



Report and Accounts **2021**





A large, stylized, light blue 'C' logo is centered on the page. The 'C' is composed of three concentric, slightly offset rings, creating a sense of depth and movement. The background is a textured, light beige color.

# Report and Accounts **2021**

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# 01

**Conduril**



# 01

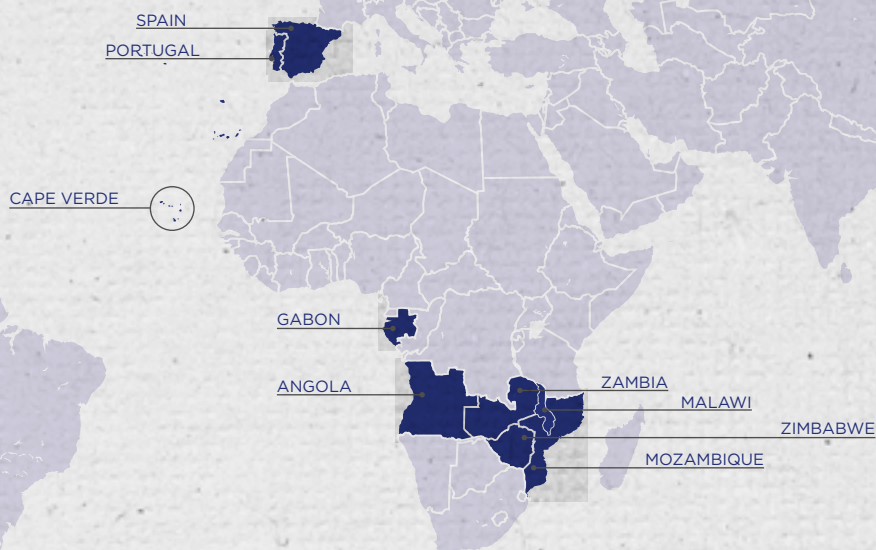
**Conduril - Engenharia, S.A. (hereinafter referred to as Conduril), name adopted in 2011, was founded in 1959 as a private limited company. In 1970, the ownership structure of the company changed, which would determine its destiny until the present day. It was acquired by the current main shareholders, who deliberated its transformation into a company limited by shares in 1976. In 1990, its shares are admitted to trading at the Stock Exchange in Porto and Lisbon. Currently, Conduril is a publicly traded company in a non-regulated market - the Euronext Access.**

Conduril develops its activity in the field of Civil Engineering and aims to be recognised by the market as one of the best Portuguese companies in its industry, in technical, economic and financial terms, capable of responding, through its flexibility and competence, to the demands that it faces in any part of the world.

The company is headquartered in Ermesinde, Portugal, and began its internationalisation in Angola (continuously since 1990), Mozambique (since 1997), Morocco (2004), Botswana (2008), Spain (2010), Cape Verde (2011), Senegal (2013), Zambia (since 2013), Malawi (since 2014), Gabon (since 2015) and Zimbabwe (since 2019).

The creation of lasting wealth for its shareholders and its social responsibility towards its employees continues to be its main focus. To support this last vector, the Conduril Pension Fund was created in 1989, which is fully funded by the company, and, also, the investment in training and the improvement of skills have been a standard for the company. At this level, it is worth highlighting the creation of the Conduril Academy, in 2009 in Angola, and in 2016 in Mozambique, which is a vocational training centre in the area of civil engineering and public works, as well as the granting of university scholarships in those countries.





Conduril's commitment also means compliance with the greatest and most rigorous demands regarding the production process, tender documents and environmental sustainability, which is certified by APCER (Portuguese Association of Certification) in terms of Quality, Environment and Occupational Health and Safety in Portugal, Angola and Mozambique.

In addition to these certifications, Conduril has a central laboratory accredited by IPAC (Portuguese Institute for Accreditation) to perform several tests in soils, aggregates and concrete in Portugal, and it is awaiting the grant of the certification of its laboratory in Mozambique, in the short term. In Portugal, Conduril also has the certificate of CE marking for bituminous mixtures produced in the Inframe M-150 batching plant and for the manufacture of metal structures (through Edirio).

The resilience demonstrated over time has only been possible thanks to the strength and rooting of Conduril's principles and culture within the organisation. In order to ensure its continuity, the company has as main leader the Board of Directors, which is presided by the Chairman and integrates seven other members, all with professional careers developed in the company and who comprise the Executive Committee.





# MANAGEMENT BODIES

## Board of the General Meeting

Crisóstomo Aquino de Barros (President)  
Amadeu Augusto Vinhas  
Filipa Bastos Pinho Ferreira Lemos

## Board of Directors

António Luís Amorim Martins (Chairman)  
Maria Benedita Andrade de Amorim Martins  
Maria Luísa Andrade Amorim Martins  
António Baraças Andrade Miragaia  
António Emanuel Lemos Catarino  
Jorge Lúcio Teixeira de Castro  
Miguel José Alves Montenegro de Andrade  
Ricardo Nuno Araújo Abreu Vaz Guimarães

## Executive Committee

Maria Benedita Andrade de Amorim Martins (CEO)  
Maria Luísa Andrade Amorim Martins (Vice-CEO and CFO)  
António Baraças Andrade Miragaia  
António Emanuel Lemos Catarino  
Jorge Lúcio Teixeira de Castro  
Miguel José Alves Montenegro de Andrade  
Ricardo Nuno Araújo Abreu Vaz Guimarães

## Statutory Audit Board

Júlio Gales Ferreira Pinto (President)  
Deolinda Paula Baptista Nunes  
Jorge Manuel Silva Tavares  
Alberto Luciano Costa Santos Rolo (Alternate)

## Statutory Auditor

Horwath & Associados, SROC, Lda.  
Represented by  
Ana Raquel B. L. Esperança Sismeiro  
João Miguel Neiva de Oliveira Coelho Pires (Alternate)







# 02

## Management Report



02

**THE BOARD OF DIRECTORS OF CONDURIL -  
ENGENHARIA, S.A., IN COMPLIANCE WITH THE  
ARTICLES OF ASSOCIATION AND APPLICABLE  
LEGAL PROVISIONS, PRESENTS AND SUBMITS TO  
THE GENERAL MEETING OF SHAREHOLDERS, THE  
MANAGEMENT REPORT, THE ACCOUNTS FOR THE  
PERIOD AND OTHER FINANCIAL STATEMENTS, FOR  
THE FINANCIAL YEAR 2021.**



## 1.

The economic agents expected 2021 to be the year of calm after the storm that the SARS-CoV-2 virus provoked in the world economy. However, recovery was much slower than initially expected.

The measures implemented by the governmental authorities to fight against the pandemic maintained a restrictive nature throughout the year and, despite most economies having returned to a path of growth, it was not yet possible to resume the rhythm verified in previous years.

**TABLE 1.** Evolution of the growth rate of real output

	2022 (PROJECTION)	2021 (ESTIMATE)	2020
World	4.0%	5.5%	-3.4%
Portugal	4.8%	4.2%	-7.5%
Angola	2.4%	0.0%	-4.0%
Mozambique	3.8%	2.1%	-1.3%
Zambia	0.9%	1.5%	-3.0%
Malawi	4.0%	2.5%	0.8%
Gabon	3.7%	1.5%	-1.7%
Zimbabwe	4.1%	6.3%	-8.0%

Source: World Economic Situation and Prospects 2022 – United Nations

After the contraction verified in 2020, the economic agents were not prepared for the return to international transactions, which, together with the maintenance of several public supports of incentive to the local economy, made the use of words “inflation” and “shortage” more frequent in the main commodity market in 2021.

**TABLE 2.** Evolution of the inflation rate

	2022 (PROJECTION)	2021 (ESTIMATE)	2020
Portugal	1.0%	1.0%	-1.0%
Angola	22.3%	25.9%	22.3%
Mozambique	3.5%	2.9%	2.5%
Zambia	8.3%	19.9%	15.7%
Malawi	5.3%	5.1%	5.0%
Gabon	2.0%	2.0%	1.2%
Zimbabwe	29.9%	84.9%	557.2%

Source: World Economic Situation and Prospects 2022 – United Nations

The construction sector faced additional difficulties during 2021:

- the labour shortage was aggravated by the temporary sick leaves of the workers who tested positive for COVID-19;
- the acquisition of new equipment and maintenance components suffered several delays and price increases mainly due to the shortage of electronic components;
- the main materials used in the production process registered a heavy rise in prices, some of them, more than doubled;
- and the demand itself maintained a conservative behaviour, postponing, once again, some long-announced investments.

## 2.

Despite all the obstacles caused by the pandemic, the delay in the implementation of the measures of the Recovery and Resilience Plan in Portugal, mainly due to the non-approval of the State Budget and consequent early election process; the absence of new construction works in Angola, where a progressive recovery is expected after the election process that will take place in 2022; and the inexistence of new projects in countries where Conduril operates, 2021 was a year of resilience for the Company. The joint effort of its human capital enabled a general increase in its financial indicators:

INDICATORS	2021	2020	2019
Assets (€)	382,189,454	386,854,139	385,563,980
Liabilities (€)	186,892,964	208,576,165	176,324,270
Equity (€)	195,296,491	178,277,974	209,239,710
Net debt (€)	-4,041,067	11,697,764	-487,178
Turnover (€)	144,821,851	110,964,706	146,741,149
GAV (€)	58,774,773	45,919,661	55,664,544
EBITDA (€)	17,370,648	11,536,107	19,386,158
Net income for the period (€)	5,782,682	1,136,131	2,461,138
Financial autonomy	51%	46%	54%
General liquidity	191%	159%	184%
Solvency ratio	104%	85%	119%

The Company's turnover registered an increase higher than 30% in comparison to the previous year, an evolution based on the activity in Portugal, which represented 66% of the total activity, with a special contribution from the two large-sized construction works in progress in the country: the 3<sup>rd</sup> extension phase of the eastern pier of the Sines port and the construction of the Alto Tâmega dam.

The EBITDA registered a 50% increase and the net income for the period assumed an amount four times higher than in the equivalent period.

In terms of cash flow, the net debt presented, once again, negative values, after the exceptional situation verified in 2020, mainly due to the investment performed in that year. In this regard, the fact that all financing obtained by Conduril has been considered in the calculation of this indicator, regardless of its maturity and/or nature, should be highlighted.

It is also worth mentioning the positive evolution of the indicators in terms of financial autonomy and liquidity, which translate the Company's constant concern regarding the sustainability of its operations.

Throughout the year, Conduril extended its portfolio of ongoing works and its range of clients to different regions, with the acquisition of new construction works in Portugal, Angola, Mozambique and Zambia.

As mentioned in the 2020 report, at the beginning of the second semester of 2021, the sale of the participation in the concessionary and operator of the Sub-concession of Baixo Alentejo was concluded. Regarding the Sub-concession of Algarve Litoral, Conduril maintains its participation and conviction that the decision regarding the ongoing claim for compensation in the arbitral tribunal since 2019, will be favourable and its outcome will be decided during 2022.





MOZAMBIQUE

### 3.

Despite this period of strong instability in the market, Conduril maintained its investment in the reinforcement of its production capacity, with 2021 culminating with an investment in fixed assets higher than 9 million euros.

The investment made during the last triennium, in an accumulated amount of approximately 50 million euros, has allowed a faster and more efficient response to the needs of the construction works and, consequently, to its clients.

### 4.

In 2021, Conduril had, on average, 1,975 employees, 32% of which in Portugal, the remaining in Africa, where 7% of the total number of workers is displaced from their country of residence.

The COVID-19 pandemic forced the Company, on the one hand, to be limited in terms of human resources and, on the other, to not be able to efficiently use its full capacity. However, the cooperation between everyone allowed an increase in the average productivity per capita of 27% in comparison with 2020, with this situation being reflected in an increase on the average salary per capita higher than 17%.

The Company's concern with its staff was not limited to the current salary level, since it maintained the sustainability and reinforcement of its pension fund, which presented an amount higher than 11.2 million euros at the end of 2021 (in 2020, its amount was of 10.6 million euros).

## 5.

Within its good governance policy, Conduril, aware of the indispensability of an appropriate risk management, has a solid internal policy to identify, qualify and mitigate the risks that may have a negative impact in the definition of its goals.

The risk management at Conduril goes beyond the conventional categorisation of the strategic, financial and operational risks, since the Company knows that the risks are related to each other, manifest over short periods and may quickly change in category.

Aware that the risk must be managed and not avoided, the Company has a specific department for risk management. This management is based on the following pillars:

- mitigate the risk – through the implementation of controls and/or mechanisms that minimise it;
- transfer the risk – transfer the risk to other entities, whenever that transfer is considered advantageous in the balance of cost-benefit ratio;
- acceptance – formally recognise the existence of the risk and monitor its impact in the organisation.

## 6.

At a stage in which the pandemic has started to lose strength and the attention of the economic agents is focused on the threat of a new world war, which becomes increasingly worrisome, Conduril is aware that 2022 will be a year of major challenges:

- with the general deterioration of all the logistics and supply chains;
- the long-awaited price stabilisation of main commodities is more and more a mirage, since we have been observing a price escalation and an increase in commodity shortage;
- the restrictions in terms of mobility and the use of the maximum allowed capacity have been slow to disappear, which causes a constant underutilisation of most resources;
- the exchange rate instability of currencies in countries where Conduril operates seems to give no respite;
- the number of public tenders in international markets will continue to be scarce.



Despite these adversities, the Company maintains its trust in continuity at a level of activity and profitability close to the one verified in 2021, due to:

- the order book, whose total amount, at the end of 2021, was higher than 500 million euros;
- the investment plan foreseen for the sector in Portugal, based on the recovery plan, which should begin to gain visibility in the second semester of 2022;
- the progressive recovery expected in the Angolan market, with particular focus on the post-election period;
- the efforts that have been developed over the last years and that will lead to the expansion of the activity to new markets; and
- the trust that the Board of Directors maintains in its human resources, which are its main distinctive factor in terms of the Company's market performance.

## 7.

Other information:

- a)** Conduril has branches in Angola, Mozambique, Cape Verde, Zambia, Malawi and Morocco. The Botswana branch was closed at the end of 2020 and the Gabon branch was converted into a subsidiary during the 2<sup>nd</sup> semester of 2021.
- b)** There are no overdue debts to the State or any other public entity, including the Social Security.



PORTUGAL

**c)** The share capital is fully subscribed and paid-in, and is composed of 2,000,000 ordinary shares with a nominal value of 5 euros each.

**d)** The 200,000 shares owned by the Company were not object of any transaction during the year.

**e)** The securities issued by Conduril - Engenharia, S.A. held by members of the Board of Directors were maintained unchanged in relation to the previous financial year.

**f)** Business or operations between the Company or any other entity controlled by it and the members of its management and supervisory bodies are non-existent or take the nature of transactions without special economic meaning for any of the parties involved and are performed in the scope of the current activity of the Group, under normal market conditions for similar operations. If they exist, the same are subject to the authorisation by deliberation of the Board of Directors, respecting the provisions of the Portuguese Companies Act.

## 8.

The Board of Directors proposes that the net income for the 2021 period, in the amount of 5,782,682 euros, has the following distribution:

- Dividends: 1,800,000 euros, corresponding to 1.00 euro per share;
- Other reserves: 3,982,682 euros.



PORTUGAL



## 9.

To end this report, the Board of Directors of Conduril expresses its sincere gratitude to all its employees, clients, suppliers, financial institutions and remaining members of the management bodies.

The dedication, effort and cooperation of all were the main elements for maintaining a path of sustainable growth together.

Ermesinde, 4 March 2022

The Board of Directors







## Financial Statements and Notes

# BALANCE SHEET

As at 31 December 2021 and 2020

Amounts expressed in EURO

	NOTES	2021	2020
<b>ASSETS</b>			
<b>NON-CURRENT ASSET</b>			
Property, plant and equipment	3;7	85,851,259	84,234,277
Intangible assets	3;6	5,309,774	5,274,507
Permanent participations (equity method)	3;9	5,235,689	2,257,550
Other financial investments	3;9;19	36,473,375	75,786,243
Deferred tax assets	3;17	4,029,991	5,167,297
Subtotal		136,900,088	172,719,874
<b>CURRENT ASSET</b>			
Inventories	3;10	14,277,579	12,923,051
Clients	3;19	109,993,314	93,258,613
Clients with retention payments	3;19	5,538,851	4,966,487
State and other public bodies	21	19,930,489	15,942,631
Other accounts receivable	3;21	38,325,398	60,495,934
Deferrals	3;21	695,646	711,048
Financial assets held for trading	3;19	45,410,058	1,805,766
Non-current assets held for sale	3;18	-	17,956,097
Cash and bank deposits	3;4	11,118,032	6,074,637
Subtotal		245,289,366	214,134,264
<b>TOTAL ASSETS</b>		<b>382,189,454</b>	<b>386,854,139</b>
<b>SHAREHOLDERS' FUNDS AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Paid-in capital		10,000,000	10,000,000
Own shares	3	(950,000)	(950,000)
Legal reserves		3,044,492	3,044,492
Other reserves		205,676,333	205,080,202
Retained profit		1,295,414	989,547
Revaluation surpluses		1,885,767	2,172,444
Adjustments/Other changes in equity		(31,438,197)	(43,194,843)
Subtotal		189,513,809	177,141,843
Net income for the period		5,782,682	1,136,131
<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>3</b>	<b>195,296,491</b>	<b>178,277,974</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Provisions	3;13	11,815,566	11,444,368
Financing obtained	3;8;19	44,708,317	57,301,161
Deferred tax liabilities	3;17	1,960,327	5,311,699
Subtotal		58,484,209	74,057,228
<b>CURRENT LIABILITIES</b>			
Trade creditors	3	46,323,156	51,943,452
Advanced payments from clients	3	24,449,051	34,582,776
State and other public bodies	21	13,612,266	13,687,719
Financing obtained	3;8;19	27,659,290	21,588,615
Other accounts payable	3;21	15,066,504	11,156,134
Deferrals	3;11;21	1,298,487	1,560,241
Subtotal		128,408,754	134,518,937
<b>TOTAL LIABILITIES</b>		<b>186,892,964</b>	<b>208,576,165</b>
<b>TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES</b>		<b>382,189,454</b>	<b>386,854,139</b>

The Management,

The Chartered Accountant,



# PROFIT AND LOSS ACCOUNT BY NATURE

As at 31 December 2021 and 2020

Amounts expressed in EURO

INCOME AND EXPENSES	NOTES	2021	2020
Sales and services provided	3;12;21;22	144,821,851	110,964,706
Grants received as compensation for expenses		-	-
Gains/losses allocated to subsidiaries, associated companies and joint ventures	3;9	852,023	398,199
Variation of inventories in production	3;10	-	-
Own work capitalised	3	1,162,027	1,616,003
Cost of goods sold and materials consumed	10	(46,893,522)	(30,085,139)
External supplies and services	21	(52,196,142)	(57,576,514)
Personnel expenses	3;20;21	(41,404,125)	(34,383,553)
Impairment of inventories (losses/reversals)	3;10	(59,096)	-
Impairment of doubtful debts (losses/reversals)	3;19	(1,433,772)	-
Provisions (increases/reductions)	3;13	(117,239)	(795,127)
Impairment of non-depreciable/amortisable investments (losses/reversals)		-	-
Increases/reductions of fair value		-	1,671
Other income	14;21	19,287,162	24,124,577
Other expenses	14;21	(8,258,627)	(3,522,171)
Operating income before depreciations, financing costs and taxes		15,760,540	10,742,651
Depreciation and amortisation expenses/reversals	3;6;7	(6,633,026)	(4,557,209)
Impairment of depreciable/amortisable investments (losses/reversals)		-	-
Net operating income (before financing costs and taxes)		9,127,513	6,185,442
Interests and similar income obtained		-	-
Interests and similar expenses supported	3;21	(3,327,466)	(3,258,629)
Income before taxation		5,800,047	2,926,812
Income taxes	3;17	(17,365)	(1,790,681)
<b>NET INCOME FOR THE PERIOD</b>		<b>5,782,682</b>	<b>1,136,131</b>
Income of discontinued operations (net of tax) inc. in the net income for the period		-	-
<b>NET INCOME FOR THE PERIOD ATTRIBUTABLE:</b>			
Holders of equity of the parent entity		5,782,682	1,136,131
Non-controlling interests		-	-
Subtotal		5,782,682	1,136,131
<b>EARNINGS PER SHARE (BASIC)</b>		<b>3.21</b>	<b>0.63</b>

The Management,

The Chartered Accountant,

# CASH FLOW STATEMENT

As at 31 December 2021 and 2020

Amounts expressed in EURO

ITEMS	NOTES	2021	2020
<b>OPERATING ACTIVITIES FLOW</b>			
Cash receipts from clients		124,121,232	143,496,627
Payments to suppliers		(112,508,755)	(93,839,044)
Payments to employees		(37,195,127)	(30,422,568)
Cash flow generated by operations		(25,582,650)	19,235,015
Payment/Receipt of income taxes		(330,725)	(443,699)
Other cash receipts/payments		4,918,326	(10,905,462)
<b>OPERATING ACTIVITIES FLOW (1)</b>		<b>(20,995,049)</b>	<b>7,885,853</b>
<b>INVESTMENT ACTIVITIES FLOW</b>			
<b>CASH PAYMENTS ARISING FROM:</b>			
Property, plant and equipment		(3,939,051)	(8,137,295)
Intangible assets		-	-
Financial investments		(31,180)	(42,397)
Other assets		-	-
<b>CASH RECEIPTS ARISING FROM:</b>			
Property, plant and equipment		1,880	276,594
Financial investments		20,400,395	-
Other assets		-	8,514
Interest and similar income		4,174,803	2,957,882
Dividends		41,627	130,743
<b>INVESTMENT ACTIVITIES FLOW (2)</b>		<b>20,648,474</b>	<b>(4,805,958)</b>
<b>FINANCING ACTIVITIES FLOW</b>			
<b>CASH RECEIPTS ARISING FROM:</b>			
Financing obtained		126,890,859	95,446,590
Capital increases and other equity instruments		-	-
Other financing operations		-	-
<b>CASH PAYMENTS ARISING FROM:</b>			
Financing obtained		(115,929,878)	(96,225,572)
Leasing financing		(4,786,346)	(2,239,729)
Interests and similar expenses		(2,359,054)	(2,516,050)
Dividends		(540,000)	-
Other financing operations		-	-
<b>FINANCING ACTIVITIES FLOW (3)</b>		<b>3,275,581</b>	<b>(5,534,762)</b>
Net increase/decrease in cash and cash equivalents (1 + 2 + 3)		2,929,006	(2,454,867)
Effects of foreign exchange rate		2,114,389	(735,335)
Cash and cash equivalents at the beginning of the period		6,074,637	9,264,839
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>4</b>	<b>11,118,032</b>	<b>6,074,637</b>

The Management,

The Chartered Accountant,



# STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDING ON 31 DECEMBER 2021

Amounts expressed in EURO

SHAREHOLDERS' FUNDS ATTRIBUTED TO HOLDERS OF EQUITY OF THE PARENT ENTITY												
	NOTES	PAID-IN CAPITAL	OWN SHARES	LEGAL RESERVES	OTHER RESERVES	RETAINED PROFIT	REVALUATION SURPLUSES	ADJUSTMENTS/ OTHER CHANGES IN EQUITY	NET INCOME FOR THE PERIOD	TOTAL	NON-CONTROLLING INTERESTS	TOTAL SHAREHOLDERS' FUNDS
POSITION AS AT 1 JANUARY 2021		10,000,000	(950,000)	3,044,492	205,080,202	989,547	2,172,444	(43,194,843)	1,136,131	178,277,974	-	178,277,974
Application of the income for the period					1,136,131				(1,136,131)	-		-
Position as at 1 January 2021 after application of income		10,000,000	(950,000)	3,044,492	206,216,333	989,547	2,172,444	(43,194,843)	-	178,277,974	-	178,277,974
CHANGES IN THE PERIOD:												
First adoption of the new accounting framework												
Changes in accounting policies										-		-
Differences in the translation of financial statements										-		-
Realisability of the revaluation surpluses								12,122,037		12,122,037		12,122,037
Revaluation surpluses						53,157	(53,157)			-		-
Adjustments by deferred taxes						233,520	(233,520)			-		-
Application of the equity method						(124,285)		1,706,127		1,581,842		1,581,842
Other recognised changes in equity						143,475		(2,071,519)		(1,928,045)		(1,928,045)
		-	-	-	-	305,867	(286,677)	11,756,645	-	11,775,835	-	11,775,835
Net income for the period									5,782,682	5,782,682		5,782,682
Overall result									5,782,682	17,558,517	-	17,558,517
OPERATIONS WITH EQUITY HOLDERS IN THE PERIOD												
Capital subscriptions										-		-
Subscriptions of share issuance premiums										-		-
Distributions					(540,000)					(540,000)		(540,000)
Contributions to cover losses										-		-
Other operations										-		-
		-	-	-	(540,000)	-	-	-	-	(540,000)	-	(540,000)
POSITION AT THE END OF DECEMBER 2021		3	10,000,000	(950,000)	3,044,492	205,676,333	1,885,767	(31,438,197)	5,782,682	195,296,491	-	195,296,491

The Management,

The Chartered Accountant,





03

**NOTES TO THE  
FINANCIAL  
STATEMENTS AS AT  
31 DECEMBER 2021**

# 1. INTRODUCTORY NOTE

## **ACTIVITY**

Conduril - Engenharia, S.A. ("Conduril" or "Company"), is a company founded in 1959 and transformed into a company limited by shares in 1976, with registered office at Av. Eng.º Duarte Pacheco, 1835, 4445-416 Ermesinde - Valongo, Portugal, whose main activity is civil engineering contracts and all other works related to the exercise of this activity.

The Board of Directors believes that these financial statements are a true and proper representation of the Company's operations, as well as its financial position and performance and cash flows.

The Board of Directors will closely follow every development related to the national and international economic situation, namely the war in Ukraine. This event is expected to have a negative impact on the current economic environment, which is seen with high uncertainty and quick evolution, so it is not possible to estimate, with a reasonable degree of confidence, the possible impacts, if they occur, on the Company's activity. According to the accounting standards, these events, which took place after the balance sheet date, were considered non-adjusting subsequent events.

The individual and consolidated financial statements are filed in the Company's registered office.

All amounts expressed in these notes are presented in euros, rounded to the nearest unit.

## **COVID-19**

The COVID-19 outbreak was classified as a pandemic by the World Health Organization (WHO) on 11 March 2020, and the state of emergency in Portugal was declared on 18 March 2020 and from that date on in all the countries where Conduril Group operates. So, in the last months, we have been living in a context of great uncertainty, directly and indirectly caused by the COVID-19 pandemic. From the beginning, Conduril has been closely following every development related to the disease, cautiously implementing the measures considered adequate, according to the recommendations issued by the relevant international authorities and the competent entities of the countries in which Conduril operates. The impact of the pandemic on the Company's activity was essentially felt in some production stoppages/suspensions, a consequence of the restrictions imposed in terms of travel and lockdowns, as well as in the costs associated with the necessary measures taken in the scope of occupational safety. In addition, the Company adhered in 2020 to moratorium plans for some bank loans, within the economic support plans, to combat the socio-economic impacts of the pandemic caused by the COVID-19 disease. We still find ourselves in a context of some uncertainty regarding the future, even though we are currently observing a gradual reduction of the restrictions that were issued.

Conduril's Management ensured the preparation of contingency and prevention action plans considered necessary and appropriate, in order to anticipate and mitigate the adverse effects and economic and financial impacts on its activities. These plans have been constantly revised and updated, considering the evolution of the pandemic and its effects in each of the regions in which Conduril is present. Taking into account the facts occurred up to this moment, and despite the uncertainty regarding the future impacts of the pandemic, it is not expected that these impacts may jeopardise the continuity of Conduril's operations.

## 2. ACCOUNTING FRAMEWORK FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

**2.1. These financial statements have been prepared bearing in mind the continuation of the Company's operations, from the accounting records of the Company and in accordance with the rules of the Accounting Standardisation System, governed by the following legislation:**

- Decree-law no. 158/2009, of 13 July, as amended by Decree-law no. 98/2015, of 2 June (Accounting Standardisation System);
- Decree Order no. 220/2015, of 24 July (Financial Statements Models);
- Notice no. 8254/2015, of 29 July (Framework);
- Notice no. 8256/2015, of 29 July (Accounting Standards and Financial Reporting);
- Decree Order no. 218/2015, of 23 July (Code of Accounts).

These financial statements reflect only the individual accounts of the Company, prepared in accordance with the law. Although the financial investments have been registered by the equity method, which is in accordance with the generally accepted accounting principles, these financial statements do not include the effect of the full consolidation at the level of assets, liabilities, income and expenses. The Company prepares and presents consolidated financial statements, separately.

**2.2. Indication and comment on the balance sheet and the income statement whose contents are not comparable with those of the previous financial year:**

The amounts presented for comparison purposes are comparable and presented in accordance with the model resulting from the amendments introduced by the legislation mentioned in the previous paragraph.



### 3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the attached financial statements are the following:

#### **3.1. Measurement bases used in the preparation of the financial statements**

The attached financial statements have been prepared bearing in mind the continuation of the Company's operations, from the accounting books and records of the Company, maintained in accordance with the Accounting Standards and Financial Reporting (NCRF).

The Board of Directors assessed the capacity of the Company, its subsidiaries and associated companies to continuously operate, based on relevant information, facts and circumstances of financial, commercial or other nature, including subsequent events to the reference date of the financial statements, available regarding the future. As a result of the assessment performed, the Board of Directors concluded that Conduril has the necessary resources to maintain its activities, with no intention of ceasing those activities in the short-term, so it considered adequate to assume the continuity of the operations in the preparation of the financial statements.

#### **A. INTANGIBLE ASSETS**

The intangible assets, which essentially comprise development rights and computer programmes, are registered at acquisition cost, net of eventual impairment losses and accumulated amortisation. These assets are written down from the moment in which the underlying assets are completed or in use, by the straight-line method, for a period of 60 and 6 years, respectively.

The intangible assets are only recognised when it is probable that they derive future economic benefits for the Company, are controllable by the Company and that they can be measured reliably.

The development costs for which the Company demonstrates ability to complete their development and start their marketing and/or use, and for which it is probable that their created asset will generate future economic benefits, are capitalised. The development costs that do not meet these criteria are registered as expense in the period in which they are incurred.

The gains or losses arising from the sale or write-off of these assets are determined as the difference between the sale price and the accounting net value at the date of sale/write-off, and are registered by the net value in the income statement, as "Other income" or "Other expenses".

#### **B. PROPERTY, PLANT AND EQUIPMENT**

The property, plant and equipment acquired up to 1 January 2009, are registered at their considered cost, which corresponds to the acquisition cost or the revaluated acquisition cost in accordance with the generally accepted principles in Portugal until that date, net of accumulated depreciation and impairment losses.

The property, plant and equipment acquired after that date, are registered at acquisition cost, net of the corresponding depreciation and accumulated impairment losses.

Depreciations are calculated after the beginning of use of the assets, by the straight-line method, on an annual basis.

The depreciation rates used in the present period correspond to the following estimated useful lives:

	YEARS
Buildings and other constructions	4 - 50
Machinery and other equipment	3 - 30
Transport equipment	4 - 12
Office equipment	3 - 25
Other property, plant and equipment	4 - 20

Maintenance and repair costs, which do not increase the useful life of these fixed assets are registered as expenses in the period in which they occur. The costs of major repairs and renovations are included in the accounting value of the asset whenever it is expected that this would involve additional future economic benefits.

Property, plant and equipment in progress represent assets still in the construction phase or in transit, and are registered at acquisition cost net of eventual impairment losses. These assets are depreciated from the moment they are in a state of use.

The gains or losses arising from the sale or write-off of these assets are determined as the difference between the sale price and the accounting net value at the date of sale/write-off, and are registered by the net value in the income statement, as "Other income" or "Other expenses".

### **C. GOODWILL**

Goodwill represents the excess of the acquisition cost over the fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiaries at the date of acquisition.

The differences between the acquisition cost of investments in subsidiaries and associated companies, and the fair value of the identifiable assets and liabilities of these companies at the date of their acquisition, when negative, are recognised as income at the date of acquisition, after reassessment of the fair value of the identifiable assets and liabilities.

At the balance sheet date, an evaluation of the recoverable amount of the net value of the goodwill is made, and the respective impairment losses recognised whenever the accounting value of goodwill exceeds its recoverable amount. The gain or loss on disposal of an entity includes the accounting value of goodwill related to the entity sold, unless the business to which that goodwill is related is maintained generating benefits to the Company. Impairment losses related to goodwill cannot be reversed.

## **D. LEASES**

Classification of leases as financial or operating is made based on the substance and not on the form of the contract. The lease agreements in which the Company acts as lessee are classified as finance leases, if the risks and rewards incident to ownership lie with the lessee, and as operating leases, if the risks and rewards incident to ownership do not lie with the lessee.

In accordance with the financial method, the cost of the asset is registered as an asset, the corresponding responsibility is registered as a liability, in the item "Financing obtained", and the interests included in the value of rentals and the assets reintegration are registered as costs in the income statement for the concerning period.

Operating lease instalments are recognised as expenses in the income statement, on a straight-line basis, over the rental period.

## **E. FINANCIAL INVESTMENTS**

Financial investments in subsidiaries, associated companies and jointly controlled entities are registered by the equity method, with the participations initially accounted at the acquisition cost, which is adjusted proportionally to the participation in the corresponding equity, at the date of acquisition or at the date of the first adoption of the equity method.

Under the equity method, permanent participations are adjusted annually by the amount corresponding to the participation in the net profit/loss of the subsidiaries and associated companies as opposed to income or expenses in the period. The participations are also adjusted by the value corresponding to the participation in other variations in the equity of these companies, as opposed to the item "Adjustments in financial assets". Furthermore, the dividends received from these companies are registered as a decrease in investments.

The remaining investments are registered at acquisition cost or, in the case of financing granted, at nominal value (there are situations where the nominal value differs from the fair value at the date of acquisition). An assessment of the investments in associated companies is made whenever there are indications that the asset may be impaired, with the impairment losses that are shown to exist being registered as costs. Income obtained from financial investments (dividends or profit distributed) are registered in the income statement for the period in which distribution is decided and announced.

## **F. INTEGRATION OF BRANCHES**

The accounting information of the branches where the Company develops its activity, namely Angola, Mozambique, Morocco, Cape Verde, Zambia, Malawi and Gabon (from 1 July 2021, the Gabon branch was transformed into a company limited by shares, thus integrating the subsidiaries), is included in accounting every month. The balances and transactions occurred in the period between the registered office and the branches are eliminated.

When the functional currency of the branch is different from the reporting currency of the Company, the process of integration is performed through the translation of the variations of assets and liabilities, income and expenses at the exchange



rate in force on the date of each monthly integration. On the reporting date, the exchange differences resulting from monetary assets and liabilities are calculated and registered on a monthly basis as changes in equity.

In the accounting information of the branches are mainly used accounting policies in force in Portugal. To guarantee the uniformity of the accounting policies, whenever the local legislation is different from the laws in force in Portugal, the proper adjustments are made.

#### **G. IMPAIRMENT OF NON-CURRENT ASSETS (EXCEPT FOR GOODWILL)**

Whenever an event or change in circumstances is identified that would indicate that the amount by which the asset is registered cannot be recovered, an assessment of impairment is performed with reference at the end of each period.

Whenever the amount by which the asset is registered is higher than its recoverable amount, an impairment loss is recognised, registered as an expense in the item "Impairment of depreciable/amortisable investments (losses/reversals)". The recoverable amount is the highest between the assets' net selling price and the use value. The net selling price is the amount that would have been achieved with the disposal of the asset in a transaction between independent and knowledgeable entities, deducted from the costs directly attributable to the disposal. The use value is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if this is not possible, for the cash-generating unit to which the asset belongs.

After the recognition of an impairment loss, the expense with the amortisation/depreciation of an asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

The reversal of impairment loss recognised in previous periods is registered when it is concluded that the recognised impairment losses no longer exist or have decreased. This assessment is made whenever it is believed that impairment losses previously recognised have been reversed. The reversal of impairment losses is recognised as income in the income statement. However, the reversal of the impairment loss is performed up to the limit of the amount that would be recognised (net of amortisation or depreciation), if the impairment loss had not been registered in previous periods.

#### **H. COSTS OF FINANCING OBTAINED**

Costs related to financing are recognised as an expense on an accrual basis, even in cases where these costs are directly attributable to the acquisition, construction or production of an asset whose period of time to get ready for its intended use is substantial, in which case it could be capitalised until the moment in which all the activities necessary to prepare the asset eligible for its use or sale are complete.

## **I. INVENTORIES**

Goods and raw, subsidiary and consumable materials are stated at acquisition cost or at market price, whichever is lower (using the average cost as a costing method). Market price means the net realisable value or the replacement cost.

Finished or semi-finished products, by-products and products and works in progress are valued at production cost (which includes the cost of raw materials, labour and production overheads) or at market price in case this is lower. Market price means the net realisable value.

In cases where the market price is lower than the acquisition cost, impairment losses are recognised.

## **J. FINANCIAL INSTRUMENTS**

### **i. Debtors**

Debtors are registered at their nominal value and presented at the balance sheet net of eventual impairment losses, recognised in the item "Impairment of doubtful debts (losses/reversals)", in order to reflect their net realisable value. There are no situations where the nominal value differs from the fair value and, therefore, where the debt should be measured using the effective interest method.

Impairment losses are recognised if there is objective and measurable evidence that, as a result of one or more events which occurred, the outstanding balance will not be fully or partially received. For that, the Company takes into consideration market information showing that the client is insolvent along with historical data of overdue and not paid amounts.

Recognised impairment losses correspond to the difference between the carrying amount and the present value of the estimated cash flows, discounted at the original effective interest rate, which is null whenever payment is expected to occur within less than one year.

### **ii. Financing**

Financing is registered as liabilities at its amortised cost. Financial expenses are calculated based on the effective interest rate and are registered in the income statement for the period on an accruals basis.

There are no situations where the application of the amortised cost method has a materially relevant impact on the measurement, when compared to the nominal value.

### **iii. Trade creditors**

Trade creditors and other creditors are registered at their nominal value, as they do not bear interests, being the effect of the use of the effective interest method considered immaterial.

### **iv. Financial liabilities and equity instruments**

Financial liabilities and equity instruments are classified based upon their contractual substance, regardless of the legal form they assume.

An instrument is classified as a financial liability when there is a contractual obligation for its settlement to be effected through the delivery of cash or another financial asset, regardless of its legal form. Financial liabilities are recognised initially at fair value net of transaction costs incurred, and subsequently at amortised cost, using the effective interest rate method.

An instrument is classified as an equity instrument when there is no contractual obligation for its settlement to be effected through the delivery of cash or another financial asset, regardless of its legal form, which evidence a residual interest in the assets of an entity after deducting all of its liabilities.

The costs directly attributable to the issuance of equity instruments are recognised in equity as a deduction to the amount issued. Amounts paid or received related to purchases or sales of equity instruments are registered in equity, net of transaction costs.

The distributions made of an equity instrument are deducted to equity as dividends, when declared.

#### **v. Own shares**

Own shares are accounted at the acquisition cost as an allowance to equity. Gains or losses arising from disposal of own shares are registered in the item "Other reserves", not affecting the profit/loss of the period.

#### **vi. Discounted bills and accounts receivable in factoring**

The Company derecognises financial assets in its financial statements, only when the contractual rights to the cash flows inherent to those assets have already expired, or when the Company substantially transfers all the risks and benefits inherent to the ownership of those assets to a third entity. If the Company substantially retains the risks and benefits inherent to the ownership of those assets, it continues to recognise them in its financial statements, by registering in liabilities, in the item "Financing obtained", the monetary consideration for the assets transferred.

Consequently, clients' balances represented by discounted bills that have not yet reached their maturity date and accounts receivable in factoring as at the balance sheet date, with the exception of operations of "Factoring without resource", are recognised in the financial statements of the Company, in liabilities, until they are collected.

#### **vii. Cash and cash equivalents**

The amounts included in the item "Cash and cash equivalents" correspond to cash on hand, bank deposits, term deposits and other treasury applications, which mature in less than three months and are subject to insignificant risk of change in value.

### **K. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions are recognised only when the Company has a present obligation (legal or constructive) as result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of that obligation. Provisions are reviewed at each balance sheet date and are adjusted to reflect the best estimate at that date. Provisions for restructuring costs are recognised whenever a formal and detailed restructuring plan exists and that plan has been communicated to the parties involved.

Contingent liabilities are defined by the Company 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 under full control of the Company, or (ii) present obligations arising from past events, but which are not recognised because it is unlikely that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.



Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Company. The Company does not recognise the contingent assets in its financial statements; it only proceeds to its disclosure if it considers that the economic benefits which may result from there to the Company are likely. When the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

## **L. ECONOMIC PERIODS**

Income and expenses are registered in the period to which they relate, regardless of the corresponding payment or receipt, on an accruals basis. Differences between the amounts received or paid and the corresponding income and expenses are registered in the items "Other accounts receivable", "Other accounts payable" or "Deferrals".

## **M. INCOME TAXES**

The income taxes registered in profit/loss include the effects of current taxes and deferred taxes. The current income tax is determined based on the taxable profit of the Company, in accordance with the tax rules in force.

Deferred taxes refer to the temporary differences between the amounts of the assets and liabilities for the purposes of accounting records and the respective amounts for the purposes of taxation, as well as those arising from the tax benefits obtained and the temporary differences between the tax and accounting results. The tax is recognised in the income statement, except when related with items, which are moved in equity, a fact that implies their recognition in equity.

Deferred tax assets and liabilities are calculated and periodically evaluated using the taxation rates, which are expected to be in force on the date of reversal of temporary differences.

Deferred taxes refer to temporary differences between the accounting values of the assets and liabilities and their tax base, using the tax rates approved or substantially approved, at the balance sheet date, in each jurisdiction and which are expected to be applied when the temporary differences are reversed.

Deferred tax liabilities are recognised for all taxable temporary differences (except for goodwill not deductible for tax purposes), differences arising on initial recognition of assets and liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Deferred tax assets are recognised to the extent when it is probable that future taxable profits will be available to absorb deductible temporary differences for tax purposes.

Deferred tax assets are registered only when there are reasonable expectations of sufficient taxable profits for them to be used. Every year, a revaluation of the temporary differences underlying to the deferred tax assets is made, with the purpose of recognising or adjust them according to the present expectation of their future recovery.

## **N. NON-CURRENT ASSETS HELD FOR SALE**

Non-current assets are classified as held for sale if the balance sheet value is realisable through a sales transaction, rather than through its continuing use. This situation is only verified when: (i) the sale is probable and the assets are available for immediate sale in the present conditions; (ii) the management is committed with a sales plan; and (iii) the sale is expectable to occur within twelve months.

Non-current assets classified as held for sale are measured at the lower value between the carrying amount and fair value net of expectable expenses with its sale.

## **O. GOVERNMENT AND OTHER PUBLIC ENTITIES SUBSIDIES**

Subsidies for vocational training programmes or exploration subsidies are registered in the item "Grants received as compensation for expenses" of the income statement for the period in which these programmes are carried out, independently of when they are received, unless it becomes receivable in a later period, in which it will be income for the period when it was received.

Non-reimbursable subsidies related to the assets are registered in the balance sheet as "Other changes in equity" and recognised in the income statement proportionally to the reintegrations of the subsidised assets, in each period.

## **P. RETIREMENT COMPLEMENTS**

The Company has assumed the commitment of attributing a number of pecuniary benefits to its employees at complementary title of retirement pensions for old age or disability. To cover those responsibilities, the Company created a defined benefit Pension Fund in 1989, exclusive to its employees, whose annual charges, determined according to actuarial calculations, are registered in accordance with the NCRF 28 - "Employee benefits".

The actuarial responsibilities are calculated according to the "Projected Unit Credit Method", by using the actuarial and financial assumptions considered appropriate.

## **Q. REVENUE**

The Company recognises the income of works, contract by contract, in accordance with the NCRF 19 - "Construction contracts" under the percentage of completion method, which is understood as the relation between costs incurred in each work until a certain date and the sum of those costs with the costs estimated for the work completion. The differences between the values resulting from the application of the level of completion to the estimated income and the invoiced values are included in the items "Other accounts receivable" and "Deferrals".

Variations in works in the amount of revenue agreed in the contract are recognised in the income for the period when it is highly possible that the client will approve the amount of revenue arising from the variation, and that this can be reliably measured.

Claims for reimbursement of costs not included in the contract price are included in contract revenue when negotiations are at an advanced stage and it is probable that the client will accept the claim, and that it will be reliably measurable.

To meet the costs incurred during the warranty period of the works, the Company recognises every year liabilities to fulfil this legal obligation, which is calculated taking into account the annual production volume and the costs incurred in the past with works in warranty period. When it is probable that total costs foreseen in the construction contract will exceed its defined income, the expected loss shall be immediately recognised in the income statement for the period.

Dividends from participations registered at cost are recognised as income in the income statement for the period in which its attribution is decided.

## **R. EXPENSES WITH THE PREPARATION OF PROPOSALS**

The expenses made with the preparation of proposals for several tenders are recognised in the income statement for the period in which they are incurred.

## **S. OWN WORK CAPITALISED**

Own work capitalised corresponds to construction and improvement works carried out by the Company itself, as well as the major repairs of equipment and include expenses with materials, direct labour and general expenses.

Those expenses are object of capitalisation only when fulfilled the following requirements:

- The assets developed are identifiable;
- There is a strong probability of the assets generating future economic benefits; and
- They can be reliably measured.

## **T. SUBSEQUENT EVENTS**

Events that occur after the balance sheet date that provide evidence or additional information on conditions existing at the balance sheet date ("adjusting events"), are reflected in the financial statements of the Company. Events after the balance sheet date that provide information on conditions arising after the balance sheet date ("non-adjusting events"), when material, are disclosed in the notes to the financial statements.

## **U. JUDGEMENTS AND ESTIMATES**

The preparation of the financial statements was based on best knowledge and experience of past and/or present events, considering assumptions relating to future events.

The most significant accounting estimates reflected in the financial statements for the periods ending on 31 December 2021 and 2020 include:

- Useful lives of tangible assets;
- Record of provisions and impairment losses;



- Recognition of revenue in works in progress;
- Recognition of the present value of responsibilities with retirement benefits; and
- Calculation of fair value of the financial instruments.

The estimates were determined based on the best information available at the preparation date of the financial statements. However, situations may occur in subsequent periods that, not being foreseeable at the date, have no impact on the estimates. Changes to the estimates that occur after the date of the financial statements, will be corrected in profit/loss, using a prospective method, in accordance with NCRF 4.

### 3.2. Other relevant accounting policies

#### A. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit attributable to the shareholders of the Company by the weighted average number of ordinary shares in circulation during the period, excluding the number of own shares held.

#### B. FOREIGN CURRENCY

On initial recognition, transactions in foreign currency (a currency other than the functional currency) are registered at the exchange rates on the dates of the transactions. All assets and liabilities expressed in foreign currency have been converted into the functional presentation currency, using the exchange rates in force at the reporting date. Exchange gains and losses resulting from differences between the exchange rates in force on the date of the transactions and those in force on the dates of collection, payments or the balance sheet date, are recognised as income and expenses in the income statement for the period. The non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Exchange differences related to accounts receivable/payable whose maturity is not defined, are registered in the income statement for the period when those accounts receivable/payable are depreciated/disposed/liquidated. Financial statements of participated companies and branches expressed in foreign currency are translated into euros.

The exchange rates used to convert to euros were as follows:

CURRENCY	TRANSACTION CURRENCY	2021		2020	
		31 DECEMBER	EXCHANGE RATE	31 DECEMBER	EXCHANGE RATE
American Dollar	Euro	0.88290	n/a	0.81493	n/a
Moroccan Dirham	Euro	0.09509	0.09398	0.09145	0.09220
Botswana Pula	Euro	n/a	n/a	0.07540	0.07601
Mozambican Metical	Euro	0.01383	0.01298	0.01087	0.01242
Cape Verdean Escudo	Euro	0.00907	0.00907	0.00907	0.00907
CFA Franc	Euro	0.00152	0.00152	0.00152	0.00152
Zambian Kwacha	Euro	0.05296	0.04287	0.03852	0.04667
Malawian Kwacha	Euro	0.00108	0.00106	0.00105	0.00117
Angolan Kwanza	Euro	0.00157	0.00135	0.00125	0.00146
South African Rand	Euro	0.05559	n/a	0.05549	n/a
Namibian Dollar	Euro	0.05521	n/a	0.05427	n/a
Zimbabwean Dollar	Euro	0.00812	0.00946	0.00995	0.01568

### **3.3. Judgements on the application process of the accounting policies and which had greater impact in the amounts recognised in the financial statements**

In the preparation of the financial statements according with NCRF (equivalent to GAAP), the Company uses estimates and assumptions that affect the application of the policies and amounts reported. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances on which the estimate was based, or as a result of new information or more experience.

### **3.4. Main assumptions concerning the future**

The attached financial statements have been prepared bearing in mind the continuation of the Company's operations, from the accounting books and records of the Company, maintained in accordance with the accounting principles generally accepted in Portugal.

Events that occur after the balance sheet date that affect the value of the existing assets and liabilities at the balance sheet date are considered when preparing the financial statements for the period. Those events are disclosed in the notes to the financial statements, if material.

### **3.5. Major sources of uncertainty**

The present note makes reference to the major assumptions for the future adopted in the preparation of the attached financial statements, which may involve a significant risk of material adjustments to the valuation of assets and liabilities in the following financial period.

#### **A. IMPAIRMENT OF ASSETS**

The determination of the impairment of assets requires an estimate of the present value of the future cash flows associated with those assets. In this calculation, the assumptions are adopted based on the Company's historical experience, as well as on future expectations. The Company considers that there is a controlled risk of these assumptions not taking place.

#### **B. USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS**

The expected useful lives of property, plant and equipment and intangible assets are reviewed on each reporting date. The useful lives of the assets depend on various factors related to both their use and their location.

#### **C. REVENUE AND CONSTRUCTION CONTRACTS**

The revenue of the ongoing construction contracts is recognised under the percentage of completion method of the contract. The stage of completion is translated into a relevant estimate based on the prediction of the costs incurred until the contract completion. This process is based on technical analyses performed by technicians.

## **D. PROVISIONS FOR OTHER RISKS AND COSTS**

Provisions are recognised after the technical analyses, in order to determine the existence of a present obligation as a result of a past event, a probable outflow of resources. This estimate is equally supported by the opinion of the Company's lawyers and advisers.

## **E. RECOGNITION OF THE PRESENT VALUE OF RESPONSIBILITIES WITH RETIREMENT BENEFITS**

The responsibilities with retirement pensions are estimated based on the actuarial assessments performed by external experts. In the establishment of the responsibility, financial and actuarial assumptions are included, namely the discount rate, mortality and invalidity tables, growth rate of pensions and wages, among others.

In light of the above, relevant changes are not foreseen to the estimates made and, consequently, material variations in registered assets and liabilities based on those estimates are also not expected.

# 4. CASH FLOWS

## **4.1. Management's comment about the amount of significant balances of cash and cash equivalents, which are not available for use**

The balance amount of "Cash and cash equivalents" is fully available.

## **4.2. Breakdown of the amounts registered in "Cash and bank deposits"**

The cash and bank deposits balance is the following:

	31.12.2021	31.12.2020
Cash	225,785	20,163
Demand deposits	5,338,540	5,122,090
Term deposits	5,553,707	932,384
<b>TOTAL CASH AND BANK DEPOSITS</b>	<b>11,118,032</b>	<b>6,074,637</b>

# 5. RELATED PARTIES

## **5.1. Remunerations of the key management personnel**

A. Total remunerations: 1,296,622 euros (2020: 1,288,695 euros).



## 5.2. Transactions between related parties

### A. Nature of the related party relationship

	COUNTRY	DIRECT %	TOTAL %
<b>BRANCHES:</b>			
Angola	-	-	-
Mozambique	-	-	-
Morocco	-	-	-
Cape Verde	-	-	-
Zambia	-	-	-
Malawi	-	-	-
Gabon*	-	-	-
<b>SUBSIDIARIES:</b>			
Conduril - Gestão de Concessões de Infraestruturas, S.A.	Portugal	100.00	100.00
Edirio - Construções, S.A.	Portugal	100.00	100.00
Métis Engenharia, Lda.	Angola	99.00	99.00
ENOP - Engenharia e Obras Públicas, Lda.	Mozambique	100.00	100.00
Urano, Lda.	Angola	99.00	99.00
Conduril Engenharia - Açores, S.A.	Portugal	100.00	100.00
Esquénio - Estudos e Projetos de Engenharia, S.A.	Portugal	100.00	100.00
Conduril Construction Zimbabwe (PVT) LTD	Zimbabwe	100.00	100.00
Conduril Engenharia Gabon, S.A.*	Gabon	100.00	100.00
<b>JOINTLY CONTROLLED ENTITIES:</b>			
Groupement Adriano, Jaime Ribeiro, Conduril - Construção, ACE	Morocco	33.33	33.33
Groupement CJA / Lot 3 - Construção ACE	Morocco	33.33	33.33
Groupement Túnel de Nador, Construção ACE	Morocco	50.00	50.00
RAL - Rodovias do Algarve Litoral, ACE	Portugal	16.67	16.67
RBA - Rodovias do Baixo Alentejo, ACE	Portugal	17.86	17.86
UTE Alcántara - Garrovillas	Spain	15.00	15.00
<b>ASSOCIATED COMPANIES:</b>			
Rotas do Algarve Litoral, S.A.	Portugal	21.64	23.64
Marestrada - Operação e Manutenção Rodoviária, S.A.	Portugal	33.33	33.33
<b>KEY MANAGEMENT PERSONNEL:</b>			
<b>BOARD OF DIRECTORS:</b>			
António Luís Amorim Martins (President) - Chairman			
Maria Benedita Andrade de Amorim Martins (President of the Executive Committee) - CEO			
Maria Luísa Andrade Amorim Martins Mendes (Vice-President of the Executive Committee)			
António Baraças Andrade Miragaia			
António Emanuel Lemos Catarino			
Jorge Lúcio Teixeira Castro			
Miguel José Alves Montenegro Andrade			
Ricardo Nuno Araújo Abreu Vaz Guimarães			
<b>OTHER RELATED PARTIES:</b>			
Geonorte - Geotecnia e Fundações Especiais, Lda.	Portugal	-	-
Sociedade Agrícola da Quinta do Javali, Lda.	Portugal	-	-
Mugige Vinhos, Lda.	Angola	-	-

\*On 1 July 2021, the Gabon branch was transformed into a subsidiary.

**B. Transactions and outstanding balances:**

As at 31 December 2021 and 2020, the Company presented the following transactions and balances in what concerns the related entities:

As at 31 December 2021:

RELATED PARTIES	OUTSTANDING BALANCES - ASSETS	OUTSTANDING BALANCES - LIABILITIES	ACCUMULATED IMPAIRMENT LOSSES	PROVISIONS
<b>ENTITIES WITH JOINT CONTROL OR SIGNIFICANT INFLUENCE:</b>				
Groupement Adriano, Jaime Ribeiro, Conduril - Construção, ACE	7,201,250	-	-	6,306,770
Groupement Túnel de Nador, Construção ACE	1,656,649	100,966	-	515,821
Groupement CJA / Lot 3 - Construção ACE	829,542	-	-	-
RAL - Rodovias do Algarve Litoral, ACE	341,654	24,462	-	-
RBA - Rodovias do Baixo Alentejo, ACE	757,894	338,373	-	517,665
	10,786,989	463,801	-	7,340,256
<b>SUBSIDIARIES:</b>				
Conduril - Gestão de Concessões de Infraestruturas, S.A.	3,094,046	-	336,000	638,087
Edirio - Construções, S.A.	4,697,351	592,980	854,268	-
Métis Engenharia, Lda.	7,403,187	7,320,382	-	-
ENOP - Engenharia e Obras Públicas, Lda.	7,357,811	5,891,320	-	-
Urano, Lda.	2,383,573	3,084,742	-	-
Conduril Engenharia - Açores, S.A.	955,329	241,518	-	-
Esquénio - Estudos e Projetos de Engenharia, S.A.	77,540	110,354	-	-
Conduril Construction Zimbabwe (PVT) LTD	670,518	584,555	-	-
Conduril Engenharia Gabon, S.A.	4,850,047	1,228,576	-	254,218
	31,489,402	19,054,427	1,190,268	892,305
<b>ASSOCIATED COMPANIES:</b>				
Rotas do Algarve Litoral, S.A.	11,412,786	-	40,000	-
Marestrada - Operação e Manutenção Rodoviária, S.A.	-	-	-	10,410
	11,412,786	-	40,000	10,410
<b>OTHER RELATED PARTIES:</b>				
UTE Alcántara - Garrovillas	1,219,788	-	-	-
Geonorte - Geotecnia e Fundações Especiais, Lda.	28,227	195,596	-	-
Geonorte - Geotecnia e Fundações Especiais, Lda. - Angola branch	332,375	255,223	-	-
Sociedade Agrícola da Quinta do Javali, Lda.	-	13,369	-	-
Mugige Vinhos, Lda.	3,882,672	-	-	-
	5,463,062	464,188	-	-

RELATED PARTIES	INCOME	EXPENSES
<b>ENTITIES WITH JOINT CONTROL OR SIGNIFICANT INFLUENCE:</b>		
RAL - Rodovias do Algarve Litoral, ACE	-	-
RBA - Rodovias do Baixo Alentejo, ACE	-	-
	-	-
<b>SUBSIDIARIES:</b>		
Edirio - Construções, S.A.	162,549	925,685
Métis Engenharia, Lda.	147,998	218,140
ENOP - Engenharia e Obras Públicas, Lda.	977,309	616,928
Urano, Lda.	45,658	1,263,760
Conduril Engenharia - Açores, S.A.	560,795	-
Esquério - Estudos e Projetos de Engenharia, S.A.	17,645	228,579
Conduril Construction Zimbabwe (PVT) LTD	10,925	27,168
Conduril Engenharia Gabon, S.A.	1,523,548	-
	3,446,427	3,280,260
<b>ASSOCIATED COMPANIES:</b>		
Rotas do Algarve Litoral, S.A.	-	-
Marestrada - Operação e Manutenção Rodoviária, S.A.	-	-
	-	-
<b>OTHER RELATED PARTIES:</b>		
UTE Alcântara - Garrovillas	-	-
Geonorte - Geotecnia e Fundações Especiais, Lda.	78,265	478,165
Geonorte - Geotecnia e Fundações Especiais, Lda. - Angola branch	195,654	192,064
Sociedade Agrícola da Quinta do Javali, Lda.	-	279,765
Mugige Vinhos, Lda.	-	92,509
	273,919	1,042,503

The financing granted to the related parties, registered in other financial investments, are detailed in Note 9.2.



As at 31 December 2020:

RELATED PARTIES	OUTSTANDING BALANCES - ASSETS	OUTSTANDING BALANCES - LIABILITIES	ACCUMULATED IMPAIRMENT LOSSES	PROVISIONS
<b>ENTITIES WITH JOINT CONTROL OR SIGNIFICANT INFLUENCE:</b>				
Groupement Adriano, Jaime Ribeiro, Conduril - Construção, ACE	7,173,538	-	-	6,265,664
Groupement Túnel de Nador, Construção ACE	1,641,066	100,966	-	518,428
Groupement CJA / Lot 3 - Construção ACE	828,711	-	-	-
RAL - Rodovias do Algarve Litoral, ACE	362,450	24,462	-	6,226
RBA - Rodovias do Baixo Alentejo, ACE	757,894	338,373	-	544,192
	10,763,659	463,801	-	7,334,510
<b>SUBSIDIARIES:</b>				
Conduril - Gestão de Concessões de Infraestruturas, S.A.	5,898,752	-	336,000	497,963
Edirio - Construções, S.A.	4,153,260	3,276,797	437,960	-
Métis Engenharia, Lda.	8,889,780	8,046,567	-	-
ENOP - Engenharia e Obras Públicas, Lda.	7,625,539	5,980,694	-	-
Urano, Lda.	2,389,461	2,254,331	-	-
Conduril Engenharia - Açores, S.A.	330,292	241,518	-	-
Esquénio - Estudos e Projetos de Engenharia, S.A.	55,745	96,130	-	-
Conduril Construction Zimbabwe (PVT) LTD	1,538,618	-	-	-
	30,881,447	19,896,037	773,960	497,963
<b>ASSOCIATED COMPANIES:</b>				
SPER - Sociedade Portuguesa para a Construção e Exploração Rodoviária, S.A.	17,408,516	-	20,000	-
Rotas do Algarve Litoral, S.A.	11,412,786	-	20,000	-
	28,821,302	-	40,000	-
<b>OTHER RELATED PARTIES:</b>				
UTE Alcántara - Garrovillas	1,220,412	-	-	-
Geonorte - Geotecnia e Fundações Especiais, Lda.	1,530	529,806	-	-
Geonorte - Geotecnia e Fundações Especiais, Lda. - Angola branch	70,496	-	-	-
Sociedade Agrícola da Quinta do Javali, Lda.	-	18,717	-	-
Mugige Vinhos, Lda.	3,087,317	-	-	-
	4,379,755	548,523	-	-

RELATED PARTIES	INCOME	EXPENSES
<b>ENTITIES WITH JOINT CONTROL OR SIGNIFICANT INFLUENCE:</b>		
RAL - Rodovias do Algarve Litoral, ACE	27,074	-
RBA - Rodovias do Baixo Alentejo, ACE	-	-
	27,074	-
<b>SUBSIDIARIES:</b>		
Edirio - Construções, S.A.	476,080	1,776,313
Métis Engenharia, Lda.	431,258	934,459
ENOP - Engenharia e Obras Públicas, Lda.	820,140	765,187
Urano, Lda.	63,861	1,151,058
Conduril Engenharia - Açores, S.A.	5,525	-
Esquénio - Estudos e Projetos de Engenharia, S.A.	22,965	216,931
Conduril Construction Zimbabwe (PVT) LTD	114,792	-
	1,934,621	4,843,948
<b>ASSOCIATED COMPANIES:</b>		
SPER - Sociedade Portuguesa para a Construção e Exploração Rodoviária, S.A.	-	-
Planestrada - Operação e Manutenção Rodoviária, S.A.	-	-
	-	-
<b>OTHER RELATED PARTIES:</b>		
UTE Alcântara - Garrovillas	624	-
Geonorte - Geotecnia e Fundações Especiais, Lda.	141,946	2,019,544
Geonorte - Geotecnia e Fundações Especiais, Lda. - Angola branch	234,556	65,700
Sociedade Agrícola da Quinta do Javali, Lda.	-	205,294
Mugige Vinhos, Lda.	1,922,415	21,872
	2,299,541	2,312,410

The financing granted to the related parties, registered in other financial investments, are detailed in Note 9.2.

## 6. INTANGIBLE ASSETS

### 6.1. Disclosure for each class of intangible assets, distinguishing between internally generated intangible assets and other intangible assets

**A.** Depreciations for the period are calculated taking into account the following average useful lives and amortisation rates for each item:

INTANGIBLE ASSETS	USEFUL LIFE	AMORTISATION RATE
Research and development	6	16.67%
Computer programmes	6	16.67%
Development rights	60	1.66%
Other intangible assets	6	16.67%

**B.** Elements of intangible assets are depreciated by the straight-line method, based on their expected useful life.

**C.** The intangible assets are the following:

INTANGIBLE ASSETS	31.12.2021		31.12.2020	
	GROSS ASSETS	AMORTISATIONS AND IMPAIRMENT LOSSES	GROSS ASSETS	AMORTISATIONS AND IMPAIRMENT LOSSES
Research and development	27,740	6,194	27,740	1,571
Computer programmes	149,860	104,308	107,312	96,528
Industrial property	47,121	-	47,121	-
Development rights	5,829,975	634,420	5,814,545	624,112
Other intangible assets	2,006	2,006	2,006	2,006
<b>TOTAL</b>	<b>6,056,702</b>	<b>746,928</b>	<b>5,998,724</b>	<b>724,217</b>

**D.** The value of amortisations related to intangible assets included in the item “Depreciation and amortisation expenses/reversals” of the income statement is the following:

AMORTISATIONS FOR THE PERIOD - OTHERS	31.12.2021	31.12.2020
Research and development	4,623	1,571
Computer programmes	7,677	1,669
Development rights	8,589	8,979
<b>TOTAL</b>	<b>20,889</b>	<b>12,219</b>

**E.** The movements in the item “Intangible assets” during 2021 and 2020 are the following:

	2021					
	RESEARCH AND DEVELOPMENT	DEVELOPMENT RIGHTS	SOFTWARE	INDUSTRIAL PROPERTY	OTHER INTANGIBLE ASSETS	TOTAL
<b>GROSS ASSETS:</b>						
Balance as at 31.12.2020	27,740	5,814,545	107,312	47,121	2,006	5,998,724
Additions	-	15,430	46,548	-	-	61,978
Transfers and write-offs	-	-	(4,000)	-	-	(4,000)
Balance as at 31.12.2021	27,740	5,829,975	149,860	47,121	2,006	6,056,702
<b>ACCUMULATED AMORTISATION:</b>						
Balance as at 31.12.2020	1,571	624,112	96,528	-	2,006	724,217
Additions	4,623	8,589	7,677	-	-	20,889
Others	-	1,719	103	-	-	1,822
Balance as at 31.12.2021	6,194	634,420	104,308	-	2,006	746,928
<b>NET VALUE</b>	<b>21,546</b>	<b>5,195,555</b>	<b>45,552</b>	<b>47,121</b>	<b>-</b>	<b>5,309,774</b>

	2020					
	RESEARCH AND DEVELOPMENT	DEVELOPMENT RIGHTS	SOFTWARE	INDUSTRIAL PROPERTY	OTHER INTANGIBLE ASSETS	TOTAL
<b>GROSS ASSETS:</b>						
Balance as at 31.12.2019	-	5,814,545	100,862	47,121	2,006	5,964,534
Additions	27,740	-	6,450	-	-	34,190
Transfers and write-offs	-	-	-	-	-	-
Balance as at 31.12.2020	27,740	5,814,545	107,312	47,121	2,006	5,998,724
<b>ACCUMULATED AMORTISATION:</b>						
Balance as at 31.12.2019	-	615,133	89,295	-	2,006	706,434
Additions	1,571	8,979	1,669	-	-	12,219
Transfers and write-offs	-	-	5,564	-	-	5,564
Balance as at 31.12.2020	1,571	624,112	96,528	-	2,006	724,217
<b>NET VALUE</b>	<b>26,169</b>	<b>5,190,433</b>	<b>10,784</b>	<b>47,121</b>	<b>-</b>	<b>5,274,507</b>



## 7. TANGIBLE ASSETS

### 7.1. Disclosure on property, plant and equipment

#### A. Measurement bases:

Tangible assets are valued according to the cost model, to which an item of property, plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

#### B. Depreciation method used:

The Company amortises its property, plant and equipment assets according to the straight-line method. In accordance to this method, depreciation is constant during the useful life of the assets if its residual value does not change.

#### C. Useful lives and depreciation rates used:

Depreciations for the period are calculated taking into account the following average useful lives and amortisation rates for each item:

TANGIBLE ASSETS	USEFUL LIFE	AMORTISATION RATE
Land and natural resources	-	-
Buildings and other constructions	4 - 50	2% - 25%
Machinery and other equipment	3 - 30	3.33% - 33.33%
Transport equipment	4 - 12	8.33% - 25%
Office equipment	3 - 25	4% - 33.33%
Other property, plant and equipment	4 - 20	5% - 25%

#### D/E. Reconciliation of the carrying amount at the beginning and end of the period:

	2021							
	LAND AND NATURAL RESOURCES	BUILDINGS AND OTHER CONSTRUCTIONS	MACHINERY AND OTHER EQUIPMENT	TRANSPORT EQUIPMENT	OFFICE EQUIPMENT	OTHER PROPERTY, PLANT AND EQUIPMENT	INVESTMENTS IN PROGRESS	TOTAL
<b>GROSS ASSETS:</b>								
Balance as at 31.12.2020	2,622,286	26,449,497	106,442,277	26,809,596	2,109,938	1,681,826	20,217,515	186,332,935
Additions	799,399	687,053	4,230,327	1,884,885	138,436	60,213	1,503,913	9,304,226
Disposals	-	-	(1,293,235)	(231,887)	-	-	-	(1,525,122)
Transfers and write-offs	(27,212)	3,077,624	(1,147,962)	(762,777)	(83,288)	(46,392)	(3,716,561)	(2,706,568)
Balance as at 31.12.2021	3,394,473	30,214,174	108,231,407	27,699,817	2,165,086	1,695,647	18,004,867	191,405,471
<b>ACCUMULATED DEPRECIATION:</b>								
Balance as at 31.12.2020	-	17,630,367	62,395,540	19,220,508	1,716,543	1,135,700	-	102,098,658
Additions	-	754,610	4,629,088	1,029,825	76,171	122,443	-	6,612,137
Disposals	-	-	(1,090,110)	(216,615)	-	-	-	(1,306,725)
Transfers and write-offs	-	(142,554)	(906,780)	(693,637)	(64,644)	(42,243)	-	(1,849,858)
Balance as at 31.12.2021	-	18,242,423	65,027,738	19,340,081	1,728,070	1,215,900	-	105,554,212
<b>NET VALUE</b>	<b>3,394,473</b>	<b>11,971,751</b>	<b>43,203,669</b>	<b>8,359,736</b>	<b>437,016</b>	<b>479,747</b>	<b>18,004,867</b>	<b>85,851,259</b>

	2020							
	LAND AND NATURAL RESOURCES	BUILDINGS AND OTHER CONSTRUCTIONS	MACHINERY AND OTHER EQUIPMENT	TRANSPORT EQUIPMENT	OFFICE EQUIPMENT	OTHER PROPERTY, PLANT AND EQUIPMENT	INVESTMENTS IN PROGRESS	TOTAL
<b>GROSS ASSETS:</b>								
Balance as at 31.12.2019	2,622,286	25,456,405	84,209,149	23,444,616	1,998,671	1,515,708	18,560,201	157,807,036
Additions	-	1,027,427	25,644,881	3,539,280	117,664	175,743	1,657,629	32,162,625
Disposals	-	(34,335)	(3,379,868)	(168,244)	(6,397)	-	-	(3,588,844)
Transfers and write-offs	-	-	(31,885)	(6,056)	-	(9,625)	(315)	(47,882)
Balance as at 31.12.2020	2,622,286	26,449,497	106,442,277	26,809,596	2,109,938	1,681,826	20,217,515	186,332,935
<b>ACCUMULATED DEPRECIATION:</b>								
Balance as at 31.12.2019	-	17,111,479	62,361,007	18,614,844	1,665,086	1,003,447	-	100,755,863
Additions	-	523,352	3,109,124	729,929	47,365	135,220	-	4,544,991
Disposals	-	(4,464)	(3,043,920)	(127,603)	(3,247)	-	-	(3,179,233)
Transfers and write-offs	-	-	(30,671)	3,338	7,339	(2,967)	-	(22,961)
Balance as at 31.12.2020	-	17,630,367	62,395,540	19,220,508	1,716,543	1,135,700	-	102,098,658
<b>NET VALUE</b>	<b>2,622,286</b>	<b>8,819,130</b>	<b>44,046,737</b>	<b>7,589,088</b>	<b>393,395</b>	<b>546,126</b>	<b>20,217,515</b>	<b>84,234,277</b>

## 7.2. Amount of expenditures recognised in the carrying amount of fixed assets during its construction

TANGIBLE ASSETS	EXPENDITURES RECOGNISED DURING CONSTRUCTION	
	31.12.2021	31.12.2020
Buildings and other constructions	1,278,300	1,653,799
Machinery and other equipment	225,613	3,830
Transport equipment	-	-
Other property, plant and equipment	-	-
<b>TOTAL</b>	<b>1,503,913</b>	<b>1,657,629</b>

## 7.3. Depreciation recognised in profit/loss or as part of other assets costs during the period

TANGIBLE ASSETS	DEPRECIATION RECOGNISED IN PROFIT/LOSS	
	31.12.2021	31.12.2020
Buildings and other constructions	754,610	523,352
Machinery and other equipment	4,629,088	3,109,124
Transport equipment	1,029,825	729,929
Office equipment	76,171	47,365
Other property, plant and equipment	122,443	135,220
<b>TOTAL</b>	<b>6,612,137</b>	<b>4,544,990</b>

## 7.4. Accumulated depreciation at the end of the period

TANGIBLE ASSETS	ACCUMULATED DEPRECIATION	
	31.12.2021	31.12.2020
Buildings and other constructions	18,242,423	17,630,367
Machinery and other equipment	65,027,738	62,395,540
Transport equipment	19,340,081	19,220,508
Office equipment	1,728,070	1,716,543
Other property, plant and equipment	1,215,900	1,135,700
<b>TOTAL</b>	<b>105,554,212</b>	<b>102,098,658</b>

## 7.5. Items of fixed assets in progress

The most significant values included in the item “Investments in progress”, as at 31 December 2021 and 2020, refer to the following projects:

TANGIBLE ASSETS	31.12.2021	31.12.2020
Buildings and other constructions	18,001,037	20,213,685
Machinery and other equipment	-	-
Transport equipment	-	-
Other property, plant and equipment	3,830	3,830
<b>TOTAL</b>	<b>18,004,867</b>	<b>20,217,515</b>

## 7.6. Property, plant and equipment by geographical location

31.12.2021	GROSS ASSETS	ACCUMULATED DEPRECIATION	NET AMOUNT
Portugal	80,420,447	37,241,124	43,179,323
Angola	82,893,360	51,489,753	31,403,607
Mozambique	12,080,154	6,179,608	5,900,546
Morocco	60,664	60,664	-
Cape Verde	4,476	2,834	1,642
Zambia	11,205,183	8,285,547	2,919,636
Malawi	4,741,187	2,294,682	2,446,505
<b>TOTAL</b>	<b>191,405,471</b>	<b>105,554,212</b>	<b>85,851,259</b>

31.12.2020	GROSS ASSETS	ACCUMULATED DEPRECIATION	NET AMOUNT
Portugal	76,093,805	34,029,933	42,063,872
Angola	82,576,836	51,146,484	31,430,352
Mozambique	11,501,338	5,662,673	5,838,665
Morocco	68,482	68,482	-
Botswana	60,163	60,163	-
Cape Verde	4,476	2,834	1,642
Zambia	11,150,762	8,250,114	2,900,648
Malawi	3,405,430	1,661,812	1,743,618
Gabon	1,471,643	1,216,163	255,480
<b>TOTAL</b>	<b>186,332,935</b>	<b>102,098,658</b>	<b>84,234,277</b>



## 8. LEASES

### 8.1. Finance leases – Lessees

**A.** Net carrying amount for each asset category at 31 December 2021 and 2020:

	31.12.2021	31.12.2020
Buildings and other constructions	141,750	151,875
Machinery and other equipment	17,786,499	17,255,608
Transport equipment	5,546,806	4,990,923
<b>TOTAL</b>	<b>23,475,055</b>	<b>22,398,406</b>

**B.** Reconciliation between the total of the future lease minimum payments at 31 December 2021 and 2020 and its present value:

	31.12.2021	31.12.2020
Minimum payments up to 1 year	6,009,448	5,366,152
Minimum payments for more than 1 year and no more than 5 years	15,142,882	17,568,642
Minimum payments for more than 5 years	-	-
<b>Total minimum payments</b>	<b>21,152,330</b>	<b>22,934,794</b>
Future interest payments	437,818	465,950
<b>PRESENT VALUE OF RESPONSIBILITIES</b>	<b>20,714,512</b>	<b>22,468,844</b>

**C.** Total of the future minimum lease payments at the balance sheet date and its present value:

	MINIMUM PAYMENTS		PRESENT VALUE	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
No more than 1 year	6,009,448	5,366,152	5,793,336	5,168,492
More than 1 year and no more than 5 years	15,142,882	17,568,642	14,921,176	17,300,352
More than 5 years	-	-	-	-
<b>TOTAL</b>	<b>21,152,330</b>	<b>22,934,794</b>	<b>20,714,512</b>	<b>22,468,844</b>

## 9. INTERESTS IN JOINT VENTURES AND INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES

### 9.1. Breakdown of the amounts registered in “Permanent participations – equity method”

	31.12.2021	31.12.2020
Subsidiaries	4,598,749	2,257,550
Jointly controlled entities	142,699	-
Associated companies	494,241	-
<b>TOTAL</b>	<b>5,235,689</b>	<b>2,257,550</b>

### 9.2. Subsidiaries

#### A. List and description of the subsidiaries:

COMPANY	TYPE OF PARTICIPATION	METHOD USED
Conduril - Gestão de Concessões de Infraestruturas, S.A.	100.00%	Equity method
Edirio - Construções, S.A.	100.00%	Equity method
Métis Engenharia, Lda.	99.00%	Equity method
ENOP - Engenharia e Obras Públicas, Lda.	100.00%	Equity method
Urano, Lda.	99.00%	Equity method
Conduril Engenharia - Açores, S.A.	100.00%	Equity method
Esquénio - Estudos e Projetos de Engenharia, S.A.	100.00%	Equity method
Conduril Construction Zimbabwe (PVT) LTD	100.00%	Equity method
Conduril Engenharia Gabon, S.A.	100.00%	Equity method

#### B. Carrying amount and data about the entities:

31.12.2021 COMPANY	CARRYING AMOUNT	TOTAL ASSETS	TOTAL SHAREHOLDERS' FUNDS	TOTAL PERIOD INCOME
Conduril - Gestão de Concessões de Infraestruturas, S.A.	-	2,121,465	(638,087)	(140,124)
Edirio - Construções, S.A.	-	5,378,438	358,232	(416,308)
Métis Engenharia, Lda.	2,265,987	9,870,417	5,338,785	148,940
ENOP - Engenharia e Obras Públicas, Lda.	948,092	17,435,062	914,214	410,233
Urano, Lda.	860,658	4,136,495	2,128,474	9,683
Conduril Engenharia - Açores, S.A.	347,039	2,795,852	429,039	67,441
Esquénio - Estudos e Projetos de Engenharia, S.A.	60,621	199,772	60,621	26,268
Conduril Construction Zimbabwe (PVT) LTD	116,352	799,510	116,352	(5,542)
Conduril Engenharia Gabon, S.A.*	-	9,674,675	(254,218)	(995,272)
<b>TOTAL</b>	<b>4,598,749</b>			

\* The subsidiary, Conduril Engenharia Gabon, S.A., resulted from the transformation of the Gabon branch on 1 July 2021.

31.12.2020 COMPANY	CARRYING AMOUNT	TOTAL ASSETS	TOTAL SHAREHOLDERS' FUNDS	TOTAL PERIOD INCOME
Conduril - Gestão de Concessões de Infraestruturas, S.A.	-	5,065,709	(497,963)	(2,378)
Edirio - Construções, S.A.	-	4,697,145	274,540	(206,651)
Métis Engenharia, Lda.	1,051,152	10,309,482	4,111,668	270,258
ENOP - Engenharia e Obras Públicas, Lda.	357,095	13,651,575	357,097	(55,762)
Urano, Lda.	407,910	3,749,890	1,657,293	221,267
Conduril Engenharia - Açores, S.A.	279,598	1,214,598	361,598	5,503
Esquénio - Estudos e Projetos de Engenharia, S.A.	34,353	165,219	34,353	(16,722)
Conduril Construction Zimbabwe (PVT) LTD	127,442	2,571,816	127,442	360,402
<b>TOTAL</b>	<b>2,257,550</b>			

Related to these participations, in December 2021, in the item “Other financial investments” are registered the following amounts concerned to financing granted:

COMPANY	FINANCING GRANTED	ACCUMULATED IMPAIRMENT LOSSES
Conduril - Gestão de Concessões de Infraestruturas, S.A.	336,000	336,000
Edirio - Construções, S.A.	1,212,500	854,268
ENOP - Engenharia e Obras Públicas, Lda.	15,354	-
Métis Engenharia, Lda.	3,049,838	-
Urano, Lda.	1,259,118	-
Conduril Engenharia - Açores, S.A.	82,000	-
<b>TOTAL</b>	<b>5,954,810</b>	<b>1,190,268</b>

### 9.3. Joint ventures

#### A. List and description of the interests in significant joint ventures:

COMPANY	TYPE	OTHER PARTICIPANTS
Groupement Adriano, Jaime Ribeiro, Conduril - Construção, ACE	Jointly controlled entity	Elevation and Jaime Ribeiro e Filhos
Groupement CJA / Lot 3 - Construção ACE	Jointly controlled entity	Elevation and Jaime Ribeiro e Filhos
Groupement Túnel de Nador, Construção ACE	Jointly controlled entity	Jaime Ribeiro e Filhos
RAL - Rodovias do Algarve Litoral, ACE	Jointly controlled entity	Elevation and Tecnovia
RBA - Rodovias do Baixo Alentejo, ACE	Jointly controlled entity	Elevation and Tecnovia

#### B. Proportion of ownership interest held and data about the entities:

31.12.2021 COMPANY	PROPORTION OF THE INTEREST HELD	CARRYING AMOUNT	TOTAL ASSETS	TOTAL SHAREHOLDERS' FUNDS	TOTAL PERIOD INCOME
Groupement Adriano, Jaime Ribeiro, Conduril - Construção, ACE	33.33%	-	12,721,238	(18,622,156)	300,046
Groupement CJA / Lot 3 - Construção ACE	33.33%	-	n/a	n/a	n/a
Groupement Túnel de Nador, Construção ACE	50%	-	8,818,385	(1,036,855)	(42,050)
RAL - Rodovias do Algarve Litoral, ACE	16.67%	142,699	3,527,907	856,022	677,873
RBA - Rodovias do Baixo Alentejo, ACE	17.86%	-	752,699	(2,571,629)	475,549
<b>TOTAL</b>		<b>142,699</b>			

31.12.2020 COMPANY	PROPORTION OF THE INTEREST HELD	CARRYING AMOUNT	TOTAL ASSETS	TOTAL SHAREHOLDERS' FUNDS	TOTAL PERIOD INCOME
Groupement Adriano, Jaime Ribeiro, Conduril - Construção, ACE	33.33%	-	12,407,607	(18,798,872)	135,332
Groupement CJA / Lot 3 - Construção ACE	33.33%	-	n/a	n/a	n/a
Groupement Túnel de Nador, Construção ACE	50%	-	8,818,385	(1,036,855)	(42,050)
RAL - Rodovias do Algarve Litoral, ACE	16.67%	-	3,872,077	(37,350)	(281,328)
RBA - Rodovias do Baixo Alentejo, ACE	17.86%	-	1,327,837	(3,046,988)	(800,748)
<b>TOTAL</b>		<b>-</b>			

At the preparation date of the financial statements, the financial statements of the group Groupement CJA / Lot 3 - Construção ACE were not available. This group does not have a significant activity; therefore, the Board of Directors considers that there are no relevant impacts regarding this participation.

**C. Method used in the recognition of interests in joint ventures:**

The interests in jointly controlled companies were recognised in the financial statements by the equity method, from the date in which the control is shared. According to this method, investment is initially recognised by the cost, being the carrying amount adjusted by the corresponding value to the proportion held in net profit/loss, dividends received and variation in equity.

#### 9.4. Associated companies

**A. List and description of the associated companies:**

COMPANY	PARTICIPATION	METHOD USED
Rotas do Algarve Litoral, S.A.	23.64%	Equity method
Marestrada - Operação e Manutenção Rodoviária, S.A.	33.33%	Equity method

**B. Carrying amount and data about the entities:**

31.12.2021 COMPANY	CARRYING AMOUNT	TOTAL ASSETS	TOTAL SHAREHOLDERS' FUNDS	TOTAL PERIOD INCOME
Rotas do Algarve Litoral, S.A.	-	175,122,964	(10,799,807)	(17,224,738)
Marestrada - Operação e Manutenção Rodoviária, S.A.	494,241	5,292,084	1,482,870	1,343,528
<b>TOTAL</b>	<b>494,241</b>			

31.12.2020 COMPANY	CARRYING AMOUNT	TOTAL ASSETS	TOTAL SHAREHOLDERS' FUNDS	TOTAL PERIOD INCOME
Rotas do Algarve Litoral, S.A.	-	172,507,587	(13,076,916)	(14,144,068)
Marestrada - Operação e Manutenção Rodoviária, S.A.	-	2,324,331	(31,233)	(662,054)
<b>TOTAL</b>	<b>-</b>			



Related to the participations in associated companies, in December 2021, in the item "Other financial investments" are registered the following amounts concerned to financing granted:

COMPANY	FINANCING GRANTED	ACCUMULATED IMPAIRMENT LOSSES
Rotas do Algarve Litoral, S.A.	11,412,786	40,000
<b>TOTAL</b>	<b>11,412,786</b>	<b>40,000</b>

### 9.5. Gains/Losses in subsidiaries and joint ventures

GAINS/LOSSES IN SUBSIDIARIES AND JOINT VENTURES	31.12.2021	31.12.2020
Expenses and losses in subsidiaries, associated companies and joint ventures	(315,417)	(530,051)
Income and gains in subsidiaries, associated companies and joint ventures	1,440,595	852,515
Elimination of the income related to the sales of property, plant and equipment to branches	(18,308)	238,658
Elimination of the expenses related to the sales of property, plant and equipment to branches	(888)	(888)
Provisions for losses in Group's companies (Note 13)	(253,959)	(162,035)
<b>TOTAL</b>	<b>852,023</b>	<b>398,199</b>

## 10. INVENTORIES

### 10.1. Accounting policies adopted in the measurement of inventories and cost formula used

Inventories are valued by cost or net realisable value, if this is lower. Cost includes purchase costs, conversion costs and other costs incurred in bringing the inventories to their present condition. The purchase costs comprise the purchase price, import duties and other taxes, transport expenses, handling, trade discounts, rebates and other similar items. The conversion costs include expenses directly related to units of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in finished goods. The allocation of fixed production overheads is based on the normal capacity of the production facilities.

The Company values its inventories by the weighted average cost formula, which assumes that the cost of each item is determined from the weighted average of the cost of similar items at the beginning of a period and the cost of similar items purchased or produced during the period.

### 10.2. Total carrying amount of inventories and carrying amount in appropriate classifications

The carrying amount of inventories is the following:

INVENTORIES	31.12.2021	31.12.2020
Raw, subsidiary and consumable materials	15,080,409	13,666,785
Goods	-	-
Finished and semi-finished products	129,375	129,375
Products and work in progress	-	-
	15,209,784	13,796,159
Impairment losses	(932,205)	(873,109)
<b>TOTAL</b>	<b>14,277,579</b>	<b>12,923,051</b>

### 10.3. Amount of inventories recognised as expense during the period

The amount of inventories recognised as expense during the period was the following:

	GOODS		RAW, SUBSIDIARY AND CONSUMABLE MATERIALS	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Initial inventory	-	9,646	12,793,676	11,326,594
Impairment losses in stocks	-	-	(59,096)	-
Purchases	-	-	48,307,146	31,552,221
Inventories adjustments and reclassification	-	-	-	-
Ending inventory	-	(9,646)	(14,148,204)	(12,793,676)
<b>EXPENSES IN THE PERIOD</b>	<b>-</b>	<b>-</b>	<b>46,893,522</b>	<b>30,085,139</b>

	FINISHED AND SEMI-FINISHED PRODUCTS		PRODUCTS AND WORK IN PROGRESS	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Initial inventory	129,375	129,375	-	-
Inventories adjustments and reclassification	-	-	595,258	-
Ending inventory	(129,375)	(129,375)	(595,258)	-
<b>VARIATION OF INVENTORIES IN PRODUCTION</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 10.4. Amount of impairment losses in inventories recognised in the income for the period

The value of impairment losses recognised in the income for the period was the following:

IMPAIRMENT LOSSES IN INVENTORIES	31.12.2021	31.12.2020
Goods	-	-
Raw, subsidiary and consumable materials	59,096	-
Finished and semi-finished products	-	-
<b>TOTAL</b>	<b>59,096</b>	<b>-</b>

### 10.5. Movement during the period of impairment losses in inventories

	RAW, SUBSIDIARY AND CONSUMABLE MATERIALS
Accumulated impairment losses on 31.12.2020	873,109
Increases	59,096
Reversal	-
Utilisations	-
<b>ACCUMULATED IMPAIRMENT LOSSES ON 31.12.2021</b>	<b>932,205</b>

	RAW, SUBSIDIARY AND CONSUMABLE MATERIALS
Accumulated impairment losses on 31.12.2019	873,109
Increases	-
Reversal	-
Utilisations	-
<b>ACCUMULATED IMPAIRMENT LOSSES ON 31.12.2020</b>	<b>873,109</b>

# 11. CONSTRUCTION CONTRACTS

## 11.1. Amount of contract revenue recognised as revenue in the period

The revenue of each construction contract includes the initial amount of revenue agreed, as well as variations in works, claims and incentive payments to the extent that it is probable that will result in revenue and are capable of being reliably measured. As at 31 December 2021 and 2020, the amount of revenue recognised as revenue in the period was the following:

WORK/CONTRACT	REVENUE IN THE PERIOD 2021	REVENUE IN THE PERIOD 2020
Construction contracts	142,235,424	110,102,975
<b>TOTAL</b>	<b>142,235,424</b>	<b>110,102,975</b>

## 11.2. Methods used to determine the contract revenue recognised in the period

The recognition of revenue in the period is made according to the percentage of completion method. Under this method, revenue is matched with the contract costs incurred when reaching the stage of completion. Contract revenue is recognised as revenue in the income statement in the accounting periods in which the work is performed. In the cases the outcome of the contracts cannot be estimated reliably, revenue shall be recognised only to the extent of contract costs incurred that it is probable to be recoverable.

## 11.3. Methods used to determine the stage of completion of ongoing contracts

In order to determine the stage of completion of a contract, it is used the method that most reliably measures the work performed. Depending on the nature of the contract, the method used to determine the stage of completion can vary as follows:

- The proportion that contract costs incurred for work performed to date bear to the estimated total contract costs (most used methodology);
- Survey of the work performed;
- Completion of a physical proportion of the work performed.

## 11.4. Information related to the ongoing construction contracts

31.12.2021	EXPENSES INCURRED	RECOGNISED INCOME	ADVANCES RECEIVED	RETENTION
Ongoing contracts	309,877,141	369,181,301	16,293,605	2,223,263
<b>TOTAL</b>	<b>309,877,141</b>	<b>369,181,301</b>	<b>16,293,605</b>	<b>2,223,263</b>

31.12.2020	EXPENSES INCURRED	RECOGNISED INCOME	ADVANCES RECEIVED	RETENTION
Ongoing contracts	349,981,641	436,770,221	27,960,078	1,925,954
<b>TOTAL</b>	<b>349,981,641</b>	<b>436,770,221</b>	<b>27,960,078</b>	<b>1,925,954</b>

## 12. REVENUE

### 12.1. Accounting policies adopted for the recognition of revenue, including the methods adopted to determine the stage of completion of transactions involving the provision of services

The Company recognises revenue according to the following criteria:

**A. SALES** – are recognised in the income statement when the risks and benefits inherent to the ownership have been transferred to the buyer, when there is not a continued management involvement to a degree usually associated with ownership, when the amount of revenue can be reasonably measured, when it is probable that the economic benefits associated with the transaction will flow to the entity, and when the expenses incurred or to be incurred with the transaction can be reliably measured.

**B. PROVISION OF SERVICES** – are recognised in the income statement with reference to the stage of completion of the provision of services at the balance sheet date.

**C. INTEREST** – is recognised using the effective interest method.

**D. DIVIDENDS** – are recognised from the moment in which is established the shareholder's right of receiving the payment.

### 12.2. Amount of each significant category of revenue recognised during the period, including the revenue from:

	31.12.2021	31.12.2020
Provision of services	144,821,851	110,964,706
Interest	4,347,502	2,805,942
Dividends	41,627	127,917
<b>TOTAL</b>	<b>149,210,980</b>	<b>113,898,564</b>

## 13. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

### 13.1. Provisions

The Company recognises a provision when, cumulatively, there is a present obligation as a result of a past event; it is likely that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.



During the period ending on 31 December 2021, the movements relating to provisions occurred were the following:

PROVISIONS	OPENING BALANCE	INCREASES	REVERSAL	ADJUSTMENTS	CLOSING BALANCE
Guarantees to clients	3,195,648	377,890	(96,021)	-	3,477,517
Ongoing court proceedings	-	231,000	-	-	231,000
Other provisions	405,837	10,207	(405,837)	-	10,207
	3,601,485	619,097	(501,858)	-	3,718,724
Financial investments (Note 9)	7,842,883	414,394	(160,435)	-	8,096,842
<b>TOTAL</b>	<b>11,444,368</b>	<b>1,033,491</b>	<b>(662,293)</b>	<b>-</b>	<b>11,815,566</b>

During the period ending on 31 December 2020, the movements relating to provisions occurred were the following:

PROVISIONS	OPENING BALANCE	INCREASES	REVERSAL	ADJUSTMENTS	CLOSING BALANCE
Guarantees to clients	2,739,626	517,906	(90,076)	28,192	3,195,648
Other provisions	5,126	406,074	(38,776)	33,413	405,837
	2,744,752	923,980	(128,852)	61,605	3,601,485
Financial investments (Note 9)	7,680,848	162,035	-	-	7,842,883
<b>TOTAL</b>	<b>10,425,600</b>	<b>1,086,015</b>	<b>(128,852)</b>	<b>61,605</b>	<b>11,444,368</b>

Provisions for financial investments refer to the subsidiaries in the scope of the application of the equity method, namely of Groupement Adriano, Jaime Ribeiro, Conduril - Construção, ACE, Conduril - Gestão de Concessões de Infraestruturas, S.A., Groupement Túnel de Nador, Construção ACE, RBA - Rodovias do Baixo Alentejo, ACE, RAL - Rodovias do Algarve Litoral, ACE and Marestrada - Operação e Manutenção Rodoviária, S.A.

### 13.2. Proceedings in litigation

Following the several ongoing proceedings in litigation, arising from business, the Company is convinced that the risk of losing these proceedings is unlikely and their outcome will not affect the material form of its financial position, a belief that is sustained by Conduril's internal legal office, as well as by its legal advisers.

Regarding the tax proceedings, there are proceedings arising from legal disputes filed by Conduril related to the additional settlements of IRC (Corporate Income Tax) (2011, 2012 and 2014), with the Company's opinion being, based on the opinions of its tax advisers, that the outcome will be favourable, and this is the reason why no provisions were registered in the financial statements. However, the Tax and Customs Authority, regarding the proceedings of IRC 2014, has taken a favourable decision towards the pleas of the Company.

### 13.3. Guarantees provided

As at 31 December 2021, the Company had assumed responsibilities for the guarantees provided in the amount of 115,200,393 euros (as at 31 December 2020, the amount was 118,921,974 euros).

The bank guarantees were essentially provided for the purpose of tenders, as a good performance guarantee of works and finance.

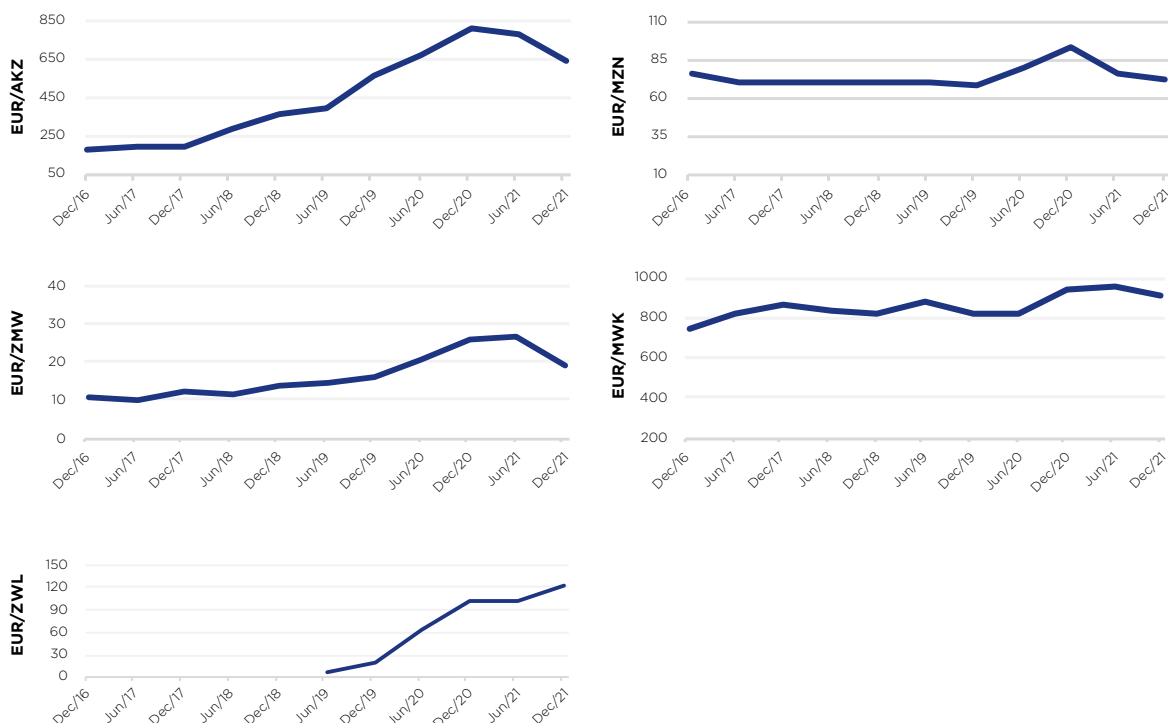
## 13.4. Management of financial risks

### A. GENERAL PRINCIPLES

Among the several risks a company faces, the financial risks are those with the most direct impact on the cash flows and on its income statement. The activity of Conduril is exposed to several financial risks, such as exchange rate risk, interest rate risk, credit risk and liquidity risk. These risks are the result of the uncertainty inherent to the financial markets, which is reflected in the capacity to estimate future cash flows and returns. The risk management policy of Conduril is a continuous process in constant development, applied to the implementation of its strategy, trying to minimise the adverse effects arising from these uncertainties, typical of financial markets.

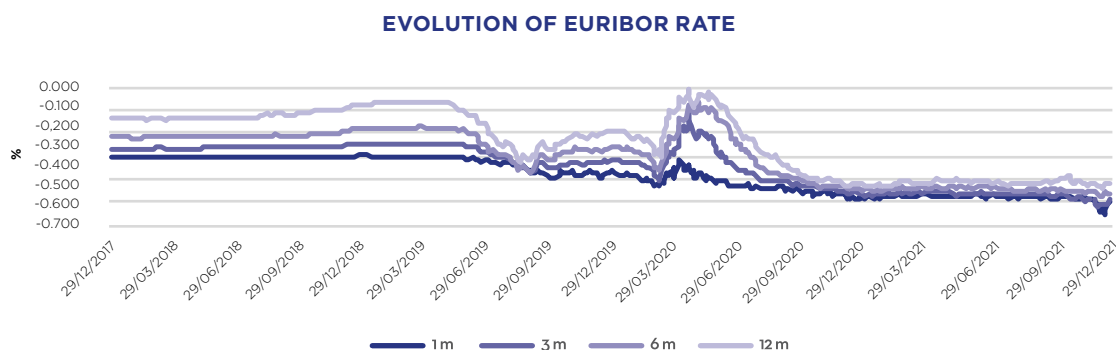
### B. EXCHANGE RATE RISK

Since the activity of Conduril is mainly located in Portugal and Africa (Angola, Mozambique, Zambia, Malawi, Gabon and Zimbabwe), the Company is exposed to the exchange rate risk of the currencies in use in those countries. In order to address this risk, the contracts are celebrated in USD/EUR, whenever possible. The evolution of the kwanza, metical, Zambian kwacha, Malawian kwacha and Zimbabwean dollar currencies against the euro impact the financial statements, and the financial instruments used to hedge these currencies are limited or non-existent.



### C. INTEREST RATE RISK

The interest rate risk essentially results from the indebtedness indexed to variable rates. Aware of the perspectives regarding the interest rate evolution, only a small percentage of the Company's indebtedness is indexed to an interest rate coverage, an issue that is being permanently monitored, in order to take, in good time, the necessary measures to reduce the impact of this variable on Conduril's financing.



### D. CREDIT RISK

The exposure of Conduril to credit risk is mainly related to the accounts receivable resulting from the operating activities: sales debts and services provided to clients. The management of this risk aims to guarantee the recovery of the credits in the established deadlines, without affecting the financial balance of the Company. This risk is regularly monitored. The management of these risks aims to:

- i. evaluate the client in accordance with internal procedures that imply detailed analyses of the entities and the amounts involved. For this evaluation, we also resort to information entities and credit risk profiles available in the market;
- ii. limit the credit granted to clients, considering the deadline for receipt of each client;
- iii. monitor the evolution of the level of credit granted;
- iv. perform an impairment analysis of the amounts to receive on a regular basis.

### E. LIQUIDITY RISK

Liquidity risk is defined as the risk of lack of ability to settle or fulfil its obligations on the stipulated deadline and at a reasonable price. An essential instrument for liquidity risk management is the annual and global liquidity plan, prepared based on the liquidity plans of each establishment. These plans are updated every month. The existence of liquidity implies the definition of parameters for the management of that liquidity, which allow to maximise the return obtained and minimise the costs of opportunity related to holding that liquidity safely and efficiently.

The risk management in Conduril aims at:

- Liquidity – guarantee the permanent and efficient access to enough funds to deal with current payments in the respective due dates;
- Safety – minimise the probability of default in terms of refund of any application of funds; and
- Financial efficiency – guarantee to minimise the cost of opportunity of the surplus liquidity holding at the short-term.

Conduril's policy is to reconcile the due dates of assets and liabilities, managing their maturities in a balanced way.

Managing its exposure to liquidity risk, Conduril's policy is to ensure the hiring of credit instruments of different natures and in amounts adjusted to the specificities of its needs, guaranteeing comfortable levels of liquidity. It is also a Company rule to contract those facilities without providing any guarantee.

## 14. THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES

### 14.1. Exchange differences recognised in profit/loss

	31.12.2021	31.12.2020
Exchange losses		
- Other expenses	3,596,480	1,101,882
<b>TOTAL</b>	<b>3,596,480</b>	<b>1,101,882</b>
Exchange gains		
- Other income	6,950,687	12,401,259
<b>TOTAL</b>	<b>6,950,687</b>	<b>12,401,259</b>

### 14.2. Net exchange differences classified in a separate component of equity

	EXCHANGE DIFFERENCES IN EQUITY
Balance as at 31.12.2020	(45,576,714)
Exchange losses	(29,593,135)
Exchange gains	43,392,259
<b>BALANCE AS AT 31.12.2021</b>	<b>(31,777,590)</b>



## 15. EVENTS AFTER THE BALANCE SHEET DATE

### 15.1. Disclosure updating about the conditions at the balance sheet date

Between the balance sheet date and the issuance of the financial statements, no information on the conditions that existed at the balance sheet date were received, so no adjustments in amounts recognised in the present financial statements were made.

### 15.2. Authorisation for the issue of financial statements

These financial statements were approved by the Board of Directors, in the meeting of 4 March 2022. The Board of Directors believes that these financial statements are a true and proper representation of the Company's operations, as well as its financial position and performance and cash flows.

## 16. ENVIRONMENTAL ISSUES

### 16.1. Description of the measurement bases adopted, as well as the methods used in the calculation of value adjustments

From its activity, the Company has a legal or contractual responsibility to prevent, reduce or repair environmental damage. To fulfil this obligation, the Company incurred in expenses that amounted to 250,244 euros (in 2020, they amounted to 188,139 euros) during the period ending on 31 December 2021.

To measure the environmental expenses incurred, the Company recognises the expenses effectively made in the period.

### 16.2. Environmental expenses allocated to profit/loss

All environmental expenses should be considered in profit/loss if they were expenses incurred in that period, i.e., if they do not aim to prevent future damage or provide future benefits.

Therefore, environmental expenses allocated to profit/loss refer to past or present activities, or restoration of environmental conditions in the state in which they were before contamination.

	AMOUNT ALLOCATED TO PROFIT/LOSS
Waste treatment	250,244
<b>TOTAL</b>	<b>250,244</b>

# 17. INCOME TAXES

## 17.1. Main components of tax expense and income

	31.12.2021	31.12.2020
Current tax and adjustments:		
Current tax for the period	1,501,472	2,762,858
	1,501,472	2,762,858
Deferred taxes:		
Deferred taxes related to temporary differences	(1,484,107)	(972,177)
	(1,484,107)	(972,177)
<b>INCOME TAXES EXPENSE</b>	<b>17,365</b>	<b>1,790,681</b>

Current tax and deferred tax shall be charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

During the period ending on 31 December 2021 and 2020, no debits/credits were made directly to equity related to the deferred taxes.

## 17.2. Relation between tax expense/income and accounting profit

RECONCILIATION OF THE EFFECTIVE TAX RATE	31.12.2021	31.12.2020
Income before taxation	5,800,047	2,926,812
Income taxes expense	17,365	1,790,681
Effective tax rate	0.30%	61.18%
Nominal tax rate (21% in Portugal, and 25% in Angola)	1,411,434	1,081,512
<b>ADJUSTMENTS:</b>		
Differentiated rates of taxation and effect of double taxation	736,063	875,886
Application of the equity method	(118,300)	(110,356)
Value adjustments of non-deductible assets	6,857	7,191
Expenses not accepted as tax cost	718,102	452,155
Provisions not accepted as expense	23,848	96,118
Reversal of untaxed provisions	(142,688)	5,990
Tax refund / Insufficiency of tax	(14,978)	(60,829)
Other untaxed income	(1,253,946)	(2,954,393)
Tax loss deduction for the period	(1,354,606)	(232,693)
Tax losses for the period	401,246	5,058,845
Autonomous taxation	242,977	427,949
Deferred taxes	(1,484,107)	(1,356,625)
Untaxed exchange differences	(629,930)	(1,452,022)
Others	1,475,393	(48,047)
	(1,394,069)	709,169
<b>INCOME TAXES EXPENSE</b>	<b>17,365</b>	<b>1,790,681</b>

With reference to the period ending on 31 December 2021 and 2020, in accordance with article 54-A of the Portuguese IRC Code, the Company opted for the non-inclusion of the taxable profit allocated to the Angola branch.

### 17.3. Deferred taxes

As at 31 December 2021, deferred tax assets and liabilities are the following:

DEFERRED TAX ASSETS	OPENING BALANCE	OTHER VARIATIONS	INCREASES	REVERSAL	CLOSING BALANCE
Expenses not accepted	5,167,297	437,993	3,229,868	(5,605,290)	3,229,868
Tax losses	-	-	800,123	-	800,123
Others	-	-	-	-	-
<b>TOTAL</b>	<b>5,167,297</b>	<b>437,993</b>	<b>4,029,991</b>	<b>(5,605,290)</b>	<b>4,029,991</b>

DEFERRED TAX LIABILITIES	OPENING BALANCE	OTHER VARIATIONS	INCREASES	REVERSAL	CLOSING BALANCE
Revaluation surpluses	742,324	-	-	(11,960)	730,364
Taxable income	4,283,651	92,651	-	(3,146,339)	1,229,963
Depreciation not accepted	285,724	107,124	-	(392,848)	-
<b>TOTAL</b>	<b>5,311,699</b>	<b>199,775</b>	<b>-</b>	<b>(3,551,147)</b>	<b>1,960,327</b>

As at 31 December 2020, deferred tax assets and liabilities are the following:

DEFERRED TAX ASSETS	OPENING BALANCE	OTHER VARIATIONS	INCREASES	REVERSAL	CLOSING BALANCE
Expenses not accepted	88,998	-	5,101,204	(22,905)	5,167,297
Others	-	-	-	-	-
<b>TOTAL</b>	<b>88,998</b>	<b>-</b>	<b>5,101,204</b>	<b>(22,905)</b>	<b>5,167,297</b>

DEFERRED TAX LIABILITIES	OPENING BALANCE	OTHER VARIATIONS	INCREASES	REVERSAL	CLOSING BALANCE
Revaluation surpluses	896,981	-	-	(154,657)	742,324
Taxable income	88,998	-	4,194,653	-	4,283,651
Depreciation not accepted	361,268	(141,670)	74,085	(7,959)	285,724
<b>TOTAL</b>	<b>1,347,247</b>	<b>(141,670)</b>	<b>4,268,738</b>	<b>(162,616)</b>	<b>5,311,699</b>

## 18. NON-CURRENT ASSETS AND LIABILITIES HELD FOR SALE

### 18.1. Non-current assets held for sale

As at 31 December 2021 and 2020, non-current assets held for sale are the following:

COMPANY	31.12.2021	31.12.2020
SPER - Sociedade Portuguesa para a Construção e Exploração Rodoviária, S.A. assets		
Participation	-	-
Loan	-	17,408,516
Planestrada - Operação e Manutenção Rodoviária, S.A. assets	-	-
Participation	-	547,581
<b>TOTAL</b>	<b>-</b>	<b>17,956,097</b>

In July 2021, Conduril concluded the sales transaction of the SPER and Planestrada participations, which generated an added value of 2,444,584 euros (Note 21.5).

# 19. FINANCIAL INSTRUMENTS

## 19.1. Measurement bases

It is the Company's policy recognise an asset, a financial liability and an equity instrument only when it becomes a part of the contractual provisions of the instrument.

The Company measures, at cost or amortised cost less impairment loss, the financial instruments that have a defined maturity, which the returns have a fixed amount, with a fixed interest rate during the instrument's life or of variable rate which is a typical market indexing for financing operations (for example, Euribor), or that includes a spread on that indexing, which does not contain a contractual clause that can result to its holder in loss of nominal value and accrued interest (excluding the cases of credit risk).

The contracts to grant or take a loan in a net basis and the equity instruments that are not publicly negotiated and whose fair value cannot be obtained reliably, as well as contracts connected to those instruments that, if executed, result in the delivery of those instruments, are also measured at cost or amortised cost less impairment loss.

All financial instruments which are not measure at cost or amortised cost less any impairment loss are measured at fair value.

The Company does not include the transaction costs in the initial measurement of financial asset or liability, which is measured at the fair value as part of profit/loss.

As long as the Company holds a financial instrument, the measurement policy will not be affected.

## 19.2. Financial assets and liabilities

Financial assets with recognition of impairment:

	31.12.2021		31.12.2020	
	CARRYING AMOUNT	ACCUMULATED IMPAIRMENT	CARRYING AMOUNT	ACCUMULATED IMPAIRMENT
Trade accounts receivable	111,427,086	(1,433,772)	93,258,613	-
Clients with guarantees	5,538,851	-	4,966,487	-
Doubtful debtors	2,020,659	(2,020,659)	1,983,727	(1,983,727)
<b>TOTAL</b>	<b>118,986,596</b>	<b>(3,454,431)</b>	<b>100,208,827</b>	<b>(1,983,727)</b>

### 19.3. Financing obtained

As at 31 December 2021 and 2020, the item "Financing obtained" is the following:

FINANCING OBTAINED	31.12.2021	31.12.2020
Escrow accounts	7,957,380	6,968,929
Bank loans	20,400,104	22,606,226
Commercial paper	20,000,000	23,300,000
Factoring	1,369,859	-
Finance leases	20,714,512	22,468,844
Contracted bank overdrafts	1,925,752	3,545,777
<b>TOTAL</b>	<b>72,367,607</b>	<b>78,889,776</b>

In addition, the maturity on 31 December 2021 and 2020 is the following:

FINANCING OBTAINED 2021	CURRENT	NON-CURRENT
Escrow accounts	7,957,380	-
Bank loans	10,612,963	9,787,141
Commercial paper	-	20,000,000
Finance leases	5,793,336	14,921,176
Factoring	1,369,859	-
Contracted bank overdrafts	1,925,752	-
<b>TOTAL</b>	<b>27,659,290</b>	<b>44,708,317</b>

FINANCING OBTAINED 2020	CURRENT	NON-CURRENT
Escrow accounts	6,968,929	-
Bank loans	1,169,613	21,436,613
Commercial paper	2,800,000	20,500,000
Finance leases	7,104,296	15,364,548
Factoring	-	-
Contracted bank overdrafts	3,545,777	-
<b>TOTAL</b>	<b>21,588,615</b>	<b>57,301,161</b>

### 19.4. Permanent participations registered at cost and other financial investments

Financial investments in subsidiaries, associated companies and jointly controlled entities are registered by the equity method (Note 9). The remaining investments are registered at acquisition cost or, in the case of financing granted, at nominal value. An assessment of the investments is made whenever there are indications that the asset may be impaired, with the impairment losses that are shown to exist being registered as expenses. Income obtained from financial investments (dividends or profit distributed) are registered in the income statement for the period in which distribution is decided and announced.



As at 31 December 2021 and 2020, the detail of permanent participations registered by the cost model and of other financial investments are the following:

	31.12.2021			31.12.2020		
	PERMANENT PARTICIPATION	LOANS GRANTED		PERMANENT PARTICIPATION	LOANS GRANTED	
		COST	ACCUMULATED IMPAIRMENT		COST	ACCUMULATED IMPAIRMENT
Rotas do Algarve Litoral, S.A.	-	11,412,786	(40,000)	-	11,412,786	(40,000)
Garval	1,682	-	-	1,682	-	-
Lisgarante	1,682	-	-	1,682	-	-
Norgarante	18,877	-	-	18,877	-	-
BAI - Banco Africano Investimento	341,375	-	-	341,375	-	-
Lusitânia Seguros	2,405	-	-	2,405	-	-
Edirio - Construções, S.A.	-	1,212,500	(854,268)	-	712,500	(437,960)
Conduril - Gestão de Concessões de Infraestruturas, S.A.	-	336,000	(336,000)	-	336,000	(336,000)
Métis Engenharia, Lda.	-	3,049,838	-	-	3,049,838	-
Urano, Lda.	-	1,259,118	-	-	1,259,118	-
Conduril Engenharia - Açores, S.A.	-	82,000	-	-	82,000	-
ENOP - Engenharia e Obras Públicas, Lda.	-	15,354	-	-	12,068	-
Public debt securities - non-current	19,880,583	-	-	59,311,609	-	-
Public debt securities - current	45,410,058	-	-	1,805,766	-	-
Other - FCT	89,443	-	-	58,263	-	-
<b>TOTAL</b>	<b>65,746,105</b>	<b>17,367,596</b>	<b>(1,230,268)</b>	<b>61,541,659</b>	<b>16,864,310</b>	<b>(813,960)</b>
<b>Other non-current financial investments</b>	<b>36,473,375</b>			<b>75,786,243</b>		
<b>Other current financial investments</b>	<b>45,410,058</b>			<b>1,805,766</b>		

The Angolan public debt securities include securities indexed to USD and AKZ, and present maturity dates in 2022, 2023 and 2024. The payment of interest and the return of principal of the securities indexed to USD are made in kwanza, but indexed to the USD exchange rate in force on the settlement date.

The public debt securities of the Angolan State were received as a result of the debt settlement agreements.

On 31 December 2021, the amount of 27,281,725 euros regarding the securities held was under collateralisation of financing lines and bank guarantees in Angola, of which only approximately 30% were used.

## 19.5. Total of interest income and expense for financial assets and liabilities

To calculate the amortised cost of a financial asset or a financial liability and allocate the interest income or interest expense during the period, the effective interest method was used. According to this method, the total of interest income for financial assets and the total of interest expenses for financial liabilities are the following:

### A. Interest income for financial assets:

FINANCIAL ASSETS	31.12.2021	31.12.2020
Bank deposits	4,346,564	2,805,829
Others	938	113
<b>TOTAL</b>	<b>4,347,502</b>	<b>2,805,942</b>

**B. Interest expenses for financial liabilities:**

FINANCIAL LIABILITIES	31.12.2021	31.12.2020
Financing	2,198,200	2,545,911
Finance leases	235,808	94,478
Others	388	1,567
<b>TOTAL</b>	<b>2,434,396</b>	<b>2,641,956</b>

**19.6. Impairment losses in financial assets**

For financial assets, which are not measured at fair value through the profit/loss and regarding which impairment is verified, the Company evaluated the respective impairment. From this evaluation, the Company was able to acquire objective evidence that the financial assets, shown in the following table, present impairment losses for the period:

FINANCIAL ASSETS	31.12.2021		
	INCREASES	REVERSALS	UTILISATIONS
Clients	1,433,772	-	36,815
Other accounts receivable	-	-	-
Other financial assets	-	-	-
<b>TOTAL</b>	<b>1,433,772</b>	<b>-</b>	<b>36,815</b>

FINANCIAL ASSETS	31.12.2020		
	INCREASES	REVERSALS	UTILISATIONS
Clients	-	-	(61,788)
Other accounts receivable	-	-	-
Other financial assets	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>(61,788)</b>

**19.7. Amount of share capital**

As at 31 December 2021, the Company had a share capital of 10,000,000 euros, fully subscribed and paid-in.

**19.8. Shares representing share capital**

As at 31 December 2021, the share capital was composed of 2,000,000 shares, with a nominal value of 5 euros each.

## 20. EMPLOYEE BENEFITS

### 20.1. Post-employment benefits

As at 31 December 2021, there were 122 employees enjoying post-employment benefits regarding benefit plans defined. On 31 December 2021, the operations related to the period are the following:

PENSION COSTS	31.12.2021	31.12.2020
Cost of current services	442,116	397,587
Interest cost	310,142	289,115
Actuarial gains and losses	-	-
Net income of the fund deducted from net interest	(242,375)	-
Other variations	100,830	-
<b>TOTAL</b>	<b>610,713</b>	<b>686,702</b>

On 31 December 2021, there is a deficit of the amount of past responsibilities regarding the value of the existing fund in the amount of 5,645,089 euros. The increase in responsibilities is related to the impact of the changes of some assumptions, namely interest rate and growth rate of wages. This amount is registered in the item "Creditors by accrued expenses". The responsibilities with assets in the solvency scenario are fully financed.

In what concerns the accrued amounts of actuarial gains and losses, these are registered in the equity item "Adjustments/Other changes in equity", in the amount of 5,608,562 euros (2020: 3,113,050 euros).

Assumptions used in the actuarial study of 2021 and 2020:

	ASSUMPTIONS 2021	ASSUMPTIONS 2020
Mortality table	TV 88/90	TV 88/90
Invalidity table	Swiss Re 2001	Swiss Re 2001
Normal retirement age	66-70 years	66-70 years
Number of pensions in the year	13	13
Rate of return of assets	1.24%	swap curve as at 31/12/2020 plus 2.25% p.p.
Growth rate of wages	2.00%	2.00%
Growth rate of pensions	0.00%	0.00%
Participants	366	337
Beneficiaries	122	123

## 20.2. Social benefits

As at 31 December 2021, the expenses related to the activity of the Conduril Academy (centre accredited by the bodies that are responsible for vocational training in the countries it operates in), are fully financed by Conduril, and are the following:

EXPENSES WITH CONDURIL ACADEMY PROGRAMMES	31.12.2021
PAAE (Literacy and School Acceleration Programme) and Scholarships	140,762
Technical and Vocational, Human and Cultural Training	26,393
Process for Recognition, Validation and Certification of Professional Skills	8,798
<b>TOTAL</b>	<b>175,953</b>

EXPENSES WITH CONDURIL ACADEMY PROGRAMMES	31.12.2020
PAAE (Literacy and School Acceleration Programme)	53,232
Conduril Higher Education Scholarships	182,507
Technical and Vocational Training	45,626
Human and Cultural Training	15,209
Process for Recognition, Validation and Certification of Professional Skills	7,604
<b>TOTAL</b>	<b>304,178</b>

# 21. OTHER INFORMATION

## 21.1. State and other public bodies

The item "State and other public bodies" as at 31 December 2021 and 2020 is the following:

ASSETS	31.12.2021	31.12.2020
Personal Income Tax	-	282
Value Added Tax	13,238,719	10,459,981
Social Security Contributions	-	1,524
Business Income Tax	4,872,154	3,328,801
Other taxation	1,819,616	2,152,043
<b>TOTAL</b>	<b>19,930,489</b>	<b>15,942,631</b>

LIABILITIES	31.12.2021	31.12.2020
Personal Income Tax	649,892	568,363
Value Added Tax	10,604,091	6,572,045
Social Security Contributions	803,946	734,199
Business Income Tax	1,343,554	5,557,065
Other taxation	210,783	256,047
<b>TOTAL</b>	<b>13,612,266</b>	<b>13,687,719</b>

## 21.2. Turnover

The turnover as at 31 December 2021 and 2020 is distributed as follows:

	31.12.2021	31.12.2020
Internal market	95,456,899	60,616,462
External market	49,364,952	50,348,244
<b>TOTAL</b>	<b>144,821,851</b>	<b>110,964,706</b>

## 21.3. External supplies and services

The item "External supplies and services" is the following, for the period ending on 31 December 2021 and 2020:

	31.12.2021	31.12.2020
Subcontracts	26,992,440	36,970,325
Specialised services	11,610,853	8,985,355
Materials	611,780	604,392
Energy and fluids	1,336,134	1,496,100
Travel, accommodation and transport	4,881,922	3,422,542
Rentals and leases	3,916,025	3,528,958
Communication	249,878	262,464
Insurances	1,138,009	1,042,655
Legal and notary services	52,801	39,879
Representation expenses	1,741	7,626
Hygiene and comfort services	338,348	259,529
Other services	1,066,211	956,689
<b>TOTAL</b>	<b>52,196,142</b>	<b>57,576,514</b>

## 21.4. Personnel expenses

The item "Personnel expenses" is the following, for the period ending on 31 December 2021 and 2020:

	31.12.2021	31.12.2020
Remunerations of the management bodies	1,137,549	1,134,030
Personnel remunerations	31,187,211	25,605,538
Post-employment benefits (Note 20.1)	610,713	686,702
Compensations	70,313	18,202
Social charges	4,783,906	3,582,640
Insurance schemes for accidents at work and occupational diseases	979,697	1,009,941
Social welfare expenses	1,873,316	1,674,937
Others	761,420	671,563
<b>TOTAL</b>	<b>41,404,125</b>	<b>34,383,553</b>



## 21.5. Other income

The item "Other income" is the following, for the period ending on 31 December 2021 and 2020:

	31.12.2021	31.12.2020
Additional income	3,526,965	6,575,066
Cash discounts obtained	20,044	57,514
Exchange gains	6,950,687	12,401,259
Gains in inventories	36,521	21
Income in the remaining financial investments	2,444,584	-
Income in non-financial investments	272,935	859,675
Interest received	4,347,502	2,805,942
Dividends earned	41,627	127,917
Corrections related to previous periods	51,318	340,638
Benefits from contractual penalties	445,323	1,874
Others	1,149,656	954,671
<b>TOTAL</b>	<b>19,287,162</b>	<b>24,124,577</b>

## 21.6. Other expenses

The item "Other expenses" is the following, for the period ending on 31 December 2021 and 2020:

	31.12.2021	31.12.2020
Taxes	1,349,963	1,693,010
Cash discounts given	2,153	30
Bad debts	828	-
Exchange losses	3,596,480	1,101,882
Expenses and losses in non-financial investments	120,272	91,843
Fines and penalties	212,212	212,134
Corrections related to previous periods	2,875,425	359,082
Others	101,294	64,190
<b>TOTAL</b>	<b>8,258,627</b>	<b>3,522,171</b>

## 21.7. Financial profit and loss account

The financial profit and loss are the following:

<b>FINANCING EXPENSES AND LOSSES</b>	31.12.2021	31.12.2020
Interest paid	2,434,008	2,640,389
Other financing expenses and losses	893,458	618,240
<b>TOTAL</b>	<b>3,327,466</b>	<b>3,258,629</b>

## 21.8. Deferrals

Deferred assets and deferred liabilities are the following:

<b>DEFERRED ASSETS</b>	31.12.2021	31.12.2020
Expenses to be recognised - insurances	608,972	666,574
Other deferrals	86,674	44,474
<b>TOTAL</b>	<b>695,646</b>	<b>711,048</b>

DEFERRED LIABILITIES	31.12.2021	31.12.2020
Income to be recognised – NCRF 19	1,154,145	1,274,661
Income to be recognised – internal operations profit	144,342	285,580
<b>TOTAL</b>	<b>1,298,487</b>	<b>1,560,241</b>

## 21.9. Other accounts payable and receivable

The item “Other accounts receivable” is the following, for the period ending on 31 December 2021 and 2020:

	31.12.2021	31.12.2020
Trade creditors – debit balances	478,534	829,910
Contract retentions	794,744	3,084,223
Other debtors – related parties	14,907,336	17,689,645
Debtors by accrued income	14,278,546	31,043,424
Payments on account	49,751	173,690
Personnel	49,007	35,905
Other debtors	7,767,480	7,639,137
<b>TOTAL</b>	<b>38,325,398</b>	<b>60,495,934</b>

The amount related to “Debtors by accrued income” essentially refers to the application of the percentage of completion method, according to the NCRF 19 – “Construction contracts”.

The item “Other accounts payable” is the following, for the period ending on 31 December 2021 and 2020:

	31.12.2021	31.12.2020
Clients – credit balances	35,099	38,105
Personnel	1,718,481	1,461,332
Investment providers	530,005	1,385,117
Creditors by accrued expenses – remunerations	2,178,518	1,797,788
Creditors by accrued expenses – others	6,363,447	3,607,792
Other creditors – related parties	2,983,656	694,050
Other creditors	1,257,298	2,171,950
<b>TOTAL</b>	<b>15,066,504</b>	<b>11,156,134</b>

## 21.10. Proposal of application of net income

In compliance with the legal and statutory provisions, in continuation of the policy of fair return of the capital invested and increase of its solvency, the Board of Directors proposes that the net income for the period, in the amount of 5,782,682 euros, has the following distribution:

- Dividends: 1,800,000 euros, corresponding to 1.00 euro per share;
- Other reserves: 3,982,682 euros.

## 22. DISCLOSURES REQUIRED BY LEGISLATION

The Company has no overdue debts to the Portuguese State, in accordance with the Decree-law no. 534/80, of 7 November.

Compliant with the Code of Contributory Regimes of the Social Security System, the Company paid its social security contributions within the stipulated time frames.

Additional disclosures for the entities referred to in article 2(1)(h) and article 9(4), of the Decree-law no. 158/2009, of 13 July, as amended by Decree-law no. 98/2015, of 2 June:

### 22.1. Net turnover broken down by geographical markets

	31.12.2021	31.12.2020
Portugal	97,955,784	61,195,131
Angola	22,656,981	21,491,267
Mozambique	7,478,129	7,769,929
Zambia	3,351,332	7,941,134
Malawi	11,964,151	10,464,089
Gabon	1,415,474	2,103,156
<b>TOTAL</b>	<b>144,821,851</b>	<b>110,964,706</b>

### 22.2. Statutory Auditor fees

In 2021, the fees of the Statutory Auditor amounted to 26,250 euros (2020: 27,500 euros).

The Management,

The Chartered Accountant,









# 04

**Report and Opinion of the  
Statutory Audit Board**

# 04

## STATUTORY AUDIT BOARD

### FINANCIAL YEAR OF 2021

Dear Shareholders:

In compliance with the legal provisions, the Statutory Audit Board submits its report and issues its opinion on the management report, balance sheet, accounts and proposal of application of net income, which were presented by the Board of Directors of Conduril - Engenharia, S.A., regarding the financial year ended on 31 December 2021.

### REPORT

In the performance of its duties, the Statutory Audit Board had regular meetings accompanying the social activity and the evolution of Conduril - Engenharia, S.A. business, watched and ensured the fulfilment of the law and the articles of association, and it was informed of the acts carried out by the Board of Directors, which has always clarified any situation when requested.

Also in the performance of its duties, the Board carried out a careful analysis of the management report presented by the Board of Directors, the balance sheet, the income statement, the cash flows and the changes in equity for the financial year ended on 31 December 2021, and its annex with the explanatory notes. These documents are considered to be correct and offer a clear picture of the activity developed and the financial position.

Within the framework of its competence, the Board was informed of the works developed during the year by the Audit Firm, obtained from it the necessary information and clarifications, provided by its representative, required for the control of the official audit to the other financial statements, was informed of the conclusions and recommendations of the audit report sent to the Board of Directors, and proceeded to the analysis of the legal certification of accounts, whose contents deserve the agreement of the Board.

The Board, still in the framework of its competence, expresses its agreement regarding the accounting policies and the valuation criteria adopted.

As a result of the above, the Board considers that the management report, balance sheet, income statement, cash flows and changes in equity allow, in the whole, for a correct understanding of the financial situation of Conduril - Engenharia, S.A., on 31 December 2021, and the income statement for the financial year ended on that date, and, finally, it also considers that the legal and statutory provisions were respected.

As a conclusion, the Board also thanks, along with the Board of Directors, the Employees for their commitment and dedication.

Therefore, the Statutory Audit Board issues the

### **OPINION**

1. that the management report, balance sheet, accounts and its notes for the financial year ended on 31 December 2021 are approved;
2. that the proposal of application of net income included in the management report, in the terms presented by the Board of Directors is approved.

Ermesinde, 24 March 2022

### THE STATUTORY AUDIT BOARD

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Júlio Gales Ferreira Pinto

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Deolinda Paula Baptista Nunes

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Jorge Manuel Silva Tavares







# 05

## Legal Certification of Accounts



# 05

## LEGAL CERTIFICATION OF ACCOUNTS

### REPORTING ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### OPINION

We have audited the financial statements of Conduril - Engenharia, S.A. (the Entity), which comprise the balance sheet on 31 December 2021 (which reflects a total of 382,189,454 euros and total equity of 195,296,491 euros, including a net income of 5,782,682 euros), the profit and loss account by nature, the statement of changes in equity and the cash flow statement for the year ended on that date, and the notes attached to the financial statements, comprising a summary of significant accounting policies.

In our opinion, the financial statements attached present a true and proper view, in all material aspects, of the financial position of Conduril - Engenharia, S.A. on 31 December 2021 and its financial performance and cash flows for the year ended on that date, in accordance with the Accounting Standards and Financial Reporting adopted in Portugal through the Accounting Standardisation System.

## **GROUNDINGS FOR THE OPINION**

Our audit was performed in accordance with the International Standards on Auditing (ISAs) and further standards and technical and ethical guidelines of the Portuguese Institute of Statutory Auditors (OROC, Ordem dos Revisores Oficiais de Contas). Our responsibilities under those standards are described in the section “Auditor’s responsibilities for the audit of the financial statements” below. We are independent from the Entity under the law and we meet all other ethical requirements in accordance with the code of ethics of the Portuguese Institute of Statutory Auditors.

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

## **RESPONSIBILITIES OF THE MANAGEMENT BODY AND THE SUPERVISORY BODY FOR THE FINANCIAL STATEMENTS**

The management body is responsible for:

- the preparation of the financial statements that present a true and proper view of the financial position, financial performance and cash flows of the Entity, in accordance with the Accounting Standards and Financial Reporting adopted in Portugal through the Accounting Standardisation System;
- the preparation of the management report under the terms of the applicable rules and regulations;
- the creation and maintenance of an appropriate internal control, to enable the preparation of financial statements free of material misstatements due to fraud or errors;
- the adoption of accounting policies and criteria adequate to the circumstances; and
- the assessment of the Entity’s ability to maintain its continuity, disclosing, when applicable, the topics that could give rise to justifiable doubt about the continuity of the activities.

The supervisory body is responsible for supervising the process of preparation and disclosure of the financial information of the Entity.

## **AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our responsibility is to obtain a reasonable assurance if the financial statements, as a whole, are free of material misstatements due to fraud or errors and issue a report where our opinion is expressed. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit performed in accordance with the ISAs will always detect a material misstatement when it exists. The misstatements may derive from fraud or errors, and they are considered material if, alone or together, they might reasonably be expected to influence the economic decisions made by the users based on those financial statements.

As part of an audit under the ISAs, we make professional judgements and we maintain professional scepticism during the audit, and we also:

- identify and assess the risks of material misstatements of the financial statements, due to fraud or errors; prepare and perform audit procedures that address those risks; and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to errors, since fraud can involve collusion, falsification, intentional omissions, false statements or overlap of the internal control;
- obtain an understanding of the internal control relevant to the audit, with the aim of preparing audit procedures that are appropriate in the circumstances, but not to express an opinion about the efficiency of the internal control of the Entity;
- evaluate the appropriateness of the accounting policies used and reasonableness of accounting estimates and respective disclosures made by the management body;
- concluded on the appropriation of use, by the management body, of the going concern assumption and, based on the audit evidence obtained, if there is any material uncertainty related to events or conditions that could give rise to justifiable doubt about the Entity's ability to continue its activities. If we conclude that there is a material uncertainty, we should point out in our report the disclosures included in the financial statements or, if those disclosures are not appropriate, change our opinion. Our conclusions are based on the audit evidence obtained until the date of our report. However, events or future conditions may lead the Entity to discontinue its activities;
- evaluate the presentation, structure and global contents of the financial statements, including the disclosures, and if those financial statements represent the underlying transactions and events in order to achieve an appropriate presentation;
- communicate to the governance officers, among other subjects, the scope and planned schedule of the audit, and the relevant conclusions of the audit, including any significant gap of the internal control identified during the audit.

Our responsibility also includes the verification of compliance of the information in the management report with the financial statements.

## REPORTING ON OTHER LEGAL RULES AND REGULATIONS

### ABOUT THE MANAGEMENT REPORT

Compliant with article 451(3)(e) of the Portuguese Companies Act, we believe that the management report was prepared in accordance with the applicable rules and regulations in force, its information is in line with the financial statements audited and, based on the knowledge and evaluation on the Entity, we did not identify material misstatements.

Porto, 24 March 2022

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