, Pinhel and Guarda, as well as five halts: Baraçal, Maçal do Chão, Cerejo, Trajinha and Sobral;
- For IP, Infraestrutura de Portugal, S.A., a new contract job was initiated for the execution of track and overhead line between Évora and Elvas / Fronteira and the civil works of the sub-section Évora - Évora North, in consortium with the participation of the “SOMAFEL – Engenharia e Obras Ferroviárias, S.A.”, a company of the Group. The project is part of the denominated Southern International Corridor (SIC) and is intended to connect the ports of the south (Sines, Setúbal e Lisboa) and the Spanish frontier (Caia/Badajoz).

Still in Portugal, it is worthy of mention, in the rehabilitation domain, the execution of the following projects:

- For the University of Coimbra, the “Contract job for the execution of the rehabilitation of the coverings and façades of the Colégio de S. Pedro of the University of Coimbra”. The building object of this intervention, designated as Colégio de S. Pedro, is integrated in the Paço das Escolas, classified as National Monument, within the area of the University of Coimbra, also classified as World Patrimony by UNESCO. The works comprise the rehabilitation building’s covering, including the chimney, the restoration of the façades, the repair or replacement of the existing wooden framing, the conservation and restoration of the masonries, and also ordinary maintenance works;

- Also for the University of Coimbra, and in the same patrimonial scope of the previous project, the “Contract job for the execution of the rehabilitation of the coverings and façades of the Sala dos Capelos e Palácio Real of the University of Coimbra”.
- For “CLT - Companhia Logística de Terminais Marítimos, S.A.”, it was initiated the execution of the contract job for the rehabilitation and reinforcement of structures in the liquid bulk terminal of Sines (LBTS). This significant intervention in the terminal comprises the rehabilitation and reinforcement of several structures, and will be subjected to the availability of the of the LBTS posts where the intervention is carried out, being that GALP intends to continue to operate the port without restrictions.

In the field of maritime infrastructures, two projects must be pointed out :

- The continuation of the execution, by the consortium led by Teixeira Duarte, of the contract job for the re-profiling of the pier -10m (HZ), repaving of the port hard standing and improvement of the technical networks there integrated and dredging of the basin of the Ponta Delgada’s port, in São Miguel, for Portos dos Açores;
- It was initiated, in 2021, for APDL - Administração dos Portos do Douro, Leixões e Viana do Castelo, S.A., the contract job for the extension of the outer breakwaters and for the maritime access ways to the port of Leixões, which includes the works for the 300m extension of the outer breakwaters, as well as the maritime access ways, comprising the deepening of the access canal and of the rotation bay, through the dredging of loose and rocky material, besides the partial demolition of the northern mole, with an extension of 80 m, and the redefinition of its head at a more recessed position . This contract job was awarded by 130,3 million euros to the consortium led by Teixeira Duarte, and which has an execution term of 900 days.

In **Algeria**, after the impact of the pandemics which led to the total suspension of the works during a long period following the closure of the Algerian frontiers, ordered on the 19th of March 2020, the political and economic conjuncture continued to constrain the activity development, with most of the projects suspended, with the exception of the maritime project “*L’étude, la réalisation des aires de travail e de transfert, les infrastructures maritimes et génie-civil, les fournitures et l’installation d’un complexe élévateur à bateaux d’une capacité de levage égale ou supérieure à 9000 tonnes et la formation de techniciens*”, for E.C.R.N. “*Établissement de Construction et de Réparation Navales*” (integrated in the Ministry of National Defence of Algeria), with head office at the naval base of Mers-EL-Kebir, which continued to be carried out with the possible normality, whose conclusion is expected for the first semester of 2022.

In **Mozambique**, the Consortium led by Teixeira Duarte continued to carry out the works for the “Construction of Port Facilities for Nacala Port Development Project Phase I & II”, in Nacala, as part of the subcontract for the Japanese consortium “Penta Ocean/Toa”. The project comprises the reconstruction of a pier with a length of 400 meters and the construction of containers storage areas, rail track, buildings and multiple infrastructures.

In **Cabo Verde**, Covid-19 pandemics continue to have impact in the execution of the contract for the expansion and refurbishment of Porto Inglês, in Maio, even if not as preponderant as in 2020, what allowed for the considerable growth of the turnover in this country.

In **Brazil**, in spite of the negative effects caused by the COVID-19 pandemics, there was a growth of approximately 60%, when comparing with 2020, which represents the market with the largest activity in the sector of infrastructures, in 2021, with 40% of the sector's total.

For this growth contributed, on the one hand, the remarkable increase of activity and also, for the first time, the integration of the rehabilitation in the infrastructures sector.

Among the activity carried out during the period under analysis, it is worth mentioning the following contracts:

- For the DNIT - Departamento Nacional de Infraestrutura de Transportes, the elaboration of the designs and the execution of the works for the duplication of the road BR-116/BA – Plot 06, over an extension of 40 Km, in the state of Bahia, continued though constrained by the available public budget. It is a project for the duplication of one Brazil's most important roads, in a state which lacks in infrastructures and where the economy has grown at a rhythm higher than the one of the infrastructures and others. This project progressed moderately in 2021, even if it was possible to, in spite of all constraints and with great effort of the consortium in charge of its execution, open to the public more than 18 km of duplicated road, with a very positive impact for the region;
- For VALE do Rio Doce, S.A., the civil works for the heightening of the Itabiruçu dam's wall, up to 850m, continued to be executed, in the municipality of Itabira / Minas Gerais, being its completion foreseen for 2022 , for the most part of the project;
- Still for the same client, it was signed, in June 2021, the contract job for the execution of the civil works of Santana's dam, in the municipality of Itabira / Minas Gerais, another contract for the upstream reinforcement of the dam's body, increasing its safety level in accordance with the new regulations in force. Simultaneously, it will be carried out the adaptation and maintenance of the other organs of the dam, namely the flood spillway and the drainage systems;
- In 2021, continued the works of drilling and rock blasting, using explosives, excavation, loading, transportation, unloading of ore and sterile, conservation of the equipment circulation ways, spreading and deposition of the transported materials, for Atlantic Nickel, S.A., near Ipiaú, in the municipality of Itagibá/BA. It is a contract of strict open sky mining operation, which is executed in consortium with four other companies , whose completion is estimated at June 2022;
- Also for Atlantic Nickel Mineracao, Ltda. it was successfully concluded, in May 2021, the execution of the heightening works of Santa Rita dam;
- For BAMIN (Bahia Mineração, S.A), continued the execution of the contract for the provision of engineering and civil construction services, under a regime of full contract, for the necessary initial works of the future establishment of Porto Sul (south port), which consists in the construction of the intersection and of the industrial access way to the future Porto Sul, near Ilhéus, state of Bahia, including the bridge over Almada river, the viaduct over the BA-648 and the execution of an access way with a length of 12Km;
- For RODONORTE - Concessionária de Vias Integradas, S.A. - Grupo CCR, it was concluded the contract job for the execution of the intersections of the priorities 05A and 05B, located in the BR-373, Km173 and Km180, at Avenida Souza Naves, and I60, located in the BR-376, km 499, in the region of the city Ponta Grossa / PARANÁ, under concession of the said RODONORTE. This construction contract comprised three intersections in the roads BR-373 and BR-376,

including works of multidisciplinary nature, among which earthworks, paving, special engineering works, retaining walls, slope stabilisation works, special foundations and the deviation of various sorts of interfering networks;

- On the 26th of November 2021, a contract was signed with the Prefeitura (city council) of the municipality of Santo André, for the Road Network Santa Teresinha and the Structural Reinforcement of the Castelo Branco Viaduct. It is a project to be executed by a consortium and consists in the execution of a road network including various viaducts, in an area densely inhabited, with the purpose of improving the traffic fluidity of a zone which has large jams. It is also comprised in the contract, the structural restoration of a viaduct in service which has growing signals of deterioration, thus requiring immediate intervention;
- With the DNOCS – Departamento Nacional de Obras Contra as Secas was signed, in December 2021, the contract for the execution of the remaining works for the construction of the Fronteiras dam, in the municipality of Crateús, state of Ceará. The project consists in the execution of the remaining works of a dam with the central body built in cylinder compacted concrete, and earth for the abutments, complementary organs and access ways.

In the specific sector of rehabilitation, it is worth noting the following projects executed for VALE:

- The multi-year maintenance contracts of the Estrada de Ferro (railway) Vitória – Minas continued to be executed.
- The contract for the replacement of the Cuieté bridge, a project with a strong engineering component, in the Estrada de Ferro (railway) Vitória – Minas, whose completion occurred in November 2021;
- In the region of Mangaratiba, in the state of Rio de Janeiro, it is worth noting the contract for the structural rehabilitation of the TIG (terminal of the Guaíba island) pier;
- Another contract job for the structural rehabilitation of the Pier-2, in Porto do Tubarão, state of Espírito Santo, whose works consist in the rehabilitation and structural reinforcement of a pier in reinforced concrete;

For 2022, there are very encouraging signs of economic rebound in the Brazilian construction sector, with special emphasis on infrastructures, which allow for optimistic expectations for the years to come.

In **Ecuador**, the crisis motivated by COVID-19 worsened, even more, the chronic problems the country is facing, a situation which led to a severe restriction in the investment in infrastructures. Nevertheless, we kept monitoring this market where a project was finished in 2020, which a relevant dimension (bridge Daule-Guayaquil, over Daule river), with the success which is known to all. For the year 2022, it is not foreseeable significant changes in the current situation.

In **Venezuela**, the contracts which are in force remain suspended, without any perspective of resuming their execution in the near future. The Group's activity in Venezuela was circumscribed to the operation of the Puerto de La Guaira – whose developments are mentioned below, within the scope of the activity of the affiliate companies operating in the Concessions and Services Sector V.2.).

In **Colombia**, it was signed the first infrastructures contract in this country, which corresponds to the first project to be executed within the scope of the mega project of the first metro line in Bogotá, with an extension of 18 Km, for the concessionary company of the Line-1, of the Metro of Bogotá, and the works comprise the execution of an underpass to Avenida Caracas, being also scheduled the execution of a gradual retaining system with diaphragm wall, with its excavation and propping, coordinated with the required traffic deviations, and execution of definitive reinforced concrete structures.

The year 2022 will be crucial for the assessment of this market and will enable us to make a decision as to our positioning in the future.

V.1.4. METALWORKING

In the area of Metalworking, Teixeira Duarte Group concentrates the speciality 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.

In these activities, either directly for external customers, or in an integrated and complementary way with other areas of the Group, are included various projects of rehabilitation and construction of metal or mixed bridges and viaducts, buildings, industrial facilities and hydro-mechanical equipment.

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

Globally, there was a decrease of the volume of activity when comparing to the previous year.

In **Portugal**, a market which underwent a period of stagnation and delay of decision making, the activity remains without growth.

In the industrial facilities of Teixeira Duarte's operational pole of Montijo, where are manufactured of the metallic structures, the production destined to supply the projects of the Group, such as the "MUDE – Museu o Design e da Moda" and SIDUL Açucares, or to supply external clients of groups like BRISA and EDP.

In the Mechanical sector, focused on the equipment repair and maintenance, in close cooperation with the Equipment Management structure and with other companies of the Group, such as EPOS, S.A., and external clients like "SOMINCOR - Sociedade Mineira de Neves Corvo, S.A."

The research and development sector continued to collaborate with the project for the design of a anti-seismic refuge "SHELTER", as part of the program Portugal 2020.

In 2021, it was obtained, for the production of metallic structures in Teixeira Duarte's operational pole, in Montijo, the certification in the execution class EXC4, in accordance with the standard "EN 1090-1:2009+A1:2011". It is the highest level of certification of the factory production control, according to the above mentioned standard.

In **Algeria**, the activity was maintained in collaboration with other sectors of activity, in particular the participation in the project “*Structures génie civil et maritime pour l’installation d’un complexe élévateur à bateaux*”, within the scope of the contract signed with “ *L’Établissement de constructions et de réparations navales* (E.C.R.N.). In this project of large dimension and of high technical complexity, the participation of the Metalmechanics was of great relevance, namely in technical and equipment installation, as well as in the process of training and knowledge transfer for the client.

In **Brazil**, the activity was kept at a rather significant level, with the participation in various projects together with other sectors.

In the project of the cathedral of Brasília for IURD, the Metalmechanics participated in the supply and assembling of metallic structures, some of which of great complexity, namely the assembling of the cover, a procedure for which was used a high precision oil-hydraulic system.

With the company of Brazilian law, 100% affiliate of Teixeira Duarte, EMPA, S.A., it was concluded the construction of the bridge over Almada river, a project with a rather important metallic component, in Ilhéus, Bahia, for the client “BAMIN - Bahia Mineração, S.A.”.

For VALE, it was executed the project “Replacement of the Cuieté bridge”, in Conselheiro Pena (Minas Gerais), which consisted in the works for the replacement of the railway bridge, using and adapting the existing bridge for the road traffic. For that purpose, it was developed and implemented a complex engineering solution for the replacement of the bridge, having the works been carried out with success and full satisfaction of the client, as in previous projects.

For 2022, despite the global contingencies known to all, namely the rising prices and the scarcity of raw-materials, and the high level of uncertainty, the commercial activity has been intense and attentive, prospecting business opportunities and submitting several bids, both in the markets which have been active, and in other markets, namely European ones.

V.1.5. 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, with active subsidiaries in Brazil, Colombia, Spain and Peru.

The year 2021 was characterised by the permanence of the pandemic situation, which had an inevitable impact in the normal development of the Company’s activity. However, given the larger knowledge of the disease and the sort of stabilisation of the mitigation measures determined by the authorities, its effect in the Company’s dynamics were not so bad when compared with the year before.

In this context, the volume of activity of this business area, recorded a growth of approximatively 23%.

Portugal was the market where the activity increased the most, above 50%, when compared to 2020. The Portuguese market strengthens its leadership position with 49% of the global activity, mainly due to the activity in Neves Corvo mine, resulting from the execution of the contract job for the development of the mining infrastructure, drilling, loading, sustainment and removal of the ore, transportation and application of shotcrete for the client, SOMINCOR - Sociedade Mineira de Neves Corvo, SA.. This contract is coming to its conclusion and a new 3 year contract is being negotiated with the client.

Currently, besides Portugal, the Company operates in four foreign markets - Brazil, Colombia, Spain and Peru, through the branches established there.

Brazil continues to be the most important foreign market for this business sector, representing approximately 30% of the total, with the contract of the Cuiabá mine, for the client Anglo Gold Ashanti, Córrego do Sítio – Mineração, S/A, which is in force until 2024. The Company is commercially involved in large mining projects, as part of a strategy of growth and clients diversification, thus minimising its exposure to risk.

In **Spain** recorded an increment of about 8% of the turnover volume, being the activity exclusively for the client “MATSA – Mina de Aguas Teñidas S.A.U”, whose main contract ceases in 2025, being the current percentage of execution of 20%.

In **Colombia**, it was concluded the sole ongoing contract - the subcontract of the Tunel de La Paz, for the consortium Ferropol. Throughout 2021, several commercial proposals were studied and which are important for the maintenance of the activity in this country, being expected the return of the investment made in 2022.

In **Peru**, it is nearly finished the contract job in the metro of Lima, for the “Consorcio Constructor M2 Lima”, of “*Excavación, Revestimiento Primario Y Revestimiento Secundario de Los Túneles Ramales Natim, de Acesso Al Patio Taller Santa Anita*”, with the duplication of the income, when compared with the previous year.

With regard to the total amount of the proposals budgeted, the market which contributed the most, in 2021, was the Brazil, with 39%, followed by Peru, with 26%, Spain, with 23%, Colombia, with 8%, and finally Portugal, with mere 5%.

Most of the processes that generated the volume of proposals submitted in 2021 were not concluded by the contracting entities, which have decided to postpone their decision. Thus, 2022 is expected to be the year of the respective return in terms of projects warding and its contribution for the increase of the Company’s success rate.

It is expected that the implementation of recovery and resilience plan, together with the execution of the Portugal 2020, to foster the country’s growth, through the reinforcement of public investment in construction and public works. It is also expected an increase of labour scarcity and the extension of the delivery terms of services, equipment spare parts and new equipment.

V.1.6. 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 specialised equipment and human resources, is distinguished by working on four distinct fronts, in the simultaneous specialities 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 Celorico da Beira - Guarda, which is executed through a consortium with the participation of "SOMAFEL – Engenharia e Obras Ferroviárias, S.A.", as well as the "Contract job for the execution of the track and overhead line between Évora and Elvas / Fronteira and the civil works of the sub-section Évora - Évora North", both for IP, Infraestruturas de Portugal, S.A, or still as in the case of the Consortium constituted by both entities in the end of 2020 for the execution of the "Contract job for the Design and execution of the structural works, finishes and systems integrated in the plan for the expansion of the Metro of Lisboa - Extension of the yellow and green lines - Viaducts of Campo-Grande.

The perspectives for the comings in this field continue to be promising, both for the projects already awarded, mainly in the national market, and for the worldwide perspectives of strong investment in the railway.

The goals set through the Paris Agreement and the objectives of a 50% reduction of the CO2 emissions until 2030 and of emissions neutrality by 2050, will only be attainable with a strong investment in the railway module. Therefore, the European Commission intends to, in Europe, until 2030, double the number of the existing high speed railway lines and increase by 50% the transportation of goods.

V.2. 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 licence granted to Teixeira Duarte - Engenharia e Construções, the Group has been marketing, up keeping, operating, administering, building and using the "specialized terminal of containers (piers 27 and 28- west sector) of the port of La Guaira". Indeed, it was on March 30, 2017 that this Group company received such authorization under the "Strategic Alliance for the operation and management of the specialised containers terminal of the La Guaira port" celebrated with the Venezuelan entity "Bolivarian de Puertos (BOLIPUERTOS), S.A."

This Alliance aimed to optimise 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 specialised 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.

This investment, in 2021, had a performance aligned with the one of the previous years, keeping the port operational 24h / day, 7 days a week, which, considering the country's socio-economic and political circumstances, aggravated by the COVID 19 pandemics, demonstrates Teixeira Duarte's effort and commitment to this operation.

Nevertheless, against all expectations, when work groups had been formed with Bolipuertos and several subjects started to be solved, which were dragging and impacting in the performance of the Aliança, the 15th of October, we were surprised with the formal notification from Bolipuertos to terminate unilaterally the Aliança's contract.

Ignoring up to the current date the decisions which motivated the unilateral and extemporaneous decision of Bolipuertos, a clear violation of the bilateral agreements in force and the rights and expectations of Teixeira Duarte, as a Company which was an investor in Venezuela for more than 40 years, Teixeira Duarte undertook the necessary diligences to claim its rights, being the respective negotiations currently ongoing.

"TDHOSP - Gestão de Edifício Hospitalar, S.A." 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 year under analysis, the twelfth civil year of TDHOPS activity, was once again characterised by the fulfilment of several assessment parameters of the management contract, namely: Service, Availability and Satisfaction.

Throughout the financial year were issued periodical monthly reports which show the good performance of this Company, this being expected a positive evaluation of Very Good for 2021. However, this shall only be effective by the end of April 2022, after analysis and validation by the Entidade Gestora do Estabelecimento LUSÍADAS - Parcerias Cascais, S.A. and Entidade Pública Contratante - ARSLVT, of the annual activity report.

Within the scope of the activities set forth in the management contract, TDHOSP carried out small modifications in the building, requested and supported by the Building Managing Entity and approved by the Public Contracting Entity. It 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. AEBT finished the construction activities on its sections in November 2012, with an extension of 25,6 km; since that date, it has been operating a network of 60,2 km. As of December 31, 2021, the sub-concession object is:

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

Other than the normal operating activities of the sub-concession network, AEBT's activity in 2022 will be focused on the investment activity, mainly the designs for the increase on the number of lanes of A33 and IC20, and the maintenance of infrastructures, given their nature and relevance.

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

VI. RELEVANT FACTS OCCURRING AFTER THE END OF THE PERIOD

Deliberation of the Board of Directors to, as a precautionary measure, recognise in the accounts of the 2021 financial year, the effects of the suspension of the activity of six public projects in Algeria, which was decided following a final ruling delivered on the 17th of February 2022, by a Algerian court, within the scope of lawsuit regarding a partner of Teixeira Duarte - Engenharia e Construções, S.A., whose consequences and impacts were detailed above, in the chapter Financial Information Report.

The war scenario in Ukraine, with disruptive effects in the normal functioning of the products supply chain, regarding both the availability and the price.

VII. PROSPECTS OF FUTURE DEVELOPMENT

"Teixeira Duarte - Engenharia e Construções, S.A." expects to continue its operations in the different sectors and markets where these have been operating, with the exception of the markets of Algeria and Venezuela.

We shall keep the COVID-19 pandemics situation under surveillance, the Board of Directors advising to act in conformity with the recommendations of the World Health Organisation and of the public entities in charge of the health sector in the various countries where the companies of the Group operate.

In this context, several measures of contingency and prevention measures have been adopted for the fulfilment of the authorities orientations and for the mitigation and contention of the public health risk, balancing that purpose with the necessary diligences to the safeguard of the business continuation and its impact for all stakeholders.

The disruptive situation of the products supply markets, which is due mainly to the combined effect of the pandemics and the war in Ukraine, whose impacts cannot be anticipated, given unpredictability of its dimension and duration, will lead the Company to a position of high prudence in the assumption of commitments.

VIII. MANDATORY 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 2021 fiscal year.

There were no businesses between the Company and its Directors.

The Company did not carry out transactions with its own shares, and on December 31, 2021 TD-EC did not own any shares of its own.

IX. 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 2021 period, negative in the amount of 112.939.924,04€ (one hundred and twelve million, nine hundred and thirty-nine thousand, nine hundred and twenty-four euros and four cents) be brought forward to retained earnings.

Lagoas Park, on the 19th of April 2022

Board of Directors

Manuel Maria Calainho de Azevedo Teixeira Duarte

Pedro Miguel Martins Cardoso Costa

Sérgio Paulo Reis Pereira

Paulo Alfredo de Carvalho Serradas

FINANCIAL STATEMENTS

I. BALANCE SHEET

Items	Notas	31/12/2021	31/12/2020
Assets			
Non-current assets:			
Tangible fixed assets	7	16.256	19.932
Investment properties	8	193	189
Goodwill	10	17.426	21.783
Intangible assets	6	9.106	39.704
Financial holdings - equity method	11	246.051	209.263
Other financial investments	20.1	18.091	17.945
Accounts receivable	20.1	131.746	184.494
Deferred tax assets	19	22.173	13.917
		461.042	507.227
Current assets:			
Inventories	13	2.837	2.245
Clients	20.1 e 27	272.676	231.588
Government and other public entities	20.1	12.083	12.104
Other accounts receivable	20.1	378.847	459.933
Deferrals	20.1	7.571	8.648
Non-current assets held for sale	20.1	5	5
Cash and bank deposits	4	7.703	36.536
		681.722	751.059
Total Assets		1.142.764	1.258.286
Equity and Liabilities			
Equity:			
Subscribed capital	28	280.000	280.000
Legal reserves	28	45.600	45.600
Other reserves	28	114.082	114.082
Retained earnings:			
Retained earnings		94.547	102.667
Unallocated earnings - equity method		(78.949)	(74.227)
Adjustments / other changes in equity:			
Unallocated earnings - equity method		78.949	74.227
Other adjustments to financial assets		(72.543)	(110.051)
Other changes in equity		(65.573)	(63.570)
		396.113	368.728
Net income for the period	28	(112.940)	(7.934)
Total Equity		283.173	360.794
Liabilities			
Non-current liabilities:			
Provisions	16	18.225	22.951
Financing obtained	20.2 e 27	280.894	311.470
Deferred tax liabilities	19	1.550	1.565
Other debts payable	20.2 e 27	-	11.334
		300.669	347.320
Current liabilities:			
Suppliers	20.2 e 27	149.641	140.222
Advanced client payments	20.2 e 27	65.870	63.704
Government and other public entities	20.2 e 27	8.468	11.488
Financing obtained	20.2 e 27	253.023	252.203
Other debts payable	20.2 e 27	64.355	58.570
Deferrals	20.2	17.565	23.985
		558.922	550.172
Total Liabilities		859.591	897.492
Total Equity and Liabilities		1.142.764	1.258.286

(Amounts in thousands of euros)

The Appendix is part of the Balance Sheet as of 31 December 2021.

The Certified Accountant

Board of Directors

II. INCOME STATEMENT BY ACTIVITY

Income and expenses	Notas	2021	2020
Sales and services rendered	15	230.301	276.649
Operating subsidies		228	101
Recognized gains / losses from subsidiaries and joint ventures	11 e 12	(403)	2.723
Changes in production inventories	13	-	(32)
Own work capitalised	7	664	768
Cost of goods sold and materials consumed	13	(57.637)	(53.491)
Supplies and external services	24	(176.443)	(160.709)
Personnel costs	23	(69.815)	(58.268)
Inventory impairment (losses / reversals)	9	(8)	(3)
Impairment of debts receivable (losses / reversals)	9	(21.668)	(5.676)
Provisions (increases / decreases)	16	5.780	(4.038)
Non depreciable / amortisable investments impairment (losses / reversals)	9	(148)	-
Fair value increases / decreases	8	4	(13)
Other income	25	31.169	45.235
Other expenses	26	(22.405)	(25.020)
EBITDA		(80.381)	18.226
Depreciation and amortization expenses	6, 7, 10 e 11	(13.479)	(15.138)
Impairment on depreciable investments (losses)	9	(30.310)	(113)
EBIT		(124.170)	2.975
Interest and similar income obtained	22	52.425	27.216
Interest and similar expenses incurred	22	(65.631)	(37.722)
Income before taxes		(137.376)	(7.531)
Corrent income taxes	19	24.436	(403)
Net income for the period		(112.940)	(7.934)

(Amounts in thousands of euros)

The Appendix is part of the Income Statement by Activity as of 31 December 2021.

The Certified Accountant

Board of Directors

III. STATEMENT OF CHANGES IN EQUITY

Description		Notes	Equity assigned to equity holders						Net income for the period	Total
			Subscribed capital	Legal reserves	Other reserves	Retained earnings	Adjustments in financial assets of subsidiaries and joint ventures	Other changes in equity		
Balance on January 1, 2020	1		280.000	45.500	112.537	(79.962)	106.568	(38.779)	1.645	427.509
Conversion differences for financial statements		18	-	-	-	-	-	(24.794)	-	(24.794)
Application of the equity method		11	-	-	-	-	(33.990)	-	-	(33.990)
Appropriation of profits			-	100	1.545	-	-	-	(1.645)	-
Other equity recognized transactions			-	-	-	108.402	(108.402)	3	-	3
	2		-	100	1.545	108.402	(142.392)	(24.791)	(1.645)	(58.781)
Net income for the period	3		-	-	-	-	-	-	(7.934)	(7.934)
Comprehensive income for the period	4=2+3		-	-	-	-	-	-	-	(66.715)
Balance on December 31, 2020	5=1+2+3		280.000	45.600	114.082	28.440	(35.824)	(63.570)	(7.934)	360.794
Balance on January 1, 2021	6		280.000	45.600	114.082	28.440	(35.824)	(63.570)	(7.934)	360.794
Financial statements conversion differences		18	-	-	-	-	-	(2.003)	-	(2.003)
Application of the equity method		11	-	-	-	-	37.508	-	-	37.508
Appropriation of profits			-	-	-	(7.934)	-	-	7.934	-
Other equity recognized transactions			-	-	-	(4.908)	4.722	-	-	(186)
	7		-	-	-	(12.842)	42.230	(2.003)	7.934	35.319
Net income for the period	8		-	-	-	-	-	-	(112.940)	(112.940)
Comprehensive income for the period	9=7+8		-	-	-	-	-	-	-	(77.621)
Balance on December 31, 2021	10=6+7+8		280.000	45.600	114.082	15.598	6.406	(65.573)	(112.940)	283.173

(Amounts in thousands of euros)

The Appendix is part of the Statement of changes in equity as of 31 December 2021.

The Certified Accountant

Board of Directors

IV. CASH-FLOW STATEMENT

Description	Notes	2021	2020
Operational activities:			
Client receivables		246.395	250.888
Payments to suppliers		(230.522)	(222.674)
Personnel payments		(40.290)	(29.566)
Cash generated by operations		(24.417)	(1.352)
Income tax payment / receipt		(1.553)	(964)
Other receipts / payments		(20.277)	30.016
Cash flows from operating activities (1)		(46.247)	27.700
Investment activities:			
Payments relating to:			
- Tangible fixed assets		(2.721)	(2.140)
- Intangible assets		(471)	(971)
- Financial investments		-	(13)
- Interests and similar income		-	-
- Other assets		-	-
- Related parties		(17.108)	(22.107)
Receipts from:			
- Tangible fixed assets		921	1.291
- Intangible assets		-	-
- Financial investments		-	18
- Other assets		-	-
- Investment subsidies		-	-
- Interests and similar income		8.527	2.398
- Dividends	4	1.773	1.118
- Related parties		76.505	9.113
Cash flows from investment activities (2)		67.426	(11.293)
Financing activities:			
Receipts from:			
- Financing obtained	20.2	2.719.536	2.707.825
- Capital payment and other equity instruments		-	-
- Losses coverage		-	-
- Financing obtained - Related parties	20.2	296.514	168.163
- Donations		-	91
- Other financing operations		-	-
Payments relating to:			
- Financing obtained	20.2	(2.726.232)	(2.732.339)
- Capital reduction and other equity instruments		-	-
- Amortisation of financial lease contracts	20.2	(552)	(154)
- Interests and similar expenses		(18.576)	(22.941)
- Financing obtained - Related parties	20.2	(320.650)	(142.901)
- Dividends	4	-	-
- Other financing operations		-	-
Cash flows from financing activities (3)		(49.960)	(22.256)
Change in cash and cash equivalents (1 + 2 + 3)		(28.781)	(5.849)
Effect of exchange rate differences		(52)	(5.627)
Cash and cash equivalents at the beginning of the period	4	36.536	48.012
Cash and cash equivalents at the end of the period	4	7.703	36.536

(Amounts in thousands of euros)

The Appendix is part of the Cash Flow Statement as of 31 December 2021.

The Certified Accountant

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 Normalisation 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 Normalisation 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 Normalisation System were removed in view of the need for them to give a true and appropriate picture of the entity's assets, liabilities and results, so there is no effect on the financial statements arising from this situation.

3. MAIN ACCOUNTING POLICIES

3.1 MEASUREMENT BASES

The financial statements were prepared in accordance with the historical cost convention, 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*) (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
<i>Goodwill</i>	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. Amortisation is carried out according to the following estimated service lives:

	Years of useful life
Computer software	3
Industrial property	3 - 60

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 of 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 will 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; and
- The completion phase of the transaction at the balance sheet date can be reliably measured; and
- The costs incurred or to be incurred in connection with the transaction can be reliably measured.

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.

l) 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 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.

m) Pensions Liabilities

The Company provides its employees with retirement insurance constituted within the framework of a social and incentives policy for workers. Characterized by its optional nature, it is by the exclusive decision of Management that contributions are made at each moment that they appear appropriate, considering performance and the economic and financial situation. Thus, contributions made are registered as an expense on the date on which they are due.

Without prejudice to its voluntary origin, the availability of contributions made by the Company are exclusively those provided for in the applicable tax legislation.

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, being the latter the recognition of temporary differences between the accounting and tax results, as provided for in NCRF 25 - Income taxes.

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

The active and passive deferred taxes are calculated and annually evaluated using the taxing rates in force or announced to be in force at the expected date for the reversion of the temporary differences.

Deferred tax assets are recognised only when there are reasonable expectations of enough future tax profits for their use, or in situations where there are taxable temporary differences that compensate for the temporary deductible differences in the period of their reversal. Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred taxes are recorded as expenditure or income for the period, unless they result from amounts recorded directly in equity, in which case the deferred tax is also recorded under the same item.

At the end of each period, a review of the deferred taxes recorded is carried out, and the amount of the same is adjusted according to the expectations of future use.

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; and
- The resulting exchange rate differences are recognised as a separate component in equity.

3.3 VALUE JUDGEMENTS OF THE MANAGEMENT BODY

In the preparation of the financial statements, the Company adopted certain assumptions and estimates that affect the assets and liabilities, income and expenses reported. All estimates and assumptions made by the management body were done so based on its best existing knowledge, at the approval date of the financial statements, events and ongoing transactions.

The most significant accounting estimates reflected in the financial statements include: i) 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, 2021 and 2020, the detail of cash and bank deposits was as follows:

	31/12/2021	31/12/2020
Cash	261	271
Current accounts	7.169	22.337
Fixed-term deposits	273	13.928
	7.703	36.536

Flows from investment activities

Payments for financial investments in the periods ended December 31, 2021 and 2020, relate to the following transactions:

	2021	2020
AEBT, S.A.	1.773	311
TDHOSP, S.A.	-	370
GUAYAQUIL II	-	437
	1.773	1.118

5. RELATED PARTIES

Final parent company

Identification Teixeira Duarte, S.A.

Head Office: Lagoas Park, Edifício 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, 2021 and 2020, was as follows:

	2021	2020
Executive directors:		
Short-term benefits	772	1.626
	772	1.626

Compensation awarded to the members of the Company's senior management, in the periods ended December 31, 2021 and 2020, was as follows:

	2021	2020
Top management		
Short-term benefits	4.734	4.304

Balances and transactions

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

The main balances in the periods ended December 31, 2021 and 2020, with related parties can be detailed as follows:

	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Parent Company:								
Teixeira Duarte, S.A.	86.316	68.987	-	-	2.443	7.392	1.020	-
Subsidiaries:								
BOYACÁ - La Guaira, A.C.E.	2.376	11.334	-	-	(52)	-	-	-
EMPA - Serviços de Engenharia, S.A.	143	324	-	-	104	98	787	69
EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A.	2.687	2.480	-	-	58	21	19.990	6.623
EPOS, S.A. (Sucursal de Angola)	-	-	-	-	-	16	-	-
EPOS, S.A. (Sucursal de Brasil)	0	77	-	-	-	-	-	-
EPOS, S.A. (Sucursal da Colômbia)	154	142	-	-	-	-	-	-
EPOS, S.A. (Sucursal da Espanha)	-	-	-	-	-	-	-	-
TDAP-Atividades Portuárias, S.A.	1	1	-	-	-	-	-	-
EPOS, S.A. (Sucursal de Peru)	0	0	-	-	-	-	59	-
TEIXEIRA DUARTE Algérie, S.P.A.	1.679	439	-	-	10.719	11.106	-	-
TEIXEIRA DUARTE - Engenharia e Construções (Angola), Lda.	29.160	23.540	-	-	20.476	16.694	-	-
TEIXEIRA DUARTE - Engenharia e Construções Colombia, S.A.S.	1.648	1.289	-	-	-	-	-	-
TEIXEIRA DUARTE - Engenharia e Construções, S.A. (Sucursal de Macau)	-	-	-	-	-	-	-	-
TEIXEIRA DUARTE - Engenharia e Construções, Lda. (Moçambique)	6.643	3.527	-	-	11.458	13.996	-	-
TEIXEIRA DUARTE PERU, Lda.	-	-	-	-	-	-	-	-
TEGAVEN - Teixeira Duarte y Asociados, C.A.	1	-	-	-	(20)	-	-	-
UTE - Viana	6	2.240	-	-	-	-	-	-
	44.498	45.393	-	-	42.743	41.931	20.836	6.692
Joint ventures:								
CONBATE, A.C.E.	8	13	-	-	4	1	-	-
CONSTRUSALAMONDE, A.C.E.	1	1	-	-	-	1	120	440
DOURO LITORAL OBRAS ESPECIAIS, A.C.E.	-	-	-	-	10	2	-	-
DOURO LITORAL, A.C.E.	-	14	-	-	43	41	-	-
METROLIGEIRO - Construção de Infraestruturas, A.C.E.	9	32	-	-	-	-	-	-
NOVA ESTAÇÃO, A.C.E.	-	286	-	-	-	88	-	(7)
TD / SOPOL - Metro Superfície, A.C.E.	7	7	-	-	55	55	-	-
TD / SOMAFEL - Viad. do Campo Grande, A.C.E.	741	-	-	-	277	-	-	-
TRÊS PONTO DOIS, A.C.E.	-	-	-	-	-	35	-	-
	766	353	-	-	389	223	120	433
Other related parties:								
ALVALADE, Lda.	377	226	-	-	277	212	-	-
AUTO COMPETIÇÃO ANGOLA (S.U.), Lda.	78	225	-	-	-	-	-	-
AVENIDA, Lda.	792	733	-	-	135	129	-	-
C + PA, S.A.	1	1	-	-	-	192	-	58.109
COMÉRCIO DE AUTOMÓVEIS (S.U.), Lda.	80	62	-	-	-	-	-	-
CND (S.U.), Lda.	26.304	26.761	-	-	26.304	26.324	-	-
ESTA, S.A.	38	37	-	-	22	18	8.085	1.567
FUNDO DE INVESTIMENTO - TDF	18.597	4.631	-	4.177	-	-	-	-
GO CORP, S.A.	1.329	1.264	-	-	33	49	2.795	10.233
IMOPEDROUÇOS, S.A.	1	1	-	-	-	36	130	10.939
LAGOAS HOTEL, S.A.	11	13	-	-	6	22	-	2.940
SOMAFEL, S.A.	370	91	-	-	2.253	2.146	9.040	7.645
TDA (S.U.), Lda.	550	407	-	-	62	40	-	-
TDGI, S.A.	244	234	-	-	75	44	14.290	8.308
TDH - SGPS, S.A.	1	1	-	-	1	9	349	4.038
TDQ, S.A.	26	31	-	-	74	287	25.571	87.804
TEDAL - SGPS, S.A.	2	2	-	-	31	20	10.645	9.366
TEIXEIRA DUARTE - Distribuição, S.A.	82	91	-	-	754	708	6.150	2.720
TEIXEIRA DUARTE - G.P.I.I., S.A.	529	672	-	-	754	505	86.445	-
Others	5.978	4.918	-	-	2.195	1.884	4.865	4.207
	55.390	40.401	-	4.177	32.976	32.625	168.365	207.876
	186.970	155.134	-	4.177	78.551	82.171	190.341	215.001

	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Parent Company:						
Teixeira Duarte, S.A.	(277)	133	412.465	427.766	3.072	3.996
Subsidiaries:						
BOYACÁ - La Guaira, A.C.E.	-	-	-	241	-	-
EMPA - Serviços de Engenharia, S.A.	-	-	273	-	373	(108)
EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A.	-	-	31	-	57	626
EPOS, S.A. (Sucursal de Angola)	-	-	-	-	936	753
EPOS, S.A. (Sucursal de Brasil)	-	-	78	-	-	-
EPOS, S.A. (Sucursal da Colômbia)	-	-	-	-	-	-
EPOS, S.A. (Sucursal da Espanha)	-	-	-	-	-	-
TDAP-Atividades Portuárias, S.A.	-	-	31	14	-	-
EPOS, S.A. (Sucursal de Peru)	-	-	-	-	-	(37)
TEIXEIRA DUARTE Algérie, S.P.A.	-	-	-	3.949	(345)	216
TEIXEIRA DUARTE - Engenharia e Construções (Angola), Lda.	-	-	26.721	25.508	54	27
TEIXEIRA DUARTE - Engenharia e Construções Colombia, S.A.S.	-	-	-	-	-	(94)
TEIXEIRA DUARTE - Engenharia e Construções, S.A. (Sucursal de Macau)	-	-	(185)	(158)	-	13
TEIXEIRA DUARTE - Engenharia e Construções, Lda. (Moçambique)	-	-	380	3.485	17.947	13.509
TEIXEIRA DUARTE PERU, Lda.	-	-	287	271	-	19
TEGAVEN - Teixeira Duarte y Asociados, C.A.	-	-	11	238	2	124
UTE - Viana	-	-	2.403	29	-	-
	-	-	30.030	33.577	19.024	15.048
Joint ventures:						
CONBATE, A.C.E.	-	-	69	-	-	-
CONSTRUSALAMONDE, A.C.E.	-	-	-	-	-	2
DOURO LITORAL OBRAS ESPECIAIS, A.C.E.	-	-	-	-	(26)	-
DOURO LITORAL, A.C.E.	-	-	91	5	1	-
METROLIGEIRO - Construção de Infraestruturas, A.C.E.	-	-	11	11	-	-
NOVA ESTAÇÃO, A.C.E.	-	-	-	14	-	163
TD / SOPOL - Metro Superfície, A.C.E.	-	-	-	-	-	-
TD / SOMAFEL - Viad. do Campo Grande, A.C.E.	-	-	1	-	1.451	8
TRÊS PONTO DOIS, A.C.E.	-	-	-	-	-	-
	-	-	172	30	1.426	173
Other related parties:						
ALVALADE, Lda.	-	-	-	2	4	-
AUTO COMPETIÇÃO ANGOLA (S.U.), Lda.	-	-	-	-	-	-
AVENIDA, Lda.	-	-	-	-	-	-
C + PA, S.A.	-	-	-	-	(5)	200
COMÉRCIO DE AUTOMÓVEIS (S.U.), Lda.	-	-	-	-	-	-
CND (S.U.), Lda.	(8)	-	-	21	-	7
ESTA, S.A.	-	-	4	-	16	7
FUNDO DE INVESTIMENTO - TDF	-	-	-	-	1.256	-
GO CORP, S.A.	-	-	-	-	6	35
IMOPEDROUÇOS, S.A.	-	-	-	-	(1)	37
LAGOAS HOTEL, S.A.	-	-	-	-	-	10
SOMAFEL, S.A.	1.669	(917)	207	207	245	431
TDA (S.U.), Lda.	-	-	-	2	-	-
TDGI, S.A.	42	(208)	(12)	(16)	239	273
TDH - SGPS, S.A.	-	-	1	-	1	14
TDO, S.A.	-	-	6	-	8.168	7.924
TEDAL - SGPS, S.A.	-	-	-	-	25	25
TEIXEIRA DUARTE - Distribuição, S.A.	-	-	4	-	736	732
TEIXEIRA DUARTE - G.P.I.I., S.A.	(150)	-	3.209	56.950	207	(8)
Others	2	(3)	1.261	2.190	571	459
	1.555	(1.128)	4.680	59.356	11.468	10.146
	1.278	(995)	447.347	520.729	34.990	29.363

The main transactions carried out in the periods ended December 31, 2021 and 2020, with related parties can be detailed as follows:

	Sales and services rendered		Interest and similar income obtained		Other income		Cost of goods sold and materials consumed	
	2021	2020	2021	2020	2021	2020	2021	2020
Parent company:								
Teixeira Duarte, S.A.	236	474	11.362	15.912	(144)	-	-	-
Subsidiaries:								
EMPA - Serviços de Engenharia, S.A.	89	82	-	311	-	693	(1)	-
EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A.	1.028	851	-	-	543	546	-	4
EPOS, S.A. (Sucursal de Angola)	3	6	-	-	-	-	-	4
EPOS, S.A. (Sucursal de Brasil)	-	-	-	-	-	-	-	-
EPOS, S.A. (Sucursal da Colômbia)	-	-	-	-	-	446	-	-
TDAP-Atividades Portuárias, S.A.	7	4	-	1	-	-	-	-
TEIXEIRA DUARTE Algérie, S.P.A.	1.414	38	-	-	37	200	-	-
TEIXEIRA DUARTE - Engenharia e Construções (Angola), Lda.	250	292	-	195	107	216	20	1
TEIXEIRA DUARTE - Engenharia e Construções Colômbia, S.A.S.	237	71	-	-	161	-	-	-
TEIXEIRA DUARTE - Engenharia e Construções, Lda. (Moçambique)	1.690	5.832	-	-	563	1.230	-	1
TEGAVEN - Teixeira Duarte y Asociados, C.A.	-	-	-	-	-	-	-	-
UTE - Viana	-	-	-	-	-	2.844	-	-
	4.718	7.176	-	507	1.411	6.175	19	10
Joint ventures:								
CONBATE, A.C.E.	140	89	-	-	-	-	-	-
CONSTRUSALAMONDE, A.C.E.	10	6	-	-	-	-	-	-
DOURO LITORAL, A.C.E.	34	57	-	-	-	-	-	-
METROLIGEIRO - Construção de Infraestruturas, A.C.E.	-	-	-	-	-	-	-	-
NOVA ESTACÃO, A.C.E.	-	19	-	-	-	7	-	-
TD / SOPOL - Metro Superfície, A.C.E.	-	-	-	-	-	-	-	-
TD / SOMAFEL - Viad. do Campo Grande, A.C.E.	741	-	1	-	-	-	-	-
	925	171	1	-	-	7	-	-
Other related parties:								
ALVALADE, Lda.	264	429	-	-	91	21	-	-
AUTO COMPETIÇÃO ANGOLA (S.U.), Lda.	35	46	-	-	-	-	-	-
AVENIDA, Lda.	64	72	-	-	16	155	-	-
C + PA, S.A.	12	13	-	-	-	-	-	-
COMÉRCIO DE AUTOMÓVEIS (S.U.), Lda.	46	67	-	-	-	3	-	-
CND (S.U.), Lda.	1.471	992	-	-	159	31	78	5
ESTA, S.A.	340	305	-	-	2	2	-	-
FUNDO DE INVESTIMENTO - TDF	43.544	30.775	-	-	-	-	-	-
GO CORP, S.A.	30	39	-	-	-	-	-	-
IMOPEDROUÇOS, S.A.	13	10	-	-	-	-	-	-
LAGOAS HOTEL, S.A.	114	115	-	-	-	2	-	-
SOMAFEL, S.A.	968	750	-	-	196	112	78	1.794
TDA (S.U.), Lda.	373	392	-	607	-	34	1	2
TDGI, S.A.	1.700	1.430	-	-	(2)	32	19	1
TDH - SGPS, S.A.	25	9	-	-	-	-	-	-
TDQ, S.A.	302	265	-	-	-	15	-	-
TEDAL - SGPS, S.A.	23	20	-	-	-	-	-	-
TEIXEIRA DUARTE - Distribuição, S.A.	596	611	-	-	-	4	-	-
TEIXEIRA DUARTE - G.P.I.I., S.A.	660	704	11	2.019	(150)	5	-	-
Others	7.363	2.169	133	17	433	563	11	35
	57.943	39.213	144	2.643	745	979	187	1.837
	63.822	47.034	11.507	19.062	2.012	7.161	206	1.847

	Supplies and external services		Personnel costs		Interest and similar expenses incurred		Other expenses	
	2021	2020	2021	2020	2021	2020	2021	2020
Parent company:								
Teixeira Duarte, S.A.	3.160	3.859	-	-	4	1.801	-	4
Subsidiaries:								
EMPA - Serviços de Engenharia, S.A.	98	-	(20)	-	1	-	(1)	22
EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A.	-	1.006	-	-	255	286	-	-
EPOS, S.A. (Sucursal de Angola)	-	-	-	-	-	-	-	-
EPOS, S.A. (Sucursal de Brasil)	(45)	(45)	(33)	(129)	-	-	-	(5)
EPOS, S.A. (Sucursal da Colômbia)	-	-	-	-	-	-	-	-
TDAP-Atividades Portuárias, S.A.	-	-	-	-	-	-	-	-
TEIXEIRA DUARTE Algérie, S.P.A.	(559)	3.456	-	-	-	-	21	-
TEIXEIRA DUARTE - Engenharia e Construções (Angola), Lda.	229	263	-	-	-	-	-	-
TEIXEIRA DUARTE - Engenharia e Construções Colombia, S.A.S.	-	-	-	-	-	-	-	288
TEIXEIRA DUARTE - Engenharia e Construções, Lda. (Moçambique)	286	327	1	1	-	5.114	-	-
TEGAVEN - Teixeira Duarte y Asociados, C.A.	-	5	-	-	-	-	-	-
UTE - Viana	-	-	-	-	-	-	-	-
	9	5.012	(52)	(128)	256	5.400	20	305
Joint ventures:								
CONBATE, A.C.E.	3	-	-	-	-	-	-	-
CONSTRUSALAMONDE, A.C.E.	-	-	-	-	(291)	18	-	-
DOURO LITORAL, A.C.E.	2	6	-	-	-	-	-	-
METROLIGEIRO - Construção de Infraestruturas, A.C.E.	-	-	-	-	-	-	-	-
NOVA ESTAÇÃO, A.C.E.	32	-	-	-	-	-	-	163
TD / SOPOL - Metro Superfície, A.C.E.	-	-	-	-	-	-	-	-
TD / SOMAFEL - Viad. do Campo Grande, A.C.E.	234	3	-	-	35	-	15	-
	271	9	-	-	(256)	18	15	163
Other related parties:								
ALVALADE, Lda.	-	-	-	-	-	-	-	-
AUTO COMPETIÇÃO ANGOLA (S.U.), Lda.	8	5	-	-	-	-	-	-
AVENIDA, Lda.	-	-	-	-	-	7	-	-
C + PA, S.A.	-	-	-	-	(4)	2.306	-	-
COMÉRCIO DE AUTOMÓVEIS (S.U.), Lda.	3	3	-	-	-	-	-	-
CND (S.U.), Lda.	85	114	-	2	-	-	4	1
ESTA, S.A.	-	-	-	-	78	80	-	-
FUNDO DE INVESTIMENTO - TDF	-	-	-	-	-	-	-	-
GO CORP. S.A.	227	189	-	-	62	404	-	-
IMOPEDROUÇOS, S.A.	-	-	-	-	-	442	-	-
LAGOAS HOTEL, S.A.	51	51	31	18	(6)	151	-	-
SOMAFEL, S.A.	(21)	4.827	-	125	205	580	62	-
TDA (S.U.), Lda.	386	345	-	-	-	-	-	-
TDGI, S.A.	413	397	-	-	354	263	-	-
TDH - SGPS, S.A.	-	-	-	-	7	161	-	-
TDO, S.A.	-	13	-	-	1.340	3.256	-	-
TEDAL - SGPS, S.A.	-	-	-	-	328	190	-	-
TEIXEIRA DUARTE - Distribuição, S.A.	-	2	-	-	132	365	-	-
TEIXEIRA DUARTE - G.P.I.I., S.A.	1.674	1.585	-	1	2.546	223	-	-
Others	831	777	(91)	721	136	107	(1)	16
	3.657	8.308	(60)	867	5.178	8.535	65	17
	7.097	17.188	(112)	739	5.182	15.754	100	489

6. INTANGIBLE ASSETS

During the period ended December 31, 2021, the changes in intangible Assets, as well as in the respective accumulated amortisations, were as follows:

	Opening balance	Additions	Transfers and write-offs	Final balance
Gross Assets:				
Computer software	4.375	395	(541)	4.229
Industrial property and other rights	46.194	-	-	46.194
Other intangible assets	1.240	-	(275)	965
Intangible assets in progress	960	112	(184)	888
	52.769	507	(1.000)	52.276
Accumulated depreciation:				
Computer software	4.050	125	(725)	3.450
Industrial property and other rights	8.902	1.871	-	10.773
	12.952	1.996	(725)	14.223
Accumulated impairment losses:				
Industrial property and other rights (Note 9)	-	28.947	-	28.947
Other intangible assets (Note 9)	113	-	(113)	-
	113	28.947	(113)	28.947
Valor líquido dos Ativos intangíveis	39.704			9.106

During the period ended December 31, 2021, the changes in intangible Assets, as well as in the respective accumulated amortisations, were as follows:

	Opening balance	Additions	Transfers and write-offs	Final balance
Ativo bruto:				
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	-	113	-	113
Net value of the intangible assets	39.107			39.704

7. TANGIBLE FIXED ASSETS

During the period ended December 31, 2021, the changes in tangible Assets, as well as in the respective accumulated amortisations, were as follows:

	Opening balance	Additions	Works for the entity itself - (a)	Transfers and write-offs	Disposals	Final balance
Gross assets:						
Buildings and other constructions	18.837	163	6	(658)	-	18.348
Basic equipment	107.578	4.292	548	(143)	(5.361)	106.914
Transport equipment	19.819	247	76	(2)	(1.052)	19.088
Tools and utensils	27.312	458	34	(1.616)	(611)	25.577
Office equipment	6.408	434	-	1.397	(124)	8.115
Other tangible fixed assets	37	24	-	-	-	61
	179.991	5.618	664	(1.022)	(7.148)	178.103
Accumulated depreciation:						
Buildings and other constructions	12.958	614	-	(540)	-	13.032
Basic equipment	100.067	4.024	-	(24)	(5.215)	98.852
Transport equipment	16.827	408	-	374	(836)	16.773
Tools and utensils	24.253	1.757	-	(1.267)	(582)	24.161
Office equipment	5.939	317	-	1.399	(123)	7.532
Other tangible fixed assets	15	6	-	-	-	21
	160.059	7.126	-	(58)	(6.756)	160.371
Accumulated impairment losses:						
Buildings and other constructions (Note 9)	-	1.096	-	-	-	1.096
Basic equipment (Note 9)	-	232	-	-	-	232
Transport equipment (Note 9)	-	3	-	-	-	3
Tools and utensils (Note 9)	-	132	-	-	-	132
Office equipment (Note 9)	-	13	-	-	-	13
	-	1.476	-	-	-	1.476
Net value of the tangible fixed assets	19.932					16.256

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

During the period ended December 31, 2021, the changes in tangible Assets, as well as in the respective accumulated depreciation, were as follows:

	Opening balance	Additions	Works for the entity itself - (a)	Transfers and write-offs	Disposals	Final balance
Gross assets:						
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:						
Buildings and other constructions	13.018	642	-	(502)	(200)	12.958
Basic equipment	103.056	4.977	-	(2.656)	(5.311)	100.067
Transport equipment	19.329	998	-	(252)	(3.246)	16.827
Tools and utensils	23.099	1.706	-	(403)	(148)	24.253
Office equipment	8.377	339	-	(2.701)	(76)	5.939
Other tangible fixed assets	178	2	-	(165)	-	15
	167.057	8.664	-	(6.679)	(8.981)	160.059
Net value of the tangible fixed assets	26.331					19.932

(a) - The works for the entity itself are essentially due to the capitalization of costs associated with the manufacture of basic equipment, transportation 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, 2021 and 2020, the amounts entered under the investment properties item are as follows:

	31/12/2021	31/12/2020
Buildings and other constructions	193	189
	193	189

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 and 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, 2021 and 2020 were:

	2021	2020
Income:		
Investment property rents	22	24
	22	24
Direct operating expenses:		
Generated rental income	(7)	(11)
Did not generate rental income	-	-
	(7)	(11)
	15	13

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:

	2021	2020
Balance on January 1	189	265
Decreases	-	(63)
Change in fair value	4	(13)
Balance on December 31	193	189

The decrease in the period ended 31 December 2021 refers to the disposal of a fraction.

9. IMPAIRMENT OF ASSETS

The amounts related to losses / unwinding of assets recognized in results in the periods ended December 31, 2021 and 2020 were:

	2021						
	Opening balance	Increases	Decreases		Settlements / Transferrals	Currency conversion effects	Final balance
			Direct use	Reversal			
Debts receivable (Note 20.1)	52.632	21.668	(930)	-	16.694	1.867	91.931
Inventories (Note 13)	238	23	-	(15)	-	35	281
Financing investments (Note 20.1)	-	148	-	-	-	-	148
Tangible fixed assets (Note 7)	-	1.476	-	-	-	-	1.476
Intangible assets (Note 6)	113	28.947	-	(113)	-	-	28.947
Other debtors (Note 20.1)	216	-	-	-	-	-	216
	53.199	52.262	(930)	(128)	16.694	1.902	122.999
	2020						
	Opening balance	Increases	Decreases		Settlements / Transferrals	Currency conversion effects	Final balance
			Reversals				
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

During the period ended 31 December, 2021, and following the decision of the Board of Directors, regarding the suspension of the activity in six projects in Algeria, were recognised impairments in the receivable accounts of 15.446 thousand euros and tangible fixed assets of 1.475 thousand euros.

Were also recorded impairments in intangible Assets of 28.947 thousand euros regarding the concession of the Puerto de La Guaira and reinforcement of impairments in Receivable debts of 4.484 thousand euros.

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 amounts related to Goodwill in the periods ended December 31, 2021 and 2020 were:

	31/12/2021		
	Gross amounts	Accumulated depreciation	Net amounts
Investments in subsidiaries (Note 11)	43.567	(26.141)	17.426
	43.567	(26.141)	17.426

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

In the period ended December 31, 2021, 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, 2021, and 2020, the Company had registered in the Financial holdings item – equity method, the following different amounts per investment:

	31/12/2021	31/12/2020
Investments in subsidiaries	243.791	206.717
Investimentos em associadas	698	659
Investments in jointly controlled entities	1.562	1.887
	246.051	209.263

Investments in subsidiaries

As of December 31, 2021, 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	Distrito 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 de Ecuador	61,00%
OPSUT - Consorcio Octavo Proyecto de Servicio Universal de Telecomu	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.	Distrito Capital - Caracas - Venezuela	100,00%
TEIXEIRA DUARTE - Construccions 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 Alcocer, 24-7º - Madrid - Espanha	30,00%

The main financial information, adjusted for the purposes of applying the equity method for subsidiary companies as of December 31, 2021 and 2020, is as follows:

	Assets		Liabilities		Income		Net income	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	2021	2020	2021	2020
ADOQUINVAR, C.A.	-	14	-	101	-	60	-	(87)
CBLG	14.109	14.036	14.116	14.045	1	18	(7)	(11)
CONLUVAR	-	94	-	128	-	185	-	(34)
EMPA, S.A.	30.089	33.597	14.640	14.162	31.758	223.868	(4.003)	(1.084)
EPOS, S.A.	54.159	42.159	33.074	29.523	66.840	53.157	5.866	1.702
TDAP, S.A.	95	78	33	17	7	-	(1)	(12)
TEGAVEN, C.A.	38	5	226	154	137	18	152	(145)
TEIXEIRA DUARTE - C.S., LLC	1.025	354	1.268	1.171	-	(24)	(9)	(24)
TEIXEIRA DUARTE - E.C.(Colômbia), S.A.S.	944	1.198	1.462	809	705	2.871	(905)	(59)
TEIXEIRA DUARTE - E.C.(Angola), Lda.	345.929	296.819	104.868	91.907	12.951	33.986	(1.279)	4.442
TEIXEIRA DUARTE - E.C.(Macau), Lda.	145	183	3	1	-	-	(6)	(1)
TEIXEIRA DUARTE - E.C.(Moçambique), Lda.	62.005	43.469	28.738	15.657	31.113	16.454	(1.893)	(1.879)
TEIXEIRA DUARTE, SPA	16.756	17.832	6.334	8.666	3.006	6.719	68	(23)
TEIXEIRA DUARTE PERÚ - I.C., S.A.C.	29	30	287	268	14	7	(23)	(35)
UTE VIANA	2.432	2.516	2.591	2.339	64	157	(179)	157
	527.755	452.384	207.640	178.948	146.596	337.476	(2.219)	2.907

(a) - In the periods ended December 31, 2021 and 2020, Teixeira Duarte – Engenharia e Construções (Angola), Lda has in its equity the amounts of 15.557 thousand euros and 18.443 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 2021 of 107.578 thousand euros on the Company's equity.

In the periods ended December 31, 2021 and 2020, the equity holdings in subsidiary companies had the following changes:

	Equity holdings	Goodwill	Total
Balance on January 1, 2020	215.562	26.140	241.702
Increase	22.731	-	22.731
Amortisation	-	(4.357)	(4.357)
Effects of applying the equity method:			
- Effect on income for the period	2.470	-	2.470
- Effect on equity	(34.041)	-	(34.041)
- Dividends	(2)	-	(2)
Currency conversion effects	(3)	-	(3)
Balance on December 31, 2020	206.717	21.783	228.500
Balance on January 1, 2021	206.717	21.783	228.500
Amortisation	-	(4.357)	(4.357)
Effects of applying the equity method:			
- Effect on income for the period	(410)	-	(410)
- Effect on equity	37.531	-	37.531
- Dividends	(47)	-	(47)
Balance on December 31, 2021	243.791	17.426	261.217

The detail of the investment in subsidiaries in the periods ended December 31, 2021 and 2020, was as follows:

	Equity holdings	
	31/12/2021	31/12/2020
EMPA - Serviços de Engenharia, S.A.	15.449	19.865
EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A.	21.085	18.522
TDAP - Atividades Portuárias, S.A.	22	21
TEIXEIRA DUARTE - Engenharia e Construções (Colômbia), S.A.S.	-	367
TEIXEIRA DUARTE - Engenharia e Construções Angola, Lda.	180.404	144.704
TEIXEIRA DUARTE - Engenharia e Construções Macau, Lda.	114	107
TEIXEIRA DUARTE - Engenharia e Construções Moçambique, Lda.	16.301	13.918
TEIXEIRA DUARTE Algérie, SPA	10.416	9.160
UTE VIANA	-	53
	243.791	206.717

The Company has recorded in the period ended December 31, 2021 and 2020, a *Goodwill* of an amount of 17.426 thousand euros regarding its participation in the company EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A., which will be amortised during a period of 10 years, since 2016.

The effect of the application of the equity method in the periods ended December 31, 2021 and 2020, can be detailed as follows:

	Gains Losses		Equity adjustments		Dividends	
	2021	2020	2021	2020	2021	2020
EMPA, LTD.	(4.003)	(2.045)	(413)	(6.845)	-	-
EPOS, S.A.	5.866	1.670	(3.303)	2.582	-	-
TDAP, S.A.	(1)	(12)	2	1	-	-
TEIXEIRA DUARTE - E.C.(Colômbia), S.A.S.	(363)	(81)	(3)	(61)	-	-
TEIXEIRA DUARTE - E.C. (Angola), Lda.	(1.023)	3.553	36.722	(23.134)	-	-
TEIXEIRA DUARTE - E.C.(Macau), Lda.	(5)	(7)	12	(46)	-	-
TEIXEIRA DUARTE - E.C.(Moçambique), Lda.	(943)	(630)	3.327	(4.614)	-	-
TEIXEIRA DUARTE, SPA	68	(24)	1.187	(1.924)	-	-
UTE VIANA	(6)	47	-	-	(47)	(2)
	(410)	2.471	37.531	(34.041)	(47)	(2)

Investments in associated companies

As of December 31, 2021, the Company had the following financial holdings in associated companies, measured by the equity method:

Corporate name	Headquarters	Percentage of effective participation
GUAYAQUIL II - Consorcio Puente Daule	Avenida Francisco de Orellana, Guayaquil - República do Equador	20,00%

The main financial information, adjusted for the purposes of applying the equity method for associated companies as of December 31, 2021 and 2020, is as follows:

	Assets		Liabilities		Income		Net income	
	2021	2020	2021	2020	2021	2020	2021	2020
GUAYAQUIL II - Consorcio Puente Daule	35.302	33.910	31.810	30.619	-	15.482	(70)	686

In the periods ended December 31, 2021 and 2020, the equity holdings in associated companies had the following changes:

	Equity holdings
Balance on January 1, 2020	1.025
Effects of applying the equity method:	
- Effect on income for the period	137
- Dividends	(407)
Currency conversion effects	(96)
Balance on December 31, 2020	659
Balance on January 1, 2021	659
Effects of applying the equity method:	
- Effect on income for the period	(15)
- Dividends	(18)
Currency conversion effects	72
Balance on December 31, 2021	698

The detail of investments in associated companies throughout the periods ending on the 31st of December 2021 and 2020, is as follows:

	Equity holdings	
	2021	2020
GUAYAQUIL II - Consorcio Puente Daule	698	659

The effect of the application of the equity method in the periods ended December 31, 2021 and 2020, can be detailed as follows:

	Gains / Losses		Dividends		Currency conversion effects	
	2021	2020	2021	2020	2021	2020
GUAYAQUIL II - Consorcio Puente Daule	(14)	137	(18)	(407)	72	(96)
	(14)	137	(18)	(407)	72	(96)

Interests in joint ventures

As of December 31, 2021, the Company had the following financial holdings in joint ventures, measured by the equity method:

Corporate name	Headquarters	Percentage of effective participation
CONBATE, ACE	Edifício 2, Lagoas Park, Oeiras	20,00%
CONSTRUSALAMONDE, ACE	Edifício 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	Edifício 2, Lagoas Park, Oeiras	40,00%
METROLIGEIRO - Construção de Infraestruturas, ACE	Rua Abranches Ferrão, Nº 10 – 5º F, Lisboa	26,80%
NOVA ESTAÇÃO, ACE	Edifício 6, Piso 1, Lagoas Park, Oeiras	25,00%
TEIXEIRA DUARTE - SOMAFEL - Vialitos do Campo Grande, ACE	Edifício 2, Lagoas Park, Oeiras	78,00%
TEIXEIRA DUARTE / SOPOL - Metro de Superfície, ACE	Edifício 2, Lagoas Park, Oeiras	57,30%
TRÊS PONTO DOIS - Trabalhos Gerais de Construção Civil, Via e Calenária de Modernização da Linha do Norte, ACE	Av. Das Forças Armadas, 125 - 2ºC, Lisboa	50,00%

The main financial information, adjusted for the purposes of applying the equity method for joint ventures as of December 31, 2021 and 2020, is as follows:

	Assets		Liabilities		Income		Net income	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	2021	2020	2021	2020
CONBATE, ACE	1.003	291	431	256	4.359	-	423	(55)
CONSTRUSALAMONDE, ACE	409	483	584	739	146	24	82	1
DOURO LITORAL, ACE	4.982	5.345	1.362	1.580	45	668	(145)	351
D.L.O.E., ACE	743	757	-	2	-	-	(13)	(31)
METROLIGEIRO, ACE	14	24	25	110	-	-	(11)	-
NOVA ESTAÇÃO, ACE	-	735	-	740	-	501	-	-
TEIXEIRA DUARTE - SOMAFEL, ACE	3.553	15	3.553	15	1.124	10	-	-
TEIXEIRA DUARTE / SOPOL, ACE	193	192	193	192	1	-	-	-
TRÊS PONTO DOIS, ACE	-	183	-	93	-	98	-	85
	10.897	8.025	6.148	3.727	5.675	1.301	336	351

In the periods ended December 31, 2021 and 2020, the equity holdings in joint ventures had the following changes:

	Equity holdings	Goodwill	Total
Balance on January 1, 2020	1.772	-	1.772
Effects of applying the equity method:			
- Effect on income for the period	115	-	115
Balance on December 31, 2020	1.887	-	1.887
Balance on January 1, 2021	1.887	-	1.887
Decrease	(297)	-	(297)
Effects of applying the equity method:			
- Effect on income for the period	22	-	22
- Effect on equity	(5)	-	(5)
- Dividends paid	(45)	-	(45)
Balance on December 31, 2020	1.562	-	1.562

The effect of the application of the equity method in the periods ended December 31, 2021 and 2020, can be detailed as follows:

	Gains / losses		Equity adjustments		Dividends	
	2021	2020	2021	2020	2021	2020
CONBATE, ACE	85	(55)	(5)	-	-	-
DOURO LITORAL, ACE	(58)	140	-	-	-	-
D.L.O.E., ACE	(5)	(12)	-	-	-	-
TRÊS PONTO DOIS, ACE	-	42	-	-	(45)	-
	22	115	(5)	-	(45)	-

12. GAINS / LOSSES ATTRIBUTABLE TO SUBSIDIARIES AND JOINT VENTURES

In the periods ended December 31, 2021 and 2020, the Company had the following amounts in results in investments in subsidiary financial holdings and joint ventures:

	2021	2020
Income:		
Application of the equity method	6.019	5.591
	6.019	5.591
Expenses:		
Application of the equity method	(6.422)	(2.868)
	(6.422)	(2.868)
	(403)	2.723

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, 2021 and 2020, is as follows:

	2021							Accumulated impairment losses (Note 9)	Gross amounts
	Opening balance	Settlements	Currency conversion effects	Purchases	Costs for the period	Variation in production inventories	Final balance		
Raw materials and consumables	2.187	-	(222)	58.494	(57.637)	-	2.822	(281)	2.541
Finished and intermediate products	296	-	-	-	-	-	296	-	296
	2.483	-	(222)	58.494	(57.637)	-	3.118	(281)	2.837

	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

14. CONSTRUCTION CONTRACTS

As of December 31, 2021, and 2020, the Company had its accounts impacted by the following amounts, referring to construction agreements (a):

	2021	2020
Estimated costs	1.563.468	1.742.233
Costs incurred in previous periods	862.459	1.099.450
Costs incurred in the period	245.677	221.268
Accumulated costs incurred	1.108.136	1.320.718
Contract value	1.645.177	1.804.947
Revenue from previous periods	865.207	1.074.676
Revenue for the period	251.569	206.289
Accumulated revenue	1.116.776	1.280.965
Amount of advances received	47.073	33.999
Amount of withholdings	11.192	5.665

(a) Includes works in warranty period

15. REVENUE

In the periods ended December 31, 2021 and 2020, the company's recognised revenue had the following breakdown:

	2021	2020
Sales	1.548	2.433
Services rendered	228.753	274.216
Royalties (Not 25)	310	170
Interests (Note 22 and Note 25)	11.633	21.464
Dividends	2.364	992
	244.608	299.275

For the periods ended December 31, 2021 and 2020, the Company's turnover was geographically distributed as follows:

	2021			2020		
	Sales	Services rendered	Total	Sales	Services rendered	Total
Angola	11	8.300	8.311	-	9.135	9.135
Algeria	1.501	(54.436)	(52.935)	-	69.179	69.179
Brazil	-	62.776	62.776	-	33.261	33.261
Cabo Verde	-	3.023	3.023	-	2.111	2.111
Colombia	16	666	682	-	317	317
Ecuador	-	-	-	-	595	595
Mozambique	9	(127)	(118)	-	6.003	6.003
Kuwait	-	36.139	36.139	-	7.063	7.063
Portugal	11	163.190	163.201	2.433	133.471	135.904
Venezuela	-	9.222	9.222	-	13.081	13.081
	1.548	228.753	230.301	2.433	274.216	276.649

In Algeria, due to the reduction of the activity, it was recorded a reduction of 122.114 thousand euros, 73.123 of which resulting from the suspension of six projects and respective de-recognition of the accrued income.

16. PROVISIONS

The change in accumulated provisions in the periods ended December 31, 2021 and 2020, was as follows:

	2021					
	Opening balance	Additional / Reinforcements	Decreases		Settlements	Currency conversion effects
			Direct use	Reversals		
Client Guarantees	9.444	1.474	-	(3.907)	-	99
Legal proceedings in progress	1.571	893	-	(437)	-	19
Onerous contracts	9.600	2.270	-	(9.578)	-	3
Other provisions	2.336	3.551	(61)	(46)	-	994
	22.951	8.188	(61)	(13.968)	-	1.115

	Opening balance	Additional / Reinforcements	Reversals	Settlements	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

The Provisions, as a whole, suffered a reduction of 5.167 thousand euros when compared to 31 December 2020, due mainly to the reduction of onerous contracts and guarantee to clients with regard to the suspension of six projects in Algeria, of an amount of 11.921 thousand euros and 3.842 thousand euros, respectively. It is worth noting that Provisions were constituted to Other risks and charges of an amount of 1.956 thousand euros.

"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

As a result of an inspection carried out by the Tax and Customs Authority to the Company's accounting data of the 2008 financial year, the benefits subject to taxes regarding that financial year were amended, corresponding to 35.467 thousand euros.

With regard to 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 number 10 of the Article 22 of the Statute of Tax Benefits.

18. EFFECT OF THE EXCHANGE RATES CHANGES

The quotes used to convert the assets and liabilities expressed in foreign currency as of December 31, 2021 and 2020, 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:

Divisa	Closing exchange rate			Average exchange rate		
	31/12/2021	31/12/2020	Variation	31/12/2021	31/12/2020	Variation
Venezuelan Sovereign Bolivar (VES)	5,211570	1.225.801,899990	(100,00%)	5,211570	1.225.801,899994	(100,00%)
Algerian Dinar (DZD)	156,429000	161,437300	(3,10%)	159,468110	144,660500	10,24%
Kuwaiti Dinar (KWD)	0,342190	0,372670	(8,18%)	0,357400	0,350635	1,93%
Moroccan Dinar (MAD)	10,475100	10,923300	(4,10%)	10,662570	10,831385	(1,56%)
Tunisian Dinar (TND)	3,250700	3,305400	(1,65%)	3,287930	3,200123	2,74%
United Arab States Dirhan (AED)	4,159600	4,506900	(7,71%)	4,352420	4,205992	3,48%
United States Dollar (USD)	1,132600	1,227100	(7,70%)	1,185060	1,121415	5,68%
Cape Verdean Shield (CVE)	110,265000	110,265000	-	110,265000	110,265000	(0,00%)
Japanese Yen (JPY)	130,380000	130,100000	0,22%	126,490000	126,490000	-
Angolan Kwanza (AON)	635,751000	797,129100	(20,24%)	739,749110	655,887492	12,79%
United Kingdom Pound (GBP)	0,840280	0,899030	(6,53%)	0,861530	0,886383	(2,80%)
Mozambican Metical (MZN)	71,580000	91,050000	(21,38%)	77,484940	78,929231	(1,83%)
Peruvian New Sol (PEN)	4,513600	4,440900	1,64%	4,587850	4,005938	14,53%
Macanese Pataca (MOP)	9,098300	9,799600	(7,16%)	9,487220	9,151615	3,67%
Colombian Peso (COP)	4.604,480000	4.189,930000	9,89%	4.440,057550	4.216,393846	5,30%
South African Rand (ZAR)	18,062500	18,021900	0,23%	17,625260	18,672577	(5,61%)
Brazilian Real (BRA)	6,310100	6,373500	(0,99%)	6,378190	5,884700	8,39%
Qatar Rial (QAR)	4,124400	4,466600	(7,66%)	4,329090	4,176138	3,66%

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, 2021 and 2020 were as follows:

	Net exchange rate differences
Balance on January 1, 2020	(38.779)
Positive exchange rate differences	724
Negative exchange rate differences	(25.518)
Balance on December 31, 2020	(63.573)
Balance on January 1, 2021	(63.573)
Positive exchange rate differences	8.821
Negative exchange rate differences	(10.824)
Balance on December 31, 2021	(65.576)

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.

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, 2021.

The "Period Income Tax" recorded in the income statement represents the sum of the current and deferred tax, being the latter the recognition of temporary differences between the accounting and tax results, as provided for in NCRF 25 - Income taxes.

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

The active and passive deferred taxes are calculated and annually evaluated using the taxing rates in force or announced to be in force at the expected date for the reversion of the temporary differences.

Deferred tax assets are recognised only when there are reasonable expectations of enough future tax profits for their use, or in situations where there are taxable temporary differences that compensate for the temporary deductible differences in the period of their reversal. Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred taxes are recorded as expenditure or income for the period, unless they result from amounts recorded directly in equity, in which case the deferred tax is also recorded under the same item.

At the end of each period, a review of the deferred taxes recorded is carried out, and the amount of the same is adjusted according to the expectations of future use.

The tax charge recorded in the periods ended 31 December 2021 and 2020 may be presented as follows:

	2021	2020
Current tax:		
Income tax in Portugal	477	789
Income tax in other jurisdictions	1.833	2.204
	2.310	2.993
Deferred tax:		
Deferred tax in Portugal	(26.731)	(2.558)
Deferred tax in other jurisdictions	(15)	(32)
	(26.746)	(2.590)
	(24.436)	403

The relation, in Portugal, between expenditure and accounting profit, in the periods ended December 31, 2021 and 2020, is as follows:

	2021	2020
Net income for the period	(112.940)	(7.934)
Adjustments to taxable income:		
Definitive differences:		
- To be added	21.094	10.031
- To be subtracted	(24.996)	(9.098)
Temporary differences:		
- To be added	73.500	11.395
- To be subtracted	(36.499)	(5.129)
Tax loss / taxable income	(79.841)	(735)
Tax base	-	-
International double taxation offsetting tax	(1.809)	(1.165)
Other components of income tax:		
Autonomous taxation	477	789
Current tax	477	789
Deferred tax	(26.731)	(2.558)
Income tax expense	(26.254)	(1.769)

The changes in deferred tax assets and liabilities in the periods ended December 31, 2021 and 2020, were as follows:

2021						
	Opening balance	Constitution	Reversal	Exchange rate effects	Adjustment	Final balance
Deferred tax assets:						
Dubious client adjustments	25	3.460	-	-	-	3.485
Inventories adjustments	-	63	-	-	-	63
Reportable tax losses	-	16.767	-	-	(16.767)	-
International double taxation	11.025	1.267	-	-	(1.590)	10.702
Works undertaken at a loss	2.200	-	(1.580)	-	(118)	502
Tangible assets impairments	-	330	-	-	-	330
Intangible assets impairments	-	6.513	-	-	-	6.513
Other taxed provisions	667	-	(89)	-	-	578
	13.917	28.400	(1.669)	-	(18.475)	22.173
Deferred tax liabilities:						
Investment properties	16	-	-	-	-	16
Revaluations of tangible fixed assets	1.549	-	(15)	-	-	1.534
	1.565	-	(15)	-	-	1.550

2020						
	Opening balance	Constitution	Reversal	Exchange rate effects	Adjustment	Final balance
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

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 breakdown in the periods ended December 31, 2021 and 2020:

20.1 FINANCIAL ASSETS

Clients

As of 31 December 2021, and 2020, current customers item had the following breakdown:

	31/12/2021			31/12/2020		
	Non Group	Group (Note 5)	Total	Non Group	Group (Note 5)	Total
Current account clients	101.452	186.970	288.422	76.454	155.134	231.588
Dubious clients	76.185	-	76.185	52.632	-	52.632
	177.637	186.970	364.607	129.086	155.134	284.220
Accumulated impairment losses (Note 9)	(91.931)	-	(91.931)	(52.632)	-	(52.632)
	85.706	186.970	272.676	76.454	155.134	231.588

The credit risk of the balance of Clients is detailed in note 27.

Accounts receivable

As of 31 December 2021, and 2020, the items Other accounts receivable (current) and Accounts receivable (non-current) had the following decomposition:

		31/12/2021		31/12/2020	
		Current	Non-current	Current	Non-current
Debtors through accrued income	Debtors through accrued income	40.080	-	120.294	-
Other debtors:	Other debtors:	-	-	-	-
Advanced payments to suppliers	Advanced payments to suppliers	3.784	-	7.351	-
Shareholders	Shareholders	275.310	131.746	215.322	174.246
Personnel	Personnel	68	-	32	-
RETGS	RETGS	36.022	-	18.856	-
Related parties	Related parties	-	-	62.251	-
Others	Others	23.799	-	36.043	10.248
		338.983	131.746	339.855	184.494
Accumulated impairment losses:	Accumulated impairment losses:				
Other debtors (Note 9)	Other debtors (Note 9)	(216)	-	(216)	-
		(216)	-	(216)	-
		378.847	131.746	459.933	184.494

In the period ended 31 December 2020, the item "Debtors through increase in revenue" includes an amount of 23,012 thousand euros, resulting from the application of the percentage of completion method.

The reduction of 80.214 thousand euros, the item "Debtors through increase in revenue", is essentially justified by the suspension of six projects in Algeria, which resulted in the de-recognition of accrued income amounting to 73.123 thousand euros.

Other Assets

As of 31 December 2021, and 2020 , the remaining current assets had the following breakdown:

Government and other public entities

	31/12/2021	31/12/2020
Income tax	6.382	3.803
Value added tax	5.476	1.590
Other taxes	178	1.365
Other charges	47	5.346
	12.083	12.104

Deferrals

	31/12/2021	31/12/2020
Expenses to be recognised	7.571	8.648

Non-Current Assets Held for Sale

As of 31 December 2021, and 2020 , non-current assets held for sale item had the following breakdown:

	31/12/2021	31/12/2020
Non-current assets held for sale:		
Tangible fixed assets	5	5
	5	5

Other Financial Investments

As of 31 December 2021, and 2020, "Other financial investments" net of impairment losses item had the following breakdown:

	31/12/2021	31/12/2020
Financing loans:		
CBLG - Consorcio Boyacá - La Guaira	-	148
TDAP - Atividades Portuárias, S.A.	40	40
TEIXEIRA DUARTE Algérie, SPA	12	12
TEIXEIRA DUARTE - Engenharia e Construções Angola, Lda.	17.897	17.647
	17.949	17.847
Financial holdings other methods:		
Built Colab Association - Colaborative Laboratory For The Future Built Environment	13	13
TD HOSP - Gestão de Edifício Hospitalar, S.A.	-	-
Other contributions:		
Labour compensation fund - FCT	129	85
	18.091	17.945

As of December 31, 2021 it is constituted an impairment on the Financing Loan granted to the CBLG – Consortium Boyacá – La Guaira, of 148 thousand euros.

20.2 FINANCIAL LIABILITIES

Suppliers

As of 31 December 2021, and 2020, suppliers item had the following breakdown:

	31/12/2021			31/12/2020		
	Non-Group	Group (Note 5)	Total	Non-Group	Group (Note 5)	Total
Current account suppliers	58.058	78.551	136.609	48.286	82.171	130.457
Received supplier invoices under analysis	461	-	461	332	-	332
Other suppliers	12.571	-	12.571	9.433	-	9.433
	71.090	78.551	149.641	58.051	82.171	140.222

The liquidity risk of the balance of Suppliers is detailed in note 27.

Other Payable Debts

As of 31 December 2021, and 2020, the item Other debts to pay had the following breakdown:

	Current	Non-current	Current	Non-current
Creditors due to increased expenses	31.344	-	23.707	-
Other creditors:				
Personnel	87	-	5.389	-
Shareholders	301	-	181	-
RETGS	-	-	1.855	-
Others	32.623	-	27.437	11.334
	33.011	-	34.863	11.334
	64.355	-	58.570	11.334

The liquidity risk of the balance of Other debts to pay is detailed in note 27.

As of 31 December 2021, and 2020, the Other creditors – other item includes the amounts of 31.199 thousand euros and 8.563 thousand euros for related parties, respectively.

Other Liabilities

As of 31 December 2021, and 2020 the Other debt payable item had the following breakdown:

Government and other public entities

	31/12/2021	31/12/2020
Income tax	6.059	5.864
Income tax retention	1.278	542
Other taxes	-	1.400
Social security contributions	1.126	763
Other charges	5	2.919
	8.468	11.488

The liquidity risk of the balance of State and other public entities is detailed in note 27.

Deferrals

	31/12/2021	31/12/2020
Income to be recognised	17.565	23.985

In the period ended 31 December 2020, the income to be recognised includes an amount of 16.276 thousand euros, resulting from the application of the percentage of completion method.

Advance payments from Clients

	31/12/2021	31/12/2020
Clients advance payments	65.870	63.704

The liquidity risk of the balance of Clients advance payments is detailed in note 27.

Financing obtained

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

		31/12/2021			31/12/2020		
		Current	Non-current	Total	Current	Non-current	Total
Bank loans	a)	58.635	49.962	108.597	28.981	83.321	112.302
Bank overdrafts	a)	3.701	-	3.701	2.998	-	2.998
Financial leases	a)	355	1.782	2.137	27	99	126
Other financing	d)	50	-	50	196	-	196
Securities market - Bond loans	c)	-	-	-	500	-	500
Securities market - Commercial paper	b)	-	229.150	229.150	4.500	228.050	232.550
Related parties	Note 5	190.282	-	190.282	215.001	-	215.001
		253.023	280.894	533.917	252.203	311.470	563.673

The liquidity risk of the balance of Obtained financing is detailed in note 27.

During the period ended December 31, 2021, the movements in the Financing obtained were as follows:

		2021				
		Initial balance	Increase	Decrease	Moratoriums	Final balance
Bank loans		112.302	127.941	(133.864)	239	108.597
Bank overdrafts		2.998	15.525	(14.822)	-	3.701
Financial leases		126	2.570	(552)	-	2.137
Other financing		196	-	(146)	-	50
Securities market - Bond loans		500	-	(500)	-	-
Securities market - Commercial paper		232.550	2.573.500	(2.576.900)	-	229.150
Related parties		215.001	296.514	(320.650)	-	190.282
		563.673	3.016.050	(3.047.434)	239	533.917

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

	2020					Final balance
	Opening balance	Increase	reduction	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 - Commercial paper	239.850	2.655.300	(2.662.600)	-	-	232.550
Related parties	183.048	168.163	(136.990)	-	780	215.001
	559.413	2.876.267	(2.875.394)	2.146	1.241	563.673

As of December 31, 2021, 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, 2021, 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	31 July 2020	31 July 2027	Individual	Angolan Kwanza	1.800.000	11.507	2.396	-
Banco BIC Português, S.A.	Escrow account	06 August 2015	31 December 2033	Grouped	Euros	20.105	20.105	4.500	15.105
Banco BIC Português, S.A.	Loan	02 January 2020	02 July 2025	Grouped	Euros	4.967	4.967	4.967	-
Banco BIC, S.A.	Escrow account	01 January 2016	31 December 2022	Individual	Angolan Kwanza	380.000	2.429	354	-
Banco BIC, S.A.	Escrow account	02 June 2020	31 December 2022	Individual	Angolan Kwanza	4.762.716	30.447	3.610	-
Banco Comercial Português, S.A.	Escrow account	27 June 2014	31 December 2033	Grouped	Euros	12.143	12.143	-	4.825
Banco Comercial Português, S.A.	Loan	27 November 2017	30 December 2033	Grouped	Euros	32.015	32.015	7.027	24.988
Banco Comercial Português, S.A.	Loan	30 January 2018	30 November 2023	Grouped	Euros	7.147	7.147	6.419	728
Banco Comercial Português, S.A.	Loan	12 August 2016	30 December 2033	Grouped	Euros	8.643	8.643	8.643	-
Banco Comercial Português, S.A.	Loan	16 January 2018	31 December 2033	Grouped	Euros	9.490	9.490	3.833	-
Banco de Fomento Angola, S.A.	Escrow account	27 March 2013	31 December 2022	Individual	Angolan Kwanza	2.000.000	12.785	3.083	-
Banco Millennium Atlântico, S.A.	Escrow account	29 November 2012	31 December 2022	Individual	Angolan Kwanza	285.000	1.822	307	-
Banco Montepio, S.A.	Leasing	01 December 2020	01 December 2024	Individual	Euros	29	29	29	-
Banco Montepio, S.A.	Leasing	30 July 2021	27 July 2026	Individual	Euros	149	149	149	-
Banco Montepio, S.A.	Leasing	05 August 2021	05 August 2026	Individual	Euros	515	515	515	-
Banco Português de Investimento, S.A.	Loan	05 July 2016	05 May 2023	Grouped	Euros	5.337	5.337	5.337	-
Banco Português de Investimento, S.A.	Leasing	25 de agosto de 2020	25 de maio de 2025	Individual	Euros	69	69	69	-
Banco Santander, S.A.	Escrow account	31 October 2012	31 December 2033	Grouped	Euros	5.039	5.039	-	5.039
Caixa Geral de Depósitos, S.A.	Escrow account	07 July 2010	31 December 2033	Grouped	Euros	5.331	5.331	160	-
Caixa Geral de Depósitos, S.A.	Loan	15 December 2018	15 June 2022	Grouped	Euros	828	828	-	828
Caixa Geral de Depósitos, S.A.	Loan	22 September 2014	01 June 2034	Grouped	Euros	85.869	85.869	10.304	75.565
Caixa Geral de Depósitos, S.A.	Loan	12 August 2016	30 December 2033	Grouped	Euros	6.101	6.101	6.101	-
Caixa Geral de Depósitos, S.A.	Loan	30 January 2018	15 December 2022	Grouped	Euros	2.690	2.690	2.690	-
Caixa Geral de Depósitos, S.A.	Loan	25 July 2019	31 December 2022	Individual	Euros	9.250	9.250	2.439	-
Daycoval	Leasing	31 de agosto de 2021	30 de agosto de 2025	Individual	Real	605	96	96	-
Deutsche Leasing	Leasing	20 December 2021	20 December 2028	Individual	Euros	1.280	1.280	1.280	-
Novo Banco, S.A.	Bank overdrafts	01 February 2007	31 de Dezembro de 2033	Grouped	Euros	18.335	18.335	3.701	7.914
Novo Banco, S.A.	Loan	30 December 2015	01 June 2022	Individual	Euros	21.604	21.604	21.604	-
Novo Banco, S.A.	Loan	12 August 2016	31 December 2033	Individual	Euros	8.233	8.233	8.233	-
Novo Banco, S.A.	Loan	09 March 2020	31 December 2022	Individual	Euros	16.260	16.260	6.589	-
						9.509.750	340.515	114.435	134.992

(b) Commercial Paper

As of December 31, 2021, 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	30 January 2018	31 January 2024	Grouped	Euros	4.500	4.500	4.500	-
Caixa Geral de Depósitos, S.A.	Commercial paper	07 July 2010	31 December 2033	Grouped	Euros	20.550	20.550	20.550	-
Novo Banco, S.A.	Commercial paper	30 December 2013	31 December 2033	Grouped	Euros	119.300	119.300	119.300	-
Novo Banco, S.A.	Commercial paper	28 December 2015	15 June 2027	Grouped	Euros	61.050	61.050	61.050	-
Novo Banco, S.A.	Commercial paper	16 December 2005	15 December 2023	Grouped	Euros	35.000	35.000	-	35.000
Novo Banco, S.A.	Commercial paper	14 January 2016	31 December 2033	Grouped	Euros	15.200	15.200	15.200	-
Novo Banco, S.A.	Commercial paper	28 de dezembro de 2015	15 de junho de 2027	Grouped	Euros	95.000	95.000	8.550	86.450
							350.600	229.150	121.450

(c) Bond Loan

This loan was settled, having the last instalment, of an amount of 500 thousand euros, been paid on the 6th of April 2021.

(d) Other Financing

Other financing taken out by the Company corresponds essentially to:

Bank	Type of financing	Start date	Due date	Amount
Caterpillar Financial Corporación Financiera	Loan	07 July 2016	07 January 2022	12
Caterpillar Financial Corporación Financiera	Loan	07 August 2016	07 February 2022	6
Caterpillar Financial Corporación Financiera	Loan	12 December 2016	22 June 2022	32
				50

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

	31/12/2021	31/12/2020
Less than a year	253.023	252.203
1 to 2 years	10.572	40.846
2 to 3 years	14.894	7.957
3 to 4 years	5.176	4.693
4 to 5 years	3.386	3.699
More than 5 years	246.866	254.275
	533.917	563.673

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

21. GUARANTEES AND COMMITMENTS

Guarantees

As of December 31, 2021 and 2020, the Company had provided third parties with bank guarantees and bond insurance, as follows:

	31/12/2021	31/12/2020
Bank guarantees	177.019	299.757
Bond insurance	84.345	58.991
	261.364	358.748

As of December 31, 2021, the following bank guarantees and bond insurances were active:

Description	Bank	Currency	Total financing amount - Currency	Total financing amount - (€)
Bond:	Cosec-Companhia de Seguros de Crédito, S.A.	Algerian Dinar	2.644.084	16.903
	Cosec-Companhia de Seguros de Crédito, S.A.	Euro	62.984	62.984
	Mapfre - Seguros Gerais S.A.	Euro	4.458	4.458
				84.345
Guarantees:	Banco Português de Investimento, S.A	Algerian Dinar	794.693	5.080
	Banco Português de Investimento, S.A	Euro	1.516	1.516
	Banco Bilbao V. ARG.	Euro	2.500	2.500
	Banco Comercial Português, S.A	Algerian Dinar	267.324	1.708
	Banco Comercial Português, S.A	Euro	16.975	16.975
	Banco Comercial Português, S.A	Kuwaiti Dinar	400	1.169
	Banco Comercial Português, S.A	American Dollar	87	77
	Banco BIC Português, S.A	Euro	7.599	7.599
	Caixa Geral de Depósitos, S.A	Algerian Dinar	5.233.065	33.453
	Caixa Geral de Depósitos, S.A	Euro	42.023	42.023
	Caixa Económica Montepio Geral, S.A	Euro	8.002	8.002
	Novo Banco, S.A.	Cape Verdean Escudo	97.253	882
	Novo Banco, S.A.	Algerian Dinar	429.332	2.744
	Novo Banco, S.A.	Euro	48.514	48.514
	Novo Banco, S.A.	American Dollar	5.120	4.521
	Banco Santander Totta, S.A.	Euro	256	256
				177.019
				261.364

Bank guarantees and bond insurance were provided primarily for the purposes of tenders, advances received and as good 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, 2021, amounts to 4.373 thousand euros. It is informed that after the end of the financial year, this guarantee was reduced to 3.034 thousand euros, following the reply of the Tax and Customs Authority to a request submitted by the Company.

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	27 November 2017	30 December 2033	7.027	Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda Mortgage Hotels Angola: Alvalade and Baía Mortgage Hotels Mozambique: Avenida and Tivoli Beira
Banco Comercial Português, S.A	Loan	30 January 2018	30 January 2023	6.419	Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda Mortgage Hotels Angola: Alvalade and Baía Mortgage Hotels Mozambique: Avenida and Tivoli Beira
Banco BIC Português, S.A.	Escrow account	06 August 2015	31 December 2033	4.500	BIC AO bank guarantee (23M €) to BIC PT : Mortgage building n° 2554 (TD Suc. Angola) Commercial Facilities and Automobile Complex
Banco Comercial Português, S.A	Loan	12 August 2016	30 December 2033	8.643	Mortgage of: (i) Lot 26 of the magnolia Development (TDGPIL), (ii) Land plot designated as Troviscais (Transbril), (iii) Lezíria Park II (TDVIA), (iv) Vila Rio, 50 land plots (TDVIA), (v) land plot designated as Jardins da Póvoa and Logistics park of Póvoa (TDVIA). Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda Mortgage Hotels Angola: Alvalade and Baía Mortgage Hotels Mozambique: Avenida and Tivoli Beira.
Caixa Geral de Depósitos, S.A	Escrow account	07 July 2010	31 December 2033	160	Pledge of 4.675.000 units of participation in the TDF fund (TDGPIL). Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda Mortgage Hotels Angola: Alvalade and Baía Mortgage Hotels Mozambique: Avenida and Tivoli Beira.
Caixa Geral de Depósitos, S.A	Loan	12 August 2016	30 December 2033	6.101	Mortgage of: (i) Lot 26 of the magnolia Development (TDGPIL), (ii) Land plot designated as Troviscais (Transbril), (iii) Lezíria Park II (TDVIA), (iv) Vila Rio, 50 land plots (TDVIA), (v) land plot designated as Jardins da Póvoa and Logistics park of Póvoa (TDVIA). Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda Mortgage Hotels Angola: Alvalade and Baía Mortgage Hotels Mozambique: Avenida and Tivoli Beira.
Caixa Geral de Depósitos, S.A	Loan	22 September 2014	01 June 2034	10.304	Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda Mortgage Hotels Angola: Alvalade and Baía Mortgage Hotels Mozambique: Avenida and Tivoli Beira
Caixa Geral de Depósitos, S.A	Loan	30 January 2018	15 December 2022	2.690	Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda Mortgage Angola: Alvalade and Baía Mortgage Hotels Mozambique: Avenida and Tivoli Beira
Caixa Geral de Depósitos, S.A	Loan	07 July 2010	31 December 2033	20.550	Pledge of 4.675.000 units of the TDF fund (TDGPIL). Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda Mortgage Hotels Angola: Alvalade and Baía Mortgage Hotels Mozambique: Avenida and Tivoli Beira.
Novo Banco, S.A	Loan	12 August 2016	30 December 2033	8.233	Mortgage of: (i) Lot 26 of the magnolia Development (TDGPIL), (ii) Land plot designated as Troviscais (Transbril), (iii) Lezíria Park II (TDVIA), (iv) Vila Rio, 50 land plots (TDVIA), (v) land plot designated as Jardins da Póvoa and Logistics park of Póvoa (TDVIA). Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda Mortgage Hotels Angola: Alvalade and Baía Mortgage Hotels Mozambique: Avenida and Tivoli Beira.
Novo Banco, S.A	Loan	30 December 2015	01 June 2022	21.604	Pledge of 70.000 BCP shares (TDGPIL) + Pledge of 1.936.396 BCP shares (C+PA). Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda Mortgage Hotels Angola: Alvalade and Baía Mortgage Hotels Mozambique: Avenida and Tivoli Beira
Novo Banco, S.A	Commercial paper	30 December 2013	31 December 2033	119.300	Pledge of: (i) All EPOS shares, (ii) All C+PA shares, (iii) 1.325.000 units of participation in the Closed Investment Fund TDF and the mortgage of: (i) Industrial Complex of Montijo (TDGPIL), (ii) 10 land plots (V8), (iii) 9 land plots (Quinta do Cravel). Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda Mortgage Hotels Angola: Alvalade and Baía Mortgage Hotels Mozambique: Avenida and Tivoli Beira.
Novo Banco, S.A	Commercial paper	30 December 2013	31 December 2033	61.050	Pledge of: (i) All EPOS shares, (ii) All C+PA shares, (iii) 1.325.000 units of participation in the Closed Investment Fund TDF and the mortgage of: (i) Industrial Complex of Montijo (TDGPIL), (ii) 10 land plots (V8), (iii) 9 land plots (Quinta do Cravel). Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda Mortgage Hotels Angola: Alvalade and Baía Mortgage Hotels Mozambique: Avenida and Tivoli Beira.
Novo Banco, S.A	Commercial paper	14 January 2016	31 December 2033	15.200	Full pledge of shares of TDGI. Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda Mortgage Hotels Angola: Alvalade and Baía Mortgage Hotels Mozambique: Avenida and Tivoli Beira.
Novo Banco, S.A	Overdraft	01 February 2007	31 December 2033	3.701	Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda Mortgage Hotels Angola: Alvalade and Baía Mortgage Hotels Mozambique: Avenida and Tivoli Beira
Caixa Geral de Depósitos, S.A	Commercial paper	28 December 2015	15 June 2027	8.550	Pledge of 1.045.610 Recolte Spain shares (TEDAL) + Pledge of 50% of TDE shares. Full pledge of shares: Soc. Automóvel Angola + Soc. Distribuição Angola + TDSP Brasil + TD Angola Lda Mortgage Hotels Angola: Alvalade and Baía Mortgage Hotels Mozambique: Avenida and Tivoli Beira
Banco Montepio, S.A	Leasing	01 December 2020	01 December 2024	29	Respective equipment
Banco Montepio, S.A	Leasing	30 July 2021	27 July 2026	149	Respective equipment
Banco Montepio, S.A	Leasing	05 August 2021	05 August 2026	515	Respective equipment
Banco Português de Investimento, S.A.	Leasing	25 de agosto de 2020	25 May 2025	69	Respective equipment
Daycoval	Leasing	31 de agosto de 2021	30 August 2025	96	Respective equipment
Deutsche Leasing	Leasing	20 December 2021	20 December 2028	1.280	Respective equipment
Caterpillar Financial Corporación Financiera	Loan	07 July 2016	31 March 2021	12	Respective equipment
Caterpillar Financial Corporación Financiera	Loan	07 August 2016	31 March 2021	6	Respective equipment
Caterpillar Financial Corporación Financiera	Loan	12 December 2016	31 March 2021	32	Respective equipment

Undertaken Financial Commitments

As of December 31, 2021 and 2020, factoring contracts with no right of recourse were in force, which were recorded as a decrease in accounts receivable, as follows:

	31/12/2021	31/12/2020
<i>Notified factoring without appeal</i>	1.053	497
	1.053	497

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

As of December 31, 2021, the Company issued comfort letters in favour of group companies as follows:

	Currency	Value	Currency	Amount in thousands of euros
BONAPARTE - Imóveis Comerciais e Participações, S.A.		8.331	EUR	8.331
ESTA - Gestão de Hotéis, S.A.		998	EUR	998
HOTEL TRÓPICO, S.A.		2.000.000	AON	3.146
RECOLTE, Servicios y Medioambiente, S.A.		33.550	EUR	33.550
TDHC - Instalações para Desporto e Saúde, S.A.		398	EUR	398
TEIXEIRA DUARTE (Algérie), S.P.A.		700.000	DZD	4.475
TEIXEIRA DUARTE - Engenharia e Construções (Angola), Lda.		2.000	USD	1.766
TEIXEIRA DUARTE - Engenharia e Construções, S.A. (Sucursal Angola)		29.000	USD	25.605
TEIXEIRA DUARTE - Engenharia e Construções, S.A. (Sucursal Venezuela)		300.000	VEF	1
TEIXEIRA DUARTE - Engenharia e Construção, Lda. (Moçambique)		5.726.311	MZN	79.999
TEIXEIRA DUARTE - Engenharia e Construção, Lda. (Moçambique)		66.000	USD	58.273
TEIXEIRA DUARTE - Gestão de Participa e Investimentos Imobiliários, S.A.		13.500	EUR	13.500
				230.042

22. FINANCIAL RESULTS

In the periods ended December 31, 2021 and 2020, financial results were broken down as follows:

	2021	2020
Financial and expenses:		
Interest expenses - Interest on financing obtained	(14.102)	(16.048)
Other interest expenses	(158)	(2.575)
Unfavourable exchange rate differences	(45.596)	(8.637)
Other financing expenses	(5.775)	(10.462)
	(65.631)	(37.722)
Financial returns:		
Interest received (Note 15)	11.519	21.237
Favourable exchange rate differences	40.892	5.979
Other financial incomes	14	-
	52.425	27.216
	(13.206)	(10.506)

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:

	2021	2020
Compensation of corporate bodies	1.041	844
Compensation of corporate bodies	50.717	37.756
Severance payments	1.986	2.958
Compensation charges	10.519	9.515
Insurance against accidents at work and occupational diseases	1.460	610
Social action spending	181	102
Other personnel expenses	3.911	6.483
	69.815	58.268

24. EXTERNAL SUPPLIES AND SERVICES

In the periods ended December 31, 2021 and 2020, the external Supplies and services item had the following breakdown:

	2021	2020
Subcontracts	103.273	81.659
Specialized services	19.090	25.463
Materials	5.901	15.700
Energy and fluids	2.740	1.478
Travel, accommodation and transport	8.273	11.238
Miscellaneous services	37.166	25.171
	176.443	160.709

25. OTHER INCOME

In the periods ended December 31, 2021, and 2020, Other income was as follows:

	2021	2020
Equipment rental	448	146
Performance of positions in governing bodies	452	539
<i>Royalties</i> (Note 15)	310	170
Other additional revenue	3.633	4.682
Inventory Gains - Surpluses	48	16
Other gains on financial assets	-	1
Disposal of property, plant and equipment	1.351	1.798
Adjustments to the provision for income taxes	295	-
Taxes provisions surplus	534	1.141
Severance payments	179	611
Favourable exchange rate differences	18.822	35.246
Interest earned on deposits	48	90
Late-payment interest	7	137
Interest earned on other financing granted	59	-
Others	4.983	658
	31.169	45.235

26. OTHER EXPENSES

In the periods ended December 31, 2021, and 2020, Other expenses were broken down as follows:

	2021	2020
Taxes and fees	1.733	4.591
Unrecoverable debt	29	65
Inventory shortfalls	33	14
Unfavourable exchange rate differences	13.662	13.702
Tangible fixed assets losses	178	156
Corrections for previous periods	1.293	192
Contributions	10	11
Insufficiency of provision for income tax	-	2.772
Others	5.467	3.517
	22.405	25.020

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 counterpart 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, 2021 and 2020, financial liabilities are composed solely and exclusively of variable interest rate.

If market interest rates had been 1% lower during the periods ended 31 December 2021 and 2020, the financial results of those periods would have decreased by 1.194 thousand euros and 5.586 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 1.194 thousand euros and 5.586 thousand euros, respectively.

(b) Exchange Rate 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, 2021 and 2020, are as follows:

	Assets		Liabilities		Balances	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Venezuelan Sovereign Bolivar	-	2.306	-	3.584	-	(1.278)
Algerian Dinar	19.985	17.605	51.790	7.479	(31.805)	10.126
Kuwaiti Dinar	5.244	15	6.021	252	(777)	(237)
Moroccan Dinar	-	-	231	-	(231)	-
American Dollar	92.686	77.588	18.560	17.079	74.126	60.509
Japanese Yen	23	-	23	-	-	-
Angolan Kwanza	18.619	16.435	18.301	7.967	318	8.468
United Kingdom Pound	4	-	-	-	4	-
Mozambican Metical	25.548	978	21.180	29.846	4.368	(28.868)
Peruvian New Sun	4	4	-	-	4	4
Macanese Pataca	(185)	-	-	-	(185)	-
Colombian Peso	-	-	-	366	-	(366)
South African Rand	3	-	3	-	-	-
Brazilian Real	(382)	-	641	2.381	(1.023)	(2.381)
	161.549	114.931	116.750	68.954	44.799	45.977

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	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Venezuelan Sovereign Bolivar	-	115	-	179	-	(64)
Algerian Dinar	999	880	2.589	374	(1.590)	506
Kuwaiti Dinar	262	1	301	13	(39)	(12)
Moroccan Dirhan	-	-	12	-	(12)	-
American Dollar	4.634	3.879	928	854	3.706	3.025
Japanese Yen	1	-	1	-	-	-
Angolan Kwanza	931	822	915	398	16	424
Mozambican Metical	1.277	49	1.059	1.492	218	(1.443)
Macanese Pataca	(9)	-	-	-	(9)	-
Colombian Peso	-	-	-	18	-	(18)
Brazilian Real	(19)	-	32	119	(51)	(119)
	8.076	5.746	5.837	3.447	2.239	2.299

(c) Credit Risk

As of 31 December 2021 and 2020, the balances of accounts receivable from clients (Note 20.1) for whom no adjustments have been made, given that the Board of Directors considers that they are achievable, are as follows:

	31/12/2021	31/12/2020
Balances:		
Outstanding	47.248	42.866
Up to 180 days	20.403	23.731
180 to 360 days	29.406	27.939
More than 360 days	175.619	137.052
	272.676	231.588

(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, 2021 and 2020 is as follows:

31/12/2021					
	Up to 1 year	From 1 to 2 years	From 2 to 3 years	More than 3 years	Total
Suppliers	149.641	-	-	-	149.641
Advance payments from clients	65.870	-	-	-	65.870
Government and other public entities	8.468	-	-	-	8.468
Financing obtained	253.023	10.572	14.894	255.428	533.917
Other debts payable	64.355	-	-	1	64.356
	541.357	10.572	14.894	255.429	822.252

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

28. CAPITAL

Share Capital

As of December 31, 2021 and 2020, 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, 2021 and 2020, 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, 2021 and 2020, the Company's Legal reserve was 45.600 thousand euros.

Other Reserves

Other reserves are composed solely and exclusively by open reserves.

As of December 31, 2021 and 2020, the Other reserves were 114.082 thousand euros.

Appropriation of Profits

Following the decision of the General Assembly, held the 13th of April 2021, the accounts of the period 2020 were approved and was decided that the Net Result 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:

	Amount
Appropriated results	(7.933.587,60)
	(7.933.587,60)

In accordance with the management Report, the proposal for the appropriation of results in the period ended December 31, 2021, of a negative amount of 112.939.924,04 € (one hundred and twelve million, nine hundred and thirty-nine thousand, nine hundred and twenty-four euros and four cents) is as follows:

	Amount
Appropriated results	(112.939.924,04)
	(112.939.924,04)

29. OTHER INFORMATION

The Board of Directors approved and authorized the issuance of the financial statements for the 2021 period on April 19, 2022.

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:

	2021	2020
Statutory auditor:		
Short-term benefits	58	58
	58	58

30. EVENTS AFTER THE BALANCE SHEET DATE

A judicial decision delivered on the 17th of February 2022, by an Algerian court with regard to a lawsuit involving a partner of Teixeira Duarte - Engenharia e Construções, S.A. has raised questions as to the operational and financial conditions which allowed for the normal execution of the six projects contracted in Algeria. In this context, in spite of being a subsequent event, the Board of Directors decided to recognise in the accounts of the financial year of 2021 the effects resulting of the suspension of the activity of the said six public projects, which represents an impact in the Net Result of 61.120 thousand euros, a Liabilities reduction of 13.722 thousand euros and an Asset reduction of 74.842 thousand euros.

The recent geopolitical events, which began on the 24th of February 2022, as a consequence of the invasion of Ukraine by Russia, have been creating a climate of growing political and social instability, with unpredictable proportions and significant repercussions in the global economic activity. Though the Company has no direct exposure in the countries involved in the conflict, it is not possible to avoid being affected by indirect economic impacts which may come to occur, if no resolution of the conflict is achieved at a short term, and which cannot be anticipated and estimated reliably.

We have no knowledge of any fact materially relevant, with impact on the financial statements on December 31, 2021, having occurred between the end of the financial year and the present date.

Lagoas Park, on the 19th of April 2022

The Certified Accountant

Board of Directors

REPORT AND OPINION OF THE SOLE SUPERVISOR AND LEGAL CERTIFICATION OF THE ACCOUNTS 2021

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, 2021.

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, 2021; and,
- b) The distribution of the yearly results as proposed by the board.

Lisbon, April 20th, 2022

MOORE STEPHENS & ASSOCIADOS, SROC, S.A.
Represented by António Gonçalves Monteiro
ROC N° 382, CMVM Registration N° 20160109

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, 2021 (showing a total of 1,142,764 thousand euros and a total equity of 283,173 thousand euros, including a net loss for the year of 112,940 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, 2021, and of its financial performance and its cash flows for the year then ended in accordance with Accounting and Financial Reporting Standards adopted in Portugal under the Portuguese Accounting System.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section below. We are independent of the Entity in accordance with the law and we have fulfilled other ethical requirements in accordance with the 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.

Emphasis

Within the scope of its responsibilities, the management body of the Entity decided to recognise in the financial statements for the period ended 31 December 2021 (I) the effects arising from the loss of control of the concession for the operation of the Port of La Guaira, in Venezuela, which occurred on 15 October 2021 and (II) the effects arising from the suspension of activity in six public contracts in Algeria (note 30 of the notes to the accounts).

The above referred events have been recognised in the accounts of the period ended 31 December 2021, having a negative impact on the net result, of about 88 million euros.

Our opinion is not modified in relation to this matter.

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 20th, 2022

MOORE STEPHENS & ASSOCIADOS, SROC, S.A.
Represented by António Gonçalves Monteiro
ROC N.º 382, CMVM Registration N.º 20160109