

REPORT AND
CONSOLIDATED
ACCOUNTS

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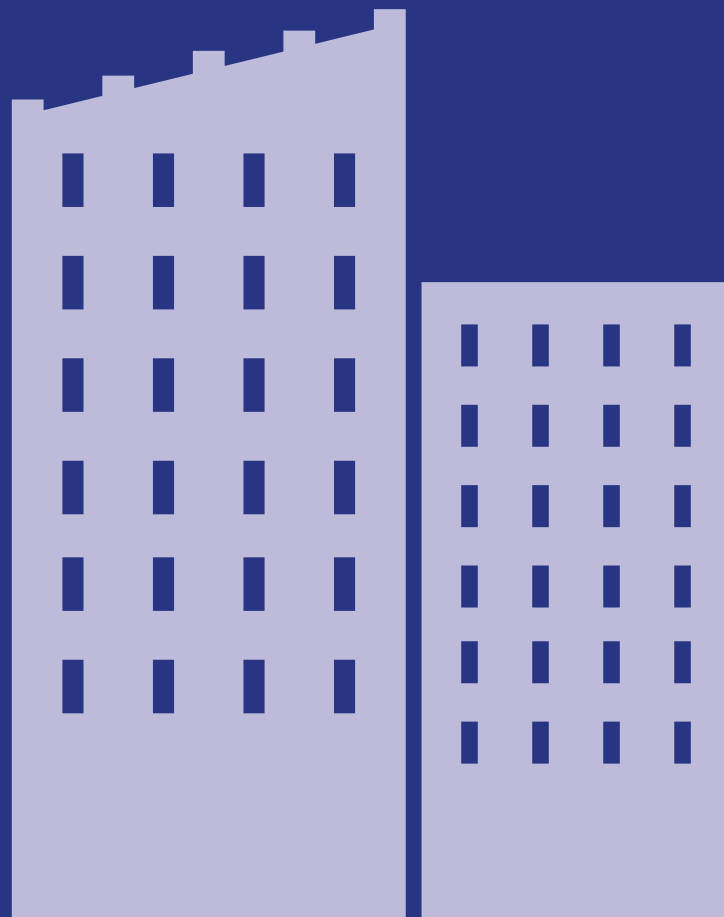
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**REPORT AND
CONSOLIDATED
ACCOUNTS**

2020

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SECTION

01



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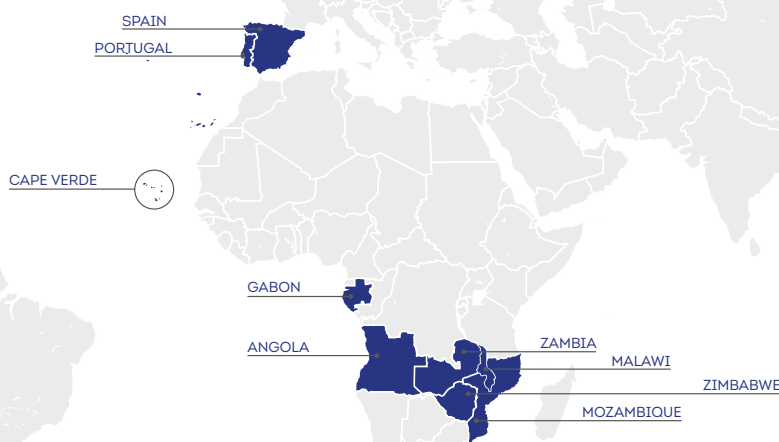
CONDURIL



TO BE WINNERS, COMPANIES SHOULD BE SCRUPULOUS REGARDING THE ESTABLISHMENT OF SPECIFIC GOALS AND THE PRACTICE OF THOSE REFERENCES.

IT IS ALSO EXTREMELY IMPORTANT TO ESTABLISH CLEAR CORPORATE AND ETHICAL VALUES AS AN INTEGRAL PART OF OUR BUSINESS CULTURE, BEING RIGOROUS IN THE WAY THEY ARE OBSERVED IN THE ORGANISATION'S EVERYDAY LIFE. ESPECIALLY IN THE CONSTRUCTION SECTOR, THE EXISTENCE OF VALUES CLEARLY ASSUMED BY THE COMPANY CONSTITUTE *PER SE* AN ATTRIBUTE OF MAJOR IMPORTANCE AND A DISTINCTIVE FACTOR THAT DEEPLY MARKS IT IN THE MARKET, PROVIDING IT WITH RELEVANT AND GENERAL COMPETITIVE CHARACTERISTICS.

OVER THE LAST FIFTY YEARS, DURING WHICH WE HAVE LED THIS COMPANY, WE HAVE PERSISTENTLY TRIED TO IMPROVE OUR OPERATION; AND, FROM A CERTAIN MOMENT ON, THAT CONCERN REQUIRED THE INTERNAL PUBLICATION OF A SET OF DOCUMENTS THAT PROVIDED WRITTEN RECORDS, FOR CONSULTATION, OF THE COMPANY'S MOST IMPORTANT MANAGEMENT TOPICS, WHICH ESTABLISHED HOW ALL EMPLOYEES, WITHIN THEIR JOB DUTIES, SHOULD GUIDE THEIR DECISIONS AND BEHAVIOUR, ESPECIALLY WITHIN: THE SCOPE OF CONDURIL'S STRATEGY; THE PERFORMANCE OF CONSTRUCTION WORKS; CONTROL; CLIENT CARE; THE RELATIONSHIP WITH OTHER EMPLOYEES AND WITH THE SOCIETY IN GENERAL AS EMPLOYEES OF CONDURIL; THE COMPLIANCE WITH OUR VALUES AND PRINCIPLES.



VISION

Conduril develops its activity in the field of Civil Engineering and its main goal, in both technical and economic terms, is to become one of the best Portuguese engineering companies (and to be recognised by the market as such), and, at the same time, to possess the following characteristics:

To be a great company at a national scale, both in technical and economic terms, capable of responding to any work of civil engineering both in the domestic market and abroad.

To be, in terms of the total number of active people, at a national level, a medium sized company, flexible and capable of responding to different market demands, and, with great technical ability be able to, above all else, become a solid base of support for its activities abroad.



MISSION

Our mission is to create lasting wealth for our shareholders and the sustainability of the best working conditions and remuneration for our employees, as well as their satisfaction, as the first vector of our social responsibility – whether active or retired, especially through the retirement complement that is approximately 22.5% higher than regular pensions, stemming from our pension fund, created in 1989 – and the sustainability of the Conduril Academy in Angola and Mozambique, as well as maintenance of the university scholarships in those countries, whose support entails Conduril's continuity, which means the persistent achievement of results.



VALUES

We believe that we can only create value and wealth, that is, win, acting the right way. In order words: with honesty, confidence and accountability based on a culture of integrity, which means: Honesty, Transparency, Justice and a strict adherence to the rules and regulations; these are our values and the foundations of all our principles.

"We are determined to promote and preserve during 'the next one hundred (100) years' our values and fundamental principles, cultivating, with focus, the necessary survival conditions": Cohesion, Consistency, Meritocracy, Loyalty, Rigour, Ethics and Culture.

FOR A COMPANY THAT OPERATES IN THE INTERNATIONAL MARKET, ITS CAPACITY TO ADAPT TO THE SOCIETY IN WHICH IT IS WORKING IS CRUCIAL, TRYING TO BE PART OF THE EXISTING SOCIAL ENVIRONMENT IN THE BEST POSSIBLE WAY, RESPECTING THE LOCAL CUSTOMS AND REASONABLY COOPERATING WITH INTELLIGENCE WITHIN ITS SOCIAL RESPONSIBILITY.

A CULTURE SUCH AS CONDURIL'S, WHICH VALUES ACTION, PROMOTES TRANSPARENCY, EMPOWERS ITS EMPLOYEES AND ENCOURAGES COMMUNICATION, BRINGS KINETIC ENERGY TO THE PLAN AND IS A COMMITMENT TO ITS EMPLOYEES.

IT IS THIS SET OF 'NORMATIVE DOCUMENTS', WHICH HAS BEEN MADE AVAILABLE TO ALL, BOTH ORALLY AND IN WRITING, THROUGHOUT THESE FIFTY YEARS, THAT CULMINATED, IN 2019, WITH THE UNIFIED PUBLICATION OF THE COMPANY'S ESSENTIAL GOVERNANCE, EMBODIED IN OUR 'CONSTITUTION'. THIS DOCUMENT IS THE TRUE BINDER BETWEEN ALL EMPLOYEES, CAPABLE OF ENSURING CONDURIL'S CONTINUITY WITH ALL THE BENEFITS THIS ENTAILS: FOR ALL OF US AS EMPLOYEES; FOR ALL THOSE WHO ARE TOUCHED BY OUR ACTIVE SOCIAL RESPONSIBILITY, PRESENT AND FUTURE; AND FOR THE ENTIRE COUNTRY.



IN CONDURIL'S "CONSTITUTION", 2019

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

Ademar Américo Soares Paiva (President)
Maria de Lourdes Lopes Chaves
Júlio Gales Ferreira Pinto
João Ricardo Araújo Monteiro Rocha (Alternate)

STATUTORY AUDITOR

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

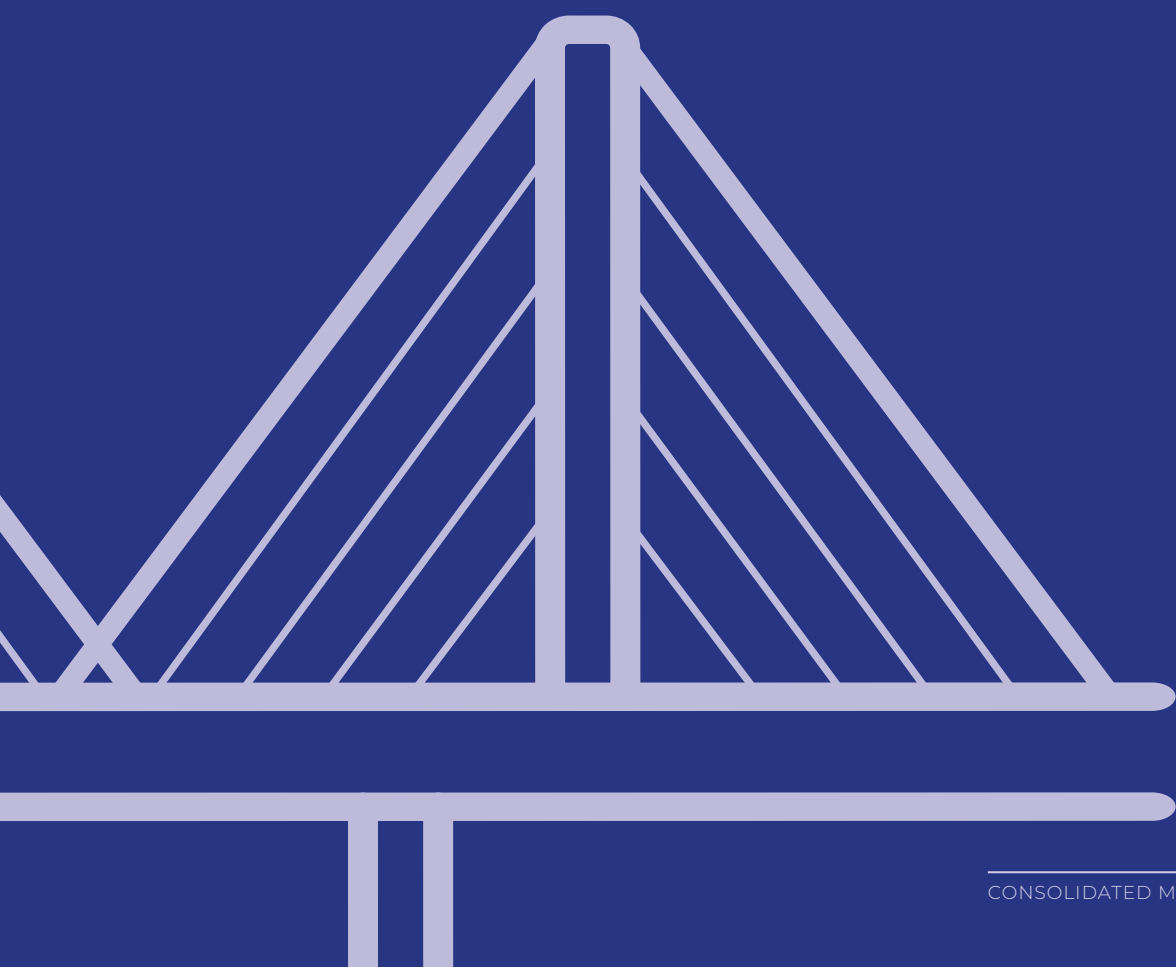
SECTION

02



**CONSOLIDATED
MANAGEMENT
REPORT**

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 CONSOLIDATED MANAGEMENT REPORT, THE CONSOLIDATED ACCOUNTS FOR THE PERIOD AND OTHER CONSOLIDATED FINANCIAL STATEMENTS, FOR THE FINANCIAL YEAR 2020.



1. After a continuous decade of growth of the global product, the COVID-19 pandemic, which in a short period of time registered a worldwide spread, caused a general breakdown of the economic activity, with severe consequences in terms of its evolution, generating, in 2020, one of the lowest growth rates in living memory, less than -4%.

The measures to fight the pandemic assumed a restrictive nature. They conditioned the movement of people, goods and services, made public entities focus their efforts, throughout the year, on projects related to public health and the private economic agents proceeded with particular caution, which culminated in the collapse of internal and external trade, and the postponing of investments envisaged for 2020 and, most likely, for the next years.

TABLE 1 - Evolution of the growth rate of real output

	2021	2020	2019
WORLD	5.2%	-4.4%	2.8%
DEVELOPED COUNTRIES	3.9%	-5.8%	1.7%
Portugal	6.5%	-10%	2.2%
DEVELOPING COUNTRIES	6.0%	-3.3%	3.7%
Angola	3.2%	-4.0%	-0.9%
Mozambique	2.1%	-0.5%	2.3%
Zambia	0.6%	-4.8%	1.4%
Malawi	2.5%	0.6%	4.5%
Gabon	2.1%	-2.7%	3.8%
Zimbabwe	4.2%	-10.4%	-6.5%

Source: International Monetary Fund (IMF)

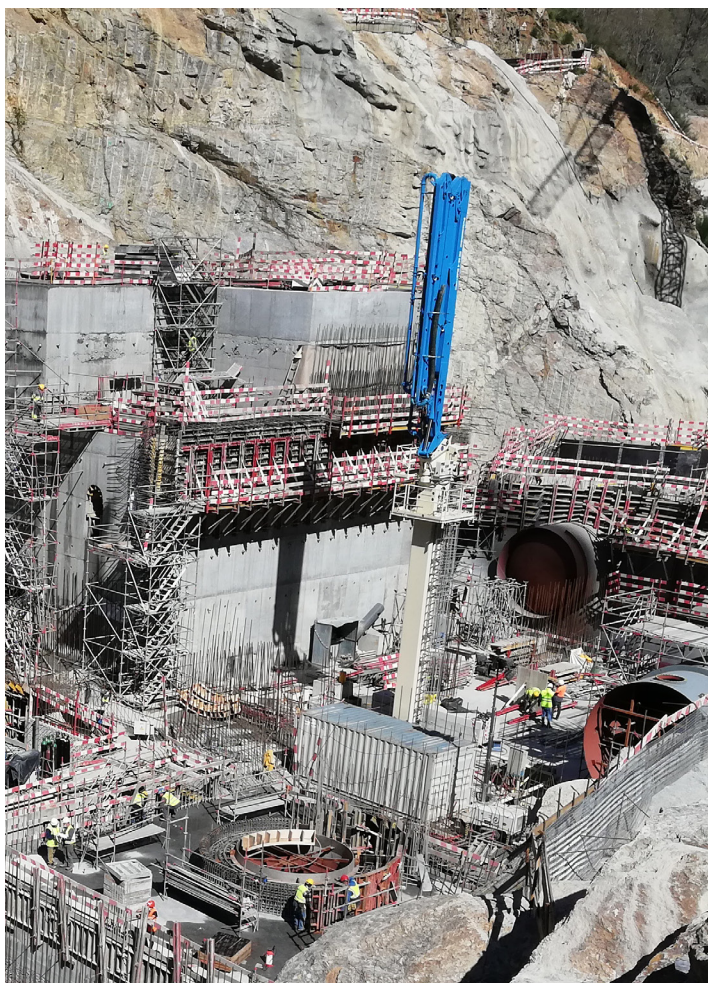
In Portugal, the national entities are less pessimist, predicting a domestic product breakdown near 8% in 2020, and estimating the recovery of economic growth in 2021, although very limited by the uncertain evolution of the pandemic and by the implementation of measures foreseen in the aid package named "European bazooka".

Also in Africa, and specifically in countries where Conduril operates (Angola, Mozambique, Zambia, Malawi, Gabon and Zimbabwe), the economies suffered a strong penalisation caused by the pandemic.



Angola

2. During 2020, the activity of Conduril Group was forced to constantly readapt every means involved, due to the wide range of obstacles it faced, namely:



Portugal

- the closing of airspace and borders, as a response to the pandemic, affected not only the supply of goods and services, but mainly the mobility of human resources;
- the immediate closing of non-essential services by the public entities forced the Group to implement alternatives to ensure the provision of basic needs – such as, the provision of food, for example – of hundreds of displaced employees working in several ongoing construction works;
- the increasing climate of tension and terrorism in the province of Cabo Delgado, in Mozambique, led to the termination by mutual agreement of the work contract funded by the Japanese government, which Conduril was performing in that region;
- the effects of COVID-19 in Malawi also led to the termination by mutual agreement of the work contract funded by the Japanese government, which Conduril was performing in that country;

- the reinforcement of means of accommodation and transport due to the capacity limitations imposed;
- the shortage of some goods used throughout the production process led to the escalation of their prices;
- the focus of the public entities on supporting the fight against the epidemic led to the postponing (in some cases, even the cancellation) of several projects in the sector in which Conduril Group operates, with particular emphasis in Africa, where a drastic decrease of the tenders for work contracts was verified.

In light of these difficulties, the Group's turnover decreased 20% in 2020, in comparison to the previous year, amounting to 124 million euros. However, it should be stressed that, according to the perspective presented in the 2019 report, the weight of the turnover in the Portuguese market increased to 50% (in comparison to 35%, in 2019), with the remaining 50% divided between the African countries in which the Group is present. The additional effort to maintain the quality standards that Conduril Group is recognised for and the best possible conditions for its employees had a direct impact in the profitability decrease, ending the year with a net income of 1,141,000 euros.

The main economic and financial indicators maintain comfortable values and offer a clear picture of the solid consolidation policy which has always ruled the activity of Conduril Group:

INDICATORS	2020	2019	2018
Assets (€)	377,031,776	370,893,772	346,526,010
Liabilities (€)	198,739,064	161,620,781	134,027,840
Equity (€)	178,292,712	209,272,991	212,498,170
Net debt (€)	11,724,002	-1,051,957	-19,689,859
Turnover (€)	123,960,649	154,775,033	124,574,488
GAV (€)	49,573,427	59,030,795	59,776,016
EBITDA (€)	12,138,072	20,248,176	25,651,997
Net income for the period (€)	1,141,046	2,465,333	3,047,097
Financial autonomy	47%	56%	61%
General liquidity	157%	184%	206%
Solvency ratio	90%	129%	159%

In this atypical year of 2020, some important aspects must be highlighted:

- the beginning of two construction works in Portugal that implied a great investment effort and which, due to their dimensions and characteristics, will go down in Conduril Group's history: the work contract of the 3rd extension phase of the eastern pier of the Sines port for APS - Administração dos Portos de Sines e do Algarve, S.A., and the construction of the Alto Tâmega dam and the hydroelectric power plant of the Tâmega power generation system, for Iberdrola Generación S.A. Unipessoal;
- the new work contracts, namely: the modernisation of the Beira Alta line in the Guarda-Vilar Formoso and Celorico da Beira-Guarda railway sections, and the construction of the new Pedro Miguel church, in Faial island (Azores), in Portugal; the construction of three new bridges on EN105 in the province of Benguela, in Angola; the construction of the 1st phase of the irrigation channel in the Shrive Valley, in Malawi; and the rehabilitation of the water supply network between Owendo and Ntoun, in Gabon;
- the completion of the construction of the suspended pedestrian bridge in Arouca, Portugal, and the rehabilitation of the road between Condé and Ebo, in Angola; and,
- the several certifications duly accredited by external entities that Group has been renewing, updating and reinforcing, year after year:

	PORTUGAL	ANGOLA	MOZAMBIQUE
Quality management system	FOLLOW-UP NP EN ISO 9001:2015 APCER	RENEWAL NP EN ISO 9001:2015 APCER	FOLLOW-UP NP EN ISO 9001:2015 APCER
Occupational health and safety management system	MIGRATION ISO 45001:2019 APCER	MIGRATION NP ISO 45001:2019 APCER	MIGRATION NP ISO 45001:2019 APCER
Environmental management system	RENEWAL NP EN ISO 14001:2015 APCER	GRANTING NP EN ISO 14001:2015 APCER	FOLLOW-UP EN ISO 14001:2015 APCER
Accreditation of the central laboratory	FOLLOW-UP NP EN ISO/IEC 17025:2018 IPAC		FAVOURABLE OPINION (it is awaiting the audit which will grant the certification) NP EN ISO/IEC 17025:2018 IPAC
EC Marking for the metal structures	MAINTENANCE (Edirio) EN 1090+1:2009+A1:2011 APCER		
EC Marking for the bituminous mixtures produced in the batching plant installed in the "IP5 - Vilar Formoso/border" construction work	OBTAINMENT EN 13108-1:2006 + EN 13108-1:2006/AC:2008 and EN 13108-5:2006 + EN 13108-5:2006/AC:2008 APCER		

APCER - Portuguese Association of Certification
IPAC - Portuguese Institute for Accreditation

Regarding the participation in the concessionaires of two of the road sub-concessions in Portugal:

- in the last quarter of 2020, Conduril and the remaining equity holders of SPER - Sociedade Portuguesa para a Construção e Exploração Rodoviária, S.A. came to an agreement for the sale of the sub-concession of Baixo Alentejo and respective operator, Planestrada - Operação e Manutenção Rodoviária, S.A. With the purchase and sale agreement signed in December, the operation had the green light from the Portuguese Competition Authority in February 2021 and is awaiting the authorisations of the remaining official entities. This business is expected to be completed until the end of the first semester of 2021;
- in respect to the Group's participation in the sub-concession of Algarve Litoral, and as mentioned in the 2019 report, an arbitration proceeding initiated in that year, includes a claim for compensation of 445 million euros and also an injunction application, in order to prevent the financial collapse of RAL - Rotas do Algarve Litoral, S.A. The expectation was that this proceeding would be resolved during 2020; however, and even though the arbitral tribunal has been constituted in February 2020, due to the pandemic, only the hearing of witnesses has begun. On 9 March 2021, the arbitral tribunal decided, as a cautionary measure, to condemn Infraestruturas de Portugal, S.A. to pay the amount requested in the injunction. Therefore, and since this is a matter of public interest, Conduril is convinced that the proceeding will have a favourable resolution until the end of 2021.

3. Continuing the strategy to reinforce and renovate our production capacity, an investment of over 32 million euros was made in equipment and

machinery, approximately 90% of which in Portugal. A large crane with a 1,350-ton capacity, which is essential for the construction works in the Sines port is the main feature in this investment amount.

Another essential pillar for the growth and support of the Group's strategy has been the technological transformations initiated in terms of information systems. This investment has enabled the optimisation and productivity earnings in management, which have been driven by a greater control of operations, the automation of several tasks, assurance of fast and cohesive information, without neglecting the increased risks that this area entails and that the Group aims to anticipate and mitigate.



Malawi

- 4.** 2020 was a particularly challenging year that forced all of us to reinvent on a daily basis, with the chameleonic capacity to adapt to a continuously uncertain future and a constantly changing present. In this scenario, the human capital of Conduril Group showed to be an asset with an exceptional capacity to adapt, overcome and be resilient.

The stimulus that the Group aims to foster, together its employees, for the development of their skills and qualifications through multiple training courses suffered a strong setback in 2020: the training hours were limited to 6,400 hours, in comparison to the 29,200 training hours in 2019. In Africa, the educational institutions were closed and the Conduril Academy, Conduril's training academy, had to adapt to the circumstances, while still trying to support the employees, but due to the legal requirements surrounding the fight against the pandemic, many training programmes were postponed.

More than 2,300 employees are spread throughout the many regions where the Group operates, approximately 76% of which abroad. Due to the relocation of the latter, ensuring international mobility was always a concern for Conduril, and 2020 was a year in which protection and assistance insurance coverage was even more reinforced.

Conduril's concern with its employees in their retirement phase is also a top priority, and the Conduril Pension Fund was reinforced, amounting to 10,594,187 euros at the end of the year. This fund is entirely sustained by the Company's contributions and the income generated by the assets held.

- 5.** Within its good governance policy, Conduril Group, 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 and may change in category over time. Aware that the risk must be managed and not avoided, the Group 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 the risk;
- transfer the risk – transfer the risk through insurance policies;
- acceptance – formally recognise the existence of the risk and monitor its impact in the organisation.

- 6.** It is expected that a progressive economy recovery begins in 2021. In Portugal, the recovery and resilience plan foresees that high investments will be made up to 2026, many of which are related to railway and road infrastructures, as well as health and educational facilities.

In Africa, the investment in several construction works is also expected, where external financing entities are of particular importance, since they assign lines of credit for cooperation and development projects.

The Group maintains its commercial area focused on opportunities, not only in the current markets, but also in new ones, where it has researched several projects and presented several proposals, expecting them to be translated into work contracts in a short-term horizon.

To these perspectives, Conduril Group adds its current portfolio of ongoing works, which amounts to more than 550 million euros, divided by the several regions where it currently operates. Despite the current uncertainty due to the worldwide COVID-19 pandemic, and taking into account the role of the industry where the Group operates and the amount of works previously mentioned, the Board of Directors considers it has the appropriate resources to maintain its activity, with the continuity of the operations ensured.

7. Other information:

a) Conduril has branches in Angola, Mozambique, Botswana, Cape Verde, Zambia, Malawi, Gabon and Morocco. Due to the inactivity of the Botswana operation during several years, the Company decided to close this branch on 31 December 2020.

b) There are no overdue debts to the State or any other public entity, including the Social Security.

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 in relation to the previous financial year, except for the number of shares of the shareholder Maria Benedita Andrade de Amorim Martins, who acquired, in the stock exchange, on 28 January, 100 shares for the unit value of 35 euros, and the shareholder Maria Luísa Andrade Amorim Martins Mendes, who acquired, in the stock exchange, on 17 and 18 March, respectively, 469 and 103 shares for the unit value of 32 euros, on 18 and 20 March, respectively, 500 and 400 shares for the unit value of 30 euros, and, on 27 March, 500 shares for the unit value of 29.80 euros.



Portugal

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 in its report and individual accounts that the net income for the 2020 period, in the amount of 1,136,131 euros, has the following distribution:

- Dividends: 540,000 euros, corresponding to 0.30 euros per share;
- Other reserves: 596,131 euros.

9. In this singular year, the Board of Directors leaves a note of particular appreciation to all its employees for the dedication and commitment demonstrated. This recognition is extended to all those who supported the Company's activities and placed their confidence in it, namely, clients, suppliers, financial institutions and other business partners, without forgetting the members of the Management Bodies. Only with the cooperation of all, has it been possible to overcome this demanding journey.

Ermesinde, 10 March 2021

The Board of Directors,

SECTION

03



**CONSOLIDATED
FINANCIAL
STATEMENTS
AND NOTES**

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2020 AND 2019

Amounts expressed in EURO

	NOTES	2020	2019
ASSETS			
NON-CURRENT ASSET			
Property, plant and equipment	3;7	86,239,054	59,754,129
Intangible assets	3;6	5,516,499	5,540,046
Permanent participations (equity method)	3;9	-	710,789
Other financial investments	3;9	73,240,968	91,872,418
Deferred tax assets	3;17	5,761,847	226,280
Subtotal		170,758,368	158,103,662
CURRENT ASSET			
Inventories	3;10	13,647,671	12,722,558
Clients	3;19	85,113,548	101,265,037
Clients with retention payments	3;19	6,173,167	4,122,995
State and other public bodies	21	17,638,405	15,662,198
Shareholders		7,159	7,159
Other accounts receivable	3;19;21	52,767,626	68,147,219
Deferrals	3;21	1,207,230	672,250
Financial assets held for trading	3;19	1,805,766	-
Non-current assets held for sale	3;18	20,879,954	-
Other financial assets	3;19	1,482	1,482
Cash and bank deposits	3;4	7,031,400	10,189,212
Subtotal		206,273,408	212,790,110
TOTAL ASSETS		377,031,776	370,893,772
SHAREHOLDERS' FUNDS AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Paid-in capital		10,000,000	10,000,000
Own shares	3	(950,000)	(950,000)
Legal reserves		3,459,903	3,453,109
Other reserves		205,082,903	202,621,765
Retained profit		6,684,910	5,752,326
Revaluation surpluses		2,172,444	2,708,790
Adjustments/Other changes in equity		(49,308,317)	(16,807,417)
Subtotal		177,141,843	206,778,573
Net income for the period		1,136,131	2,461,138
Subtotal		178,277,974	209,239,711
Non-controlling interests		14,738	33,280
TOTAL SHAREHOLDERS' FUNDS	3	178,292,712	209,272,991
LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions	3;13	3,922,642	3,055,500
Financing obtained	3;8;19	57,895,123	41,537,311
Deferred tax liabilities	3;17	5,831,753	1,347,247
Other accounts payable	3;21	-	253,410
Subtotal		67,649,517	46,193,468
CURRENT LIABILITIES			
Trade creditors	3	42,252,963	40,768,618
Advanced payments from clients	3	34,662,669	14,332,353
State and other public bodies	21	16,121,606	19,677,611
Shareholders		2,846,179	2,846,179
Financing obtained	3;8;19	21,977,654	25,178,178
Other accounts payable	3;21	11,610,362	11,475,204
Deferrals	3;21	1,618,115	1,149,170
Subtotal		131,089,547	115,427,313
TOTAL LIABILITIES		198,739,064	161,620,781
TOTAL SHAREHOLDERS' FUNDS AND LIABILITIES		377,031,776	370,893,772

The Management,

The Chartered
Accountant,

CONSOLIDATED PROFIT AND LOSS ACCOUNT BY NATURE

AS AT 31 DECEMBER 2020 AND 2019

Amounts expressed in EURO

INCOME AND EXPENSES	NOTES	2020	2019
Sales and services provided	3,12,21,22	123,960,649	154,775,033
Grants received as compensation for expenses		-	-
Gains/losses allocated to subsidiaries, associated companies and joint ventures	3,9	(220,663)	149,220
Variation of inventories in production	3,10	(137,862)	87,012
Own work capitalised	3	1,648,333	1,706,850
Cost of goods sold and materials consumed	10	(35,118,870)	(39,338,324)
External supplies and services	21	(58,412,228)	(51,144,471)
Personnel expenses	3,20,21	(37,435,355)	(38,782,619)
Impairment of inventories (losses/reversals)	3,10	-	-
Impairment of doubtful debts (losses/reversals)	3,19	-	(65,457)
Provisions (increases/reductions)	3,13	(795,127)	(197,043)
Impairment of non-depreciable/amortisable investments (losses/reversals)		-	-
Increases/reductions of fair value		1,671	-
Other income	14,21	30,768,308	10,000,130
Other expenses	14,21	(12,914,239)	(17,204,655)
Operating income before depreciations, financing costs and taxes		11,344,615	19,985,676
Depreciation and amortisation expenses/reversals	3,6,7	(4,737,326)	(4,171,339)
Impairment of depreciable/amortisable investments (losses/reversals)		-	-
Net operating income (before financing costs and taxes)		6,607,289	15,814,337
Interests and similar income obtained		-	-
Interests and similar expenses supported	3,21	(3,317,091)	(3,882,697)
Income before taxation		3,290,198	11,931,640
Income taxes	3,17	(2,149,152)	(9,466,307)
NET INCOME FOR THE PERIOD		1,141,046	2,465,333
Income of discontinued operations (net of tax) inc. in the net income for the period		-	-
NET INCOME FOR THE PERIOD ATTRIBUTABLE:			
Holders of equity of the parent entity		1,136,131	2,461,138
Non-controlling interests		4,915	4,195
Subtotal		1,141,046	2,465,333
EARNINGS PER SHARE (BASIC)		0,63	1,37

The Management,

The Chartered
Accountant,

CONSOLIDATED CASH FLOW STATEMENT

AS AT 31 DECEMBER 2020 AND 2019

Amounts expressed in EURO

ITEMS	NOTES	2020	2019
OPERATING ACTIVITIES FLOW			
Cash receipts from clients		152,947,964	109,828,301
Payments to suppliers		(100,491,647)	(87,816,426)
Payments to employees		(32,939,213)	(32,940,985)
Cash flow generated by operations		19,517,104	(10,929,110)
Payment/Receipt of income taxes		(828,824)	(1,886,833)
Other cash receipts/payments		(11,083,276)	(3,421,895)
OPERATING ACTIVITIES FLOW (1)		7,605,003	(16,237,838)
INVESTMENT ACTIVITIES FLOW			
CASH PAYMENTS ARISING FROM:			
Property, plant and equipment		(8,173,316)	(535,785)
Intangible assets		(5,203)	(10,887)
Financial investments		(47,609)	(2,722,144)
Other assets		-	-
CASH RECEIPTS ARISING FROM:			
Property, plant and equipment		276,594	-
Other assets		9,510	-
Interest and similar income		2,957,882	3,066,560
Dividends		130,743	118,600
INVESTMENT ACTIVITIES FLOW (2)		(4,851,398)	(83,656)
FINANCING ACTIVITIES FLOW			
CASH RECEIPTS ARISING FROM:			
Financing obtained		96,331,590	84,607,985
Other financing operations		-	-
CASH PAYMENTS ARISING FROM:			
Financing obtained		(96,655,572)	(62,763,383)
Leasing financing		(2,276,770)	(1,598,614)
Interests and similar expenses		(2,523,498)	(3,619,931)
Dividends		-	(900,000)
Capital decreases and other equity instruments		-	-
Other financing operations		-	-
FINANCING ACTIVITIES FLOW (3)		(5,124,251)	15,726,057
Net increase/decrease in cash and cash equivalents (1 + 2 + 3)		(2,370,646)	(595,437)
Effects of foreign exchange rate		(787,167)	(1,462,551)
Cash and cash equivalents at the beginning of the period		10,189,212	12,247,200
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	7,031,400	10,189,212

The Management,

The Chartered
Accountant,

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDING ON 31 DECEMBER 2020

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 2020	10,000,000	(950,000)	3,453,109	202,621,765	5,752,326	2,708,790	(16,807,417)	2,461,138	209,239,711	33,280	209,272,991
Application of the income for the period			6,795	2,454,344				(2,461,138)	-		-
Position as at 1 January 2020 after application of income	10,000,000	(950,000)	3,459,904	205,076,109	5,752,326	2,708,790	(16,807,417)	-	209,239,711	33,280	209,272,991
CHANGES IN THE PERIOD:											
First adoption of the new accounting framework											
Changes in accounting policies											
Differences in the translation of financial statements							(31,759,138)		(31,759,138)	(23,596)	(31,782,734)
Realisability of the revaluation surpluses					536,346	(536,346)					
Revaluation surpluses											
Adjustments by deferred taxes											
Application of the equity method											
Other recognised changes in equity				6,795	396,238		(741,763)		(338,730)	139	(338,591)
	-	-	-	6,795	932,584	(536,346)	(32,500,900)	-	(32,097,868)	(23,457)	(32,121,325)
NET INCOME FOR THE PERIOD											
								1,136,131	1,136,131	4,915	1,141,046
Overall result								1,136,131	1,136,131	4,915	1,141,046
OPERATIONS WITH EQUITY HOLDERS IN THE PERIOD											
Capital subscriptions									-		-
Subscriptions of share issuance premiums									-		-
Distributions									-		-
Contributions to cover losses									-		-
Other operations									-		-
	-	-	-	-	-	-	-	-	-	-	-
POSITION AT THE END OF DECEMBER 2020	3	10,000,000	(950,000)	3,459,904	205,082,903	6,684,910	(49,308,317)	1,136,131	178,277,974	14,738	178,292,712

The Management,

The Chartered Accountant,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020

1. INTRODUCTORY NOTE

ACTIVITY

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

We believe that these consolidated financial statements are a true and proper representation of the operations of the companies belonging to the Group, as well as their financial position and performance and cash flows.

The 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.

The scope of consolidation of Conduril - Engenharia, S.A. includes the following entities:

FULL CONSOLIDATION	%
Conduril - Gestão de Concessões de Infraestruturas, S.A.	100.00
Edirio - Construções, S.A.	100.00
Métis Engenharia, Lda.	99.00
ENOP - Engenharia e Obras Públicas, Lda.	100.00
Urano, Lda.	99.00
Conduril Engenharia - Açores, S.A.	100.00
Esquério - Estudos e Projetos de Engenharia, S.A.	100.00
Conduril Construction Zimbabwe (PVT) LTD	100.00
PROPORTIONATE CONSOLIDATION:	
Groupement Adriano, Jaime Ribeiro, Conduril - Construção, ACE	33.33
Groupement Túnel de Nador, Construção ACE	50.00
RAL - Rodovias do Algarve Litoral, ACE	16.67
RBA - Rodovias do Baixo Alentejo, ACE	17.86
EQUITY METHOD:	
Rotas do Algarve Litoral, S.A.	21.64
Marestrada - Operação e Manutenção Rodoviária, S.A.	33.33

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, the Group 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 Group operates. The impact of the pandemic on the Group's activity was essentially felt in some production stoppages/suspensions, as well as in the costs associated with the necessary measures taken in the scope of occupational safety. In addition, the Company adhered 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.

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 the Group is present. Taking into account the facts occurred up to the moment, and despite the uncertainty of the next months, in terms of the epidemiological situation and the government measures implemented and to be implemented in other countries, it is not expected that the pandemic impacts may jeopardise the continuity the Group's operations. However, at this stage, due to the uncertainty of the duration of the pandemic, it is not possible to quantify its impact on the consolidated financial statements, but the Group expects to overcome this scenario, progressively returning to the implementation of its strategy, in order to ensure, as quickly as possible, the return to the levels of growth and profitability expected.

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 Group's operations, from the accounting records of the Group 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).

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 Group's operations, from the accounting books and records of the companies belonging to the Group, maintained in accordance with the Accounting Standards and Financial Reporting (NCRF).

A. CONSOLIDATED PRINCIPLES

The consolidated principles adopted by the Group in the preparation of the consolidated financial statements are the following:

i. Investments in subsidiaries

Permanent participations in companies in which the Group owns, directly or indirectly, more than 50% of the voting rights at a General Meeting of Shareholders or is able to establish financial and operational policies (definition of control used by the Group), are included in the consolidated financial statements using the full consolidation method. Equity and net income of these companies corresponding to the shareholding of third parties in the subsidiary companies is shown separately in the consolidated balance sheet and in the consolidated profit and loss account in the item "Non-controlling interests".

When losses attributable to minority shareholders exceed the minority interest in a subsidiary's equity, then the Group absorbs this excess and any additional losses, except when the minority shareholders have a binding obligation and are able to cover such losses. If the subsidiary subsequently reports profits, then the Group appropriates all profits until the minority's share of losses absorbed has been recovered.

The results of subsidiaries acquired or sold during the period are included in the income statement from the effective date of acquisition or up to the effective date of sale, as appropriate.

Adjustments to the financial statements of subsidiaries are made whenever necessary to adjust them to the accounting policies used by the Group. Transactions, balances and dividends distributed between the Group's subsidiaries are eliminated on consolidation.

Whenever the Group has, in substance, control over other entities created for a specific purpose ("Special Purpose Entities"), even if no share capital interest is directly or indirectly held in those entities, these are consolidated by the full consolidation method.

ii. Investments in associated companies

Investments in associated companies (companies where the Group exercises significant influence but does not have control or joint control through the participation in financial and operational policies – usually corresponding to holdings between 20% and 50% in a company's share capital) are registered by the equity method.

According to the equity method, investments in associated companies are initially accounted at the acquisition cost, which is adjusted proportionally to the Group's share in the corresponding equity of those companies, at the date of acquisition or at the date of the first adoption of the equity method. Permanent participations are adjusted annually by the amount corresponding to the participation in the net profit/loss of the associated companies as opposed to income or expenses in the period. Furthermore, the dividends of these companies are registered as a decrease in investments, and the Group's share in the changes occurred in the associated company's equity is registered as a change in the Group's equity.

The differences between the acquisition cost and fair value of the assets and liabilities attributable to the associated company on the acquisition date, if positive, are recognised as goodwill. If those differences are negative, after reassessment of the estimated fair value, they are registered as gains for the period in the item "Other income".

An assessment of the investments in associated companies is performed whenever there are indications that the asset may be impaired, with the impairment losses that are shown to exist being registered as expenses. Impairment losses recognised in previous periods that are no longer justifiable are reversed.

When the Group's share of losses of the associated company exceeds the investment value, the investment is reported at null value, except to the extent of the Group's commitments to the associated company, setting up a provision to cover those obligations.

The Group's share in unrealised gains arising from transactions with associated companies is eliminated proportionately, against the investment in that associated company. Unrealised losses are eliminated, but only to the extent that there is no evidence of impairment of the asset transferred.

iii. Jointly controlled entities

The financial interests in jointly controlled companies/entities were consolidated in the attached financial statements by the proportionate consolidation method from the date in which the control is shared. According to this method, the assets, liabilities, income and expenses of these companies have been included in the consolidated financial statements, on a line-by-line basis, in proportion to the Group's participation in the companies.

The classification of the financial interests held in jointly controlled companies/entities is determined based on:

- shareholder agreements that regulate the joint control;
- effective percentage held;
- voting rights held.

Any change of consolidation generated by the acquisition of a jointly controlled company/entity is registered according to the accounting policies defined for subsidiaries. Transactions, balances and dividends distributed between the jointly controlled companies are eliminated in proportion to the Group's participation.

iv. Goodwill

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 goodwill value is not amortised. 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 Group. Impairment losses related to goodwill cannot be reversed and are registered in the income statement for the period, in the item "Impairment of non-depreciable/amortisable investments (losses/reversals)".

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

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 Group.

v. Translation of financial statements of foreign subsidiaries expressed in foreign currency

Assets and liabilities of foreign entities financial statements included on consolidation are translated into euros using the exchange rates at the balance sheet date, and income and expenses using the average exchange rates. The amount related to the exchange rate difference is registered in the equity item "Other changes in equity".

The goodwill value and fair value adjustments resulting from the acquisition of foreign entities are treated as assets and liabilities of those entities and translated into euros according to the exchange rate in force at the end of the period. Whenever a foreign company is sold, accumulated exchange rate differences are recognised in the income statement as a gain or loss on the disposal.

B. 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 Group, are controllable by the Group and that they can be measured reliably.

The development costs for which the Group 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".

C. 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".

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 Group 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. INTEGRATION OF BRANCHES

The accounting information of the branches where the Group develops its activity, namely Angola, Mozambique, Morocco, Botswana, Cape Verde, Zambia, Malawi and Gabon, is monthly integrated in accounting. 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 Group, 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.

F. 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.

G. 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.

H. 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 manufacturing 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.

I. FINANCIAL INSTRUMENTS

i. Investments

The investments on other companies are registered at acquisition cost or, in the case of loans granted, at nominal value. An assessment of these 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 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.

ii. 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 Group 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.

iii. 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.

iv. 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.

v. 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.

vi. 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.

vii. Discounted bills and accounts receivable in factoring

The Group derecognises financial assets in its consolidated financial statements, only when the contractual rights to the cash flows inherent to those assets

have already expired, or when the Group substantially transfers all the risks and benefits inherent to the ownership of those assets to a third entity. If the Group 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 consolidated financial statements, in liabilities, until they are collected.

viii. 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.

J. 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 Group 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 Group, 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 Group. The Group does not recognise the contingent assets in its consolidated financial statements; it only proceeds to its disclosure if it considers that the economic benefits which may result from there to the Group are likely. When the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

K. 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”.

L. 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 each company included on consolidation, 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.

M. 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.

N. 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.

O. RETIREMENT COMPLEMENTS

Conduril - Engenharia, S.A. 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 Conduril - Engenharia, S.A. 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.

P. REVENUE

The Group 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 Group 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.

Q. 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.

R. OWN WORK CAPITALISED

Own work capitalised corresponds to construction and improvement works carried out by any company of the Group, 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.

S. 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 consolidated financial statements. 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 consolidated financial statements.

T. JUDGEMENTS AND ESTIMATES

For the preparation of the consolidated financial statements, the Board of Directors of each company included on consolidation has been based on best knowledge of past and/or present events, considering assumptions related to future events.

The most significant accounting estimates reflected in the consolidated financial statements for the periods ending on 31 December 2020 and 2019 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 consolidated 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	2020		2019	
		31 DECEMBER	EXCHANGE RATE	31 DECEMBER	EXCHANGE RATE
American Dollar	Euro	0.81493	n/a	0.89015	n/a
Moroccan Dirham	Euro	0.09145	0.09220	0.09290	0.09278
Botswana Pula	Euro	0.07540	0.07601	0.08400	0.08309
Mozambican Metical	Euro	0.01087	0.01242	0.01451	0.01430
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	0.03852	0.04667	0.06336	0.06875
Malawian Kwacha	Euro	0.00105	0.00117	0.00121	0.00121
Angolan Kwanza	Euro	0.00125	0.00146	0.00180	0.00234
South African Rand	Euro	0.05549	n/a	0.06376	n/a
Namibian Dollar	Euro	0.05427	n/a	0.06370	n/a
Zimbabwean Dollar	Euro	0.00995	0.01568	0.05320	0.05688

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

In preparation of the consolidated financial statements according with NCRF (equivalent to GAAP), the Board of Directors of each company included on consolidation 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 consolidated financial statements have been prepared bearing in mind the continuation of the Group's operations, from the accounting books and records of the Group, 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 consolidated financial statements for the period. Those events are disclosed in the notes to the consolidated 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 historical experience of the companies belonging to the Group, as well as on future expectations. The Group 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 Group's lawyers and advisers.

E. POST-EMPLOYMENT 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:

	31.12.2020	31.12.2019
Cash	21,272	231,419
Demand deposits	6,071,743	9,025,409
Term deposits	938,385	932,384
TOTAL CASH AND BANK DEPOSITS	7,031,400	10,189,212

5. RELATED PARTIES**5.1. Remunerations of the key management personnel**

A. Total remunerations: 1,378,046 euros (2019: 1,389,846 euros).

5.2. Transactions between related parties

A. Nature of the related party relationship:

	COUNTRY	DIRECT %	TOTAL %
BRANCHES:			
Angola	-	-	-
Mozambique	-	-	-
Morocco	-	-	-
Botswana	-	-	-
Cape Verde	-	-	-
Zambia	-	-	-
Malawi	-	-	-
Gabon	-	-	-
SUBSIDIARIES:			
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
JOINTLY CONTROLLED ENTITIES:			
Groupeement Adriano, Jaime Ribeiro, Conduril - Construção, ACE	Morocco	33.33	33.33
Groupeement CJA / Lot 3 - Construção ACE	Morocco	33.33	33.33
Groupeement 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
ASSOCIATED COMPANIES:			
Rotas do Algarve Litoral, S.A.	Portugal	21.64	23.64
SPER - Sociedade Portuguesa para a Construção e Exploração Rodoviária, S.A.	Portugal	20.11	21.85
Planestrada - Operação e Manutenção Rodoviária, S.A.	Portugal	33.33	33.33
Marestrada - Operação e Manutenção Rodoviária, S.A.	Portugal	33.33	33.33
KEY MANAGEMENT PERSONNEL:			
BOARD OF DIRECTORS:			
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			
OTHER RELATED PARTIES:			
Geonorte - Geotecnia e Fundações Especiais, Lda.	Portugal	-	-
Sociedade Agrícola da Quinta do Javali, Lda.	Portugal	-	-
Mugige Vinhos, Lda.	Angola	-	-

B. Transactions and outstanding balances:

As at 31 December 2020 and 2019, the Group presented the following transactions and balances in what concerns the related entities:

As at 31 December 2020:

RELATED PARTIES	OUTSTANDING BALANCES - ASSETS	OUTSTANDING BALANCES - LIABILITIES	ACCUMULATED IMPAIRMENT LOSSES
ENTITIES WITH JOINT CONTROL OR SIGNIFICANT INFLUENCE:			
Groupement CJA / Lot 3 - Construção ACE	828,511	-	-
	828,511	-	-
OTHER PARTICIPATIONS:			
SPER - Sociedade Portuguesa para a Construção e Exploração Rodoviária, S.A.	20,443,205	159,500	20,000
Rotas do Algarve Litoral, S.A.	13,786,917	17,870	20,000
	34,230,122	177,370	40,000
OTHER RELATED PARTIES:			
UTE Alcántara - Garrovillas	1,220,412	-	-
Geonorte - Geotecnia e Fundações Especiais, Lda.	2,969	549,590	-
Geonorte - Geotecnia e Fundações Especiais, Lda. – Angola branch	70,496	-	-
Sociedade Agrícola da Quinta do Javali, Lda.	-	21,972	-
Mugige Vinhos, Lda.	3,087,317	-	-
	4,381,194	571,562	-

RELATED PARTIES	INCOME	EXPENSES
OTHER RELATED PARTIES:		
UTE Alcántara - Garrovillas	624	-
Geonorte - Geotecnia e Fundações Especiais, Lda.	154,873	2,026,490
Geonorte - Geotecnia e Fundações Especiais, Lda. – Angola branch	234,574	65,700
Sociedade Agrícola da Quinta do Javali, Lda.	-	205,359
Mugige Vinhos, Lda.	1,922,415	21,872
	2,312,486	2,319,421

As at 31 December 2019:

RELATED PARTIES	OUTSTANDING BALANCES - ASSETS	OUTSTANDING BALANCES - LIABILITIES	ACCUMULATED IMPAIRMENT LOSSES
ENTITIES WITH JOINT CONTROL OR SIGNIFICANT INFLUENCE:			
Groupement CJA / Lot 3 - Construção ACE	828,503	-	-
	828,503	-	-
OTHER PARTICIPATIONS:			
SPER - Sociedade Portuguesa para a Construção e Exploração Rodoviária, S.A.	20,332,373	-	20,000
Rotas do Algarve Litoral, S.A.	13,473,348	-	20,000
	33,805,721	-	40,000
OTHER RELATED PARTIES:			
UTE Alcántara - Garrovillas	1,134,094	-	-
Geonorte - Geotecnia e Fundações Especiais, Lda.	9,595	922,242	-
Geonorte - Geotecnia e Fundações Especiais, Lda. – Angola branch	480,265	383,998	-
Sociedade Agrícola da Quinta do Javali, Lda.	-	39,668	-
Mugige Vinhos, Lda.	1,737,090	-	-
	3,361,044	1,345,908	-

RELATED PARTIES	INCOME	EXPENSES
OTHER RELATED PARTIES:		
UTE Alcántara - Garrovillas	29,293	-
Geonorte - Geotecnia e Fundações Especiais, Lda.	187,376	68,618
Geonorte - Geotecnia e Fundações Especiais, Lda. – Angola branch	95,909	2,383
Sociedade Agrícola da Quinta do Javali, Lda.	-	23,224
Mugige Vinhos, Lda.	2,260,500	-
	2,573,078	94,225

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	31.12.2020		31.12.2019	
	GROSS ASSETS	AMORTISATIONS AND IMPAIRMENT LOSSES	GROSS ASSETS	AMORTISATIONS AND IMPAIRMENT LOSSES
Research and development	27,740	1,571	-	-
Computer programmes	153,577	106,370	106,440	92,775
Industrial property	47,121	-	48,446	1,325
Development rights	5,852,346	625,756	5,868,885	616,592
Other intangible assets	171,900	2,488	229,522	2,555
TOTAL	6,252,684	736,185	6,253,293	713,247

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	31.12.2020	31.12.2019
Research and development	1,571	-
Computer programmes	11,450	1,637
Development rights	9,726	16,485
Other intangible assets	118	735
TOTAL	22,865	18,857

E. The movements in the item “Intangible assets” during 2020 and 2019 are the following:

	2020					
	RESEARCH AND DEVELOPMENT	DEVELOPMENT RIGHTS	SOFTWARE	INDUSTRIAL PROPERTY	OTHER INTANGIBLE ASSETS	TOTAL
GROSS ASSETS:						
Balance as at 31.12.2019	-	5,868,885	106,440	48,446	229,522	6,253,293
Additions	27,740	-	50,556	-	-	78,296
Other variations		(16,539)			(57,622)	(74,161)
Transfers and write-offs	-	-	(3,419)	(1,325)	-	(4,744)
Balance as at 31.12.2020	27,740	5,852,346	153,576	47,121	171,900	6,252,684
ACCUMULATED AMORTISATION:						
Balance as at 31.12.2019	-	616,592	92,775	1,325	2,555	713,247
Additions	1,571	9,726	11,450	-	118	22,865
Other variations		(562)			(185)	(747)
Transfers and write-offs	-	-	2,145	(1,325)	-	820
Balance as at 31.12.2020	1,571	625,756	106,370	-	2,488	735,185
NET VALUE	26,169	5,226,590	47,207	47,121	169,412	5,516,499

	2019				
	DEVELOPMENT RIGHTS	SOFTWARE	INDUSTRIAL PROPERTY	OTHER INTANGIBLE ASSETS	TOTAL
GROSS ASSETS:					
Balance as at 31.12.2018	5,881,721	97,687	48,446	2,006	6,029,860
Additions	15,694	8,753	-	227,516	251,963
Other variations	(28,530)	-	-	-	(28,530)
Balance as at 31.12.2019	5,868,885	106,440	48,446	229,522	6,253,293
ACCUMULATED AMORTISATION:					
Balance as at 31.12.2018	600,149	91,138	1,325	1,727	694,339
Additions	16,485	1,637	-	735	18,857
Other variations	(42)	-	-	93	51
Balance as at 31.12.2019	616,592	92,775	1,325	2,555	713,247
NET VALUE	5,252,293	13,665	47,121	226,967	5,540,046

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 Group amortises its property, plant and equipment goods 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:

	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
GROSS ASSETS:								
Balance as at 31.12.2019	2,918,326	28,366,925	95,896,587	24,512,013	2,207,087	1,593,183	18,763,880	174,258,001
Additions	-	1,027,428	25,799,059	3,699,806	132,847	175,743	1,659,123	32,494,006
Disposals	-	(34,336)	(3,649,631)	(168,244)	(6,397)	-	-	(3,858,608)
Other variations	-	(700,291)	(545,053)	(570,917)	(46,659)	(18,148)	-	(1,881,068)
Transfers and write-offs	-	-	(92,501)	(10,855)	(13,126)	(12,311)	(315)	(129,108)
Balance as at 31.12.2020	2,918,326	28,659,726	117,408,461	27,461,803	2,273,752	1,738,467	20,422,688	200,883,223
ACCUMULATED DEPRECIATION:								
Balance as at 31.12.2019	-	18,603,539	74,135,300	18,839,524	1,855,111	1,070,398	-	114,503,872
Additions	-	659,350	3,050,539	811,245	56,405	136,922	-	4,714,461
Disposals	-	(4,464)	(3,064,104)	(127,603)	(3,247)	-	-	(3,199,418)
Other variations	-	(406,334)	(621,263)	(154,961)	(41,777)	(16,536)	-	(1,240,871)
Transfers and write-offs	-	-	(120,904)	(1,530)	(5,787)	(5,654)	-	(133,875)
Balance as at 31.12.2020	-	18,852,091	73,379,568	19,366,675	1,860,705	1,185,130	-	114,644,169
NET VALUE	2,918,326	9,807,635	44,028,893	8,095,128	413,047	553,337	20,422,688	86,239,054

	2019							
	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
GROSS ASSETS:								
Balance as at 31.12.2018	2,918,326	28,541,543	92,741,615	24,353,701	2,123,661	1,453,786	18,216,731	170,349,363
Change of % held	-	-	-	-	-	-	-	-
Additions	-	140,200	5,866,676	2,017,306	106,136	143,038	1,630,301	9,903,658
Disposals	-	-	(1,695,366)	(1,592,052)	-	-	-	(3,287,417)
Other variations	-	(1,078,743)	(556,978)	(188,582)	(21,186)	(3,641)	1,137	(1,847,993)
Transfers and write-offs	-	763,925	(459,360)	(78,360)	(1,524)	-	(1,084,289)	(859,609)
Balance as at 31.12.2019	2,918,326	28,366,925	95,896,587	24,512,013	2,207,087	1,593,183	18,763,880	174,258,001
ACCUMULATED DEPRECIATION:								
Balance as at 31.12.2018	-	18,549,018	74,249,263	19,931,288	1,821,459	914,330	-	115,465,358
Change of % held	-	-	-	-	-	-	-	-
Additions	-	660,086	2,612,321	668,735	54,279	157,061	-	4,152,482
Disposals	-	-	(1,556,185)	(1,606,146)	(4,616)	-	-	(3,166,947)
Other variations	-	(605,565)	(535,806)	(68,892)	(16,011)	(993)	-	(1,227,267)
Transfers and write-offs	-	-	(634,293)	(85,461)	-	-	-	(719,755)
Balance as at 31.12.2019	-	18,603,539	74,135,300	18,839,524	1,855,111	1,070,398	-	114,503,872
NET VALUE	2,918,326	9,763,386	21,761,287	5,672,489	351,976	522,785	18,763,880	59,754,129

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

TANGIBLE ASSETS	EXPENDITURES RECOGNISED DURING CONSTRUCTION	
	31.12.2020	31.12.2019
Buildings and other constructions	1,655,293	1,242,708
Machinery and other equipment	3,830	387,593
Transport equipment	-	-
Other property, plant and equipment	-	-
TOTAL	1,659,123	1,630,301

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

TANGIBLE ASSETS	DEPRECIATION RECOGNISED IN PROFIT/LOSS 2020	DEPRECIATION RECOGNISED IN PROFIT/LOSS 2019
Buildings and other constructions	659,350	660,086
Machinery and other equipment	3,050,539	2,612,321
Transport equipment	811,245	668,735
Office equipment	56,405	54,279
Other property, plant and equipment	136,922	157,061
TOTAL	4,714,461	4,152,482

7.4. Accumulated depreciation at the end of the period

ACCUMULATED DEPRECIATION	31.12.2020	31.12.2019
Buildings and other constructions	18,852,091	18,603,539
Machinery and other equipment	73,379,568	74,135,300
Transport equipment	19,366,675	18,839,524
Office equipment	1,860,705	1,855,111
Other property, plant and equipment	1,185,130	1,070,398
TOTAL	114,644,169	114,503,872

7.5. Items of fixed assets in progress

The most significant values included in the item "Investments in progress", as at 31 December 2020 and 2019, refer to the following projects:

	31.12.2020	31.12.2019
Buildings and other constructions	20,418,858	18,763,565
Machinery and other equipment	-	-
Transport equipment	-	-
Other property, plant and equipment	3,830	315
TOTAL	20,422,688	18,763,880

7.6. Property, plant and equipment by geographical location

2020	GROSS ASSETS	ACCUMULATED DEPRECIATION	NET AMOUNT
Portugal	77,817,075	34,465,163	43,351,912
Angola	90,076,603	58,221,702	31,854,901
Mozambique	15,998,458	9,997,036	6,001,422
Morocco	602,361	602,361	-
Botswana	60,163	60,163	-
Cape Verde	51,348	49,706	1,642
Zambia	11,150,762	8,250,115	2,900,647
Malawi	3,394,268	1,650,650	1,743,618
Gabon	1,512,342	1,309,858	202,484
Zimbabwe	219,843	37,415	182,428
TOTAL	200,883,223	114,644,169	86,239,054

2019	GROSS ASSETS	ACCUMULATED DEPRECIATION	NET AMOUNT
Portugal	50,606,504	32,910,760	17,695,744
Angola	91,099,498	58,727,317	32,372,181
Mozambique	15,565,407	9,777,489	5,787,918
Morocco	2,045,775	2,045,775	-
Botswana	60,163	48,647	11,516
Cape Verde	51,348	49,706	1,642
Zambia	10,917,143	8,279,699	2,637,444
Malawi	1,771,999	1,380,306	391,693
Gabon	1,512,342	1,248,769	263,573
Zimbabwe	627,822	35,404	592,418
TOTAL	174,258,001	114,503,872	59,754,129

8. LEASES**8.1. Finance leases – Lessees**

A. Net carrying amount for each asset category at 31 December 2020 and 2019:

	31.12.2020	31.12.2019
Buildings and other constructions	151,875	-
Machinery and other equipment	17,282,983	4,178,738
Transport equipment	5,104,652	2,618,762
TOTAL	22,539,510	6,797,500

B. Reconciliation between the total of the future lease minimum payments at 31 December 2020 and 2019 and its present value:

	31.12.2020	31.12.2019
Minimum payments up to 1 year	5,417,612	1,982,108
Minimum payments for more than 1 year and no more than 5 years	17,665,330	4,226,871
Minimum payments for more than 5 years	-	-
TOTAL MINIMUM PAYMENTS	23,082,942	6,208,979
Future interest payments	467,802	106,959
PRESENT VALUE OF RESPONSIBILITIES	22,615,140	6,102,020

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

	MINIMUM PAYMENTS		PRESENT VALUE	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
No more than 1 year	5,417,612	1,982,108	5,213,834	1,932,060
More than 1 year and no more than 5 years	17,665,330	4,226,871	17,401,306	4,169,960
More than 5 years	-	-	-	-
TOTAL	23,082,942	6,208,979	22,615,140	6,102,020

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

9.1. Subsidiaries

A. List and description of the subsidiaries:

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

9.2. 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:

COMPANY	PROPORTION OF THE INTEREST HELD	CONSOLIDATION METHOD
Groupement Adriano, Jaime Ribeiro, Conduril - Construção, ACE	33.33%	Proportionate method
Groupement CJA / Lot 3 - Construção ACE	33.33%	Cost
Groupement Túnel de Nador, Construção ACE	50%	Proportionate method
RAL - Rodovias do Algarve Litoral, ACE	16.67%	Proportionate method
RBA - Rodovias do Baixo Alentejo, ACE	17.86%	Proportionate method

At the preparation date of the financial statements, the financial statements of the groups Groupement CJA / Lot 3 - Construção ACE, Groupement Túnel de Nador, Construção ACE and Groupement Adriano, Jaime Ribeiro, Conduril - Construção, ACE were not available. These groups do not have a significant activity; therefore, the Board of Directors considers that there are no relevant impacts regarding these participations.

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

The interests in jointly controlled companies were recognised in the consolidated financial statements by the proportionate consolidation method, from the date in which the control is shared until the date it effectively ends. According to this method, the assets, liabilities, income and expenses of these companies have been included in the consolidated financial statements, on a line-by-line basis, in proportion to the Group's participation in the companies.

9.3. 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:

31.12.2020 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)
TOTAL	-			

31.12.2019 COMPANY	CARRYING AMOUNT	TOTAL ASSETS	TOTAL SHAREHOLDERS' FUNDS	TOTAL PERIOD INCOME
Rotas do Algarve Litoral, S.A.	-	176,237,035	(3,226,340)	(10,936,496)
SPER - Sociedade Portuguesa para a Construção e Exploração Rodoviária, S.A.	-	326,818,452	(16,308,301)	4,922,123
Planestrada - Operação e Manutenção Rodoviária, S.A.	547,581	2,641,830	1,642,907	793,496
Marestrada - Operação e Manutenção Rodoviária, S.A.	163,208	2,799,062	489,674	(345,790)
TOTAL	710,789			

The assets related to the participations in SPER - Sociedade Portuguesa para a Construção e Exploração Rodoviária, S.A. and Planestrada - Operação e Manutenção Rodoviária, S.A. were classified in December 2020 in the item "Non-current assets held for sale" (Note 18).

9.4. Details of the item “Other financial investments”

OTHER PARTICIPATIONS REGISTERED AT COST	31.12.2020	31.12.2019
Norgarante	18,877	18,877
Garval	1,682	1,682
Lisgarante	1,682	1,682
BAI - Banco Africano Investimento	341,375	341,375
Lusitânia Seguros	2,405	76,815
Other	2,464	1,817
TOTAL	368,485	442,248

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

COMPANY	LOANS GRANTED	
	31.12.2020	31.12.2019
UTE Alcántara - Garrovillas	-	-
SPER - Sociedade Portuguesa para a Construção e Exploração Rodoviária, S.A.	-	20,332,373
Rotas do Algarve Litoral, S.A.	13,491,551	13,473,348
Other – Public debt securities	59,311,609	57,578,234
Other – FCT	69,323	46,215
TOTAL	72,872,483	91,430,170

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 Group 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	31.12.2020	31.12.2019
Raw, subsidiary and consumable materials	14,135,070	12,993,023
Goods	-	9,646
Finished and semi-finished products	385,710	592,998
	14,520,780	13,595,667
Impairment losses	(873,109)	(873,109)
TOTAL	13,647,671	12,722,558

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	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Initial inventory	9,646	9,646	12,119,914	12,923,453
Impairment losses in stocks	-	-	-	-
Purchases	-	-	36,546,338	38,210,742
Inventories adjustments and reclassification	-	-	(285,420)	324,043
Ending inventory	(9,646)	(9,646)	(13,261,962)	(12,119,914)
EXPENSES IN THE PERIOD	-	-	35,118,870	39,338,324

	FINISHED AND SEMI-FINISHED PRODUCTS		PRODUCTS WORK IN PROGRESS	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Initial inventory	592,998	610,970	-	-
Inventories adjustments and reclassification	(69,426)	(104,984)	-	-
Accumulated impairment losses	-	-	-	-
Ending inventory	(385,710)	(592,998)	-	-
VARIATION OF INVENTORIES IN PRODUCTION	137,862	(87,012)	-	-

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

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

IMPAIRMENT LOSSES IN INVENTORIES	31.12.2020	31.12.2019
Goods	-	-
Raw, subsidiary and consumable materials	-	-
Finished and semi-finished products	-	-
TOTAL	-	-

REVERSAL OF IMPAIRMENT IN INVENTORIES	31.12.2020	31.12.2019
Goods	-	-
Raw, subsidiary and consumable materials	-	-
Finished and semi-finished products	-	-
TOTAL	-	-
IMPACT IN THE PERIOD	-	-

10.5. Movement during the period of impairment losses in inventories

RAW, SUBSIDIARY AND CONSUMABLE MATERIALS	
Accumulated impairment losses on 31.12.2019	873,109
Increases	-
Reversal	-
Utilisations	-
Exchange variations	-
ACCUMULATED IMPAIRMENT LOSSES ON 31.12.2020	873,109

RAW, SUBSIDIARY AND CONSUMABLE MATERIALS	
Accumulated impairment losses on 31.12.2018	873,109
Increases	-
Reversal	-
Utilisations	-
Exchange variations	-
ACCUMULATED IMPAIRMENT LOSSES ON 31.12.2019	873,109

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 2020 and 2019, the amount of revenue recognised as revenue in the period was the following:

WORK/CONTRACT	REVENUE IN THE PERIOD 2020	REVENUE IN THE PERIOD 2019
Construction contracts	119,113,904	146,731,668
TOTAL	119,113,904	146,731,668

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

31.12.2020	EXPENSES INCURRED	RECOGNISED INCOME	ADVANCES RECEIVED	RETENTION
Ongoing contracts	356,888,466	474,141,093	28,680,385	2,010,095
TOTAL	356,888,466	474,141,093	28,680,385	2,010,095

31.12.2019	EXPENSES INCURRED	RECOGNISED INCOME	ADVANCES RECEIVED	RETENTION
Ongoing contracts	216,561,305	272,750,419	8,037,550	599,285
TOTAL	216,561,305	272,750,419	8,037,550	599,285

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 Group 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:

	31.12.2020	31.12.2019
Sales of goods	820,188	1,662,673
Provision of services	123,140,462	153,112,360
Interest	2,805,942	2,693,455
Dividends	127,917	118,586
TOTAL	126,894,509	157,587,074

13. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

13.1. Provisions

The Group 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 2020, the movements relating to provisions occurred were the following:

PROVISIONS	OPENING BALANCE	INCREASES	OTHER MOVEMENTS	REVERSAL	EXCHANGE VARIATION	CLOSING BALANCE
Guarantees to clients	3,022,912	517,906	28,191	(90,076)	-	3,478,933
Other provisions	32,588	406,074	33,413	(38,776)	-	433,299
	3,055,500	923,980	61,604	(128,852)	-	3,912,232
Financial investments (Note 9)	-	10,410	-	-	-	10,410
TOTAL	3,055,500	934,390	61,604	(128,852)	-	3,922,642

During the period ending on 31 December 2019, the movements relating to provisions occurred were the following:

PROVISIONS	OPENING BALANCE	INCREASES	OTHER MOVEMENTS	REVERSAL	EXCHANGE VARIATION	CLOSING BALANCE
Guarantees to clients	2,675,638	637,274	1,987	(291,987)	-	3,022,912
Other provisions	180,748	5,127	-	(153,372)	85	32,588
TOTAL	2,856,386	642,401	1,987	(445,359)	85	3,055,500

13.2. Proceedings in litigation

Following the several ongoing proceedings in litigation, the Group is convinced that the risk of losing these proceedings is unlikely and their outcome will not affect the material form of its financial position, being this belief 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 consolidated financial statements.

13.3. Guarantees provided

As at 31 December 2020, the Group had assumed responsibilities for the guarantees provided in the amount of 119,245,505 euros (as at 31 December 2019, the amount was 80,483,265 euros).

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

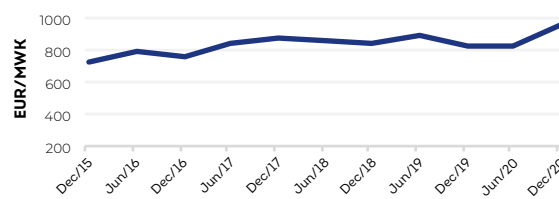
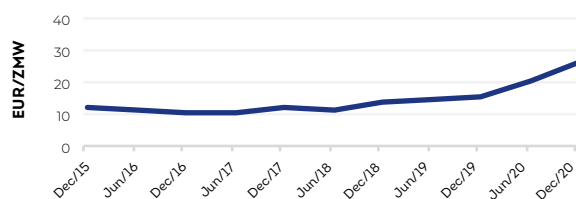
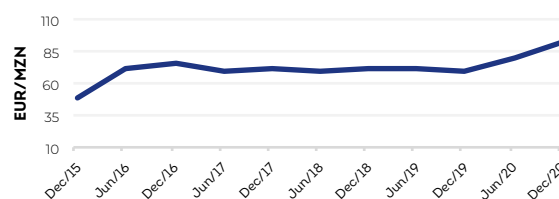
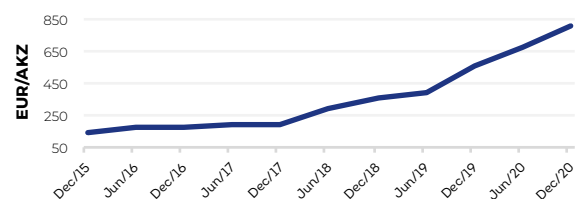
13.4. Management of financial risks

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

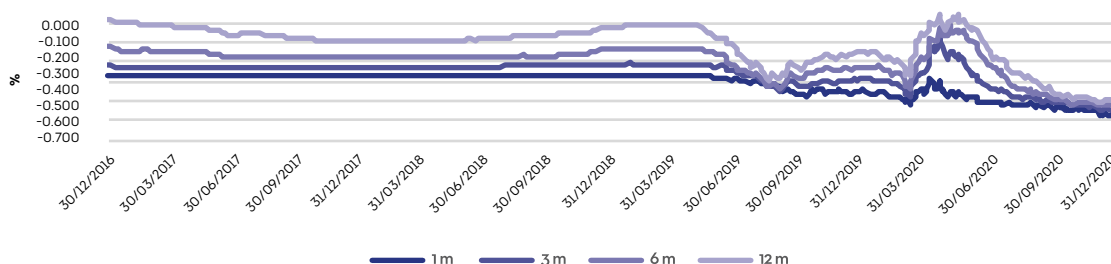
Since the activity of Conduril is mainly located in Portugal and Africa (Angola, Mozambique, Zambia, Malawi, Gabon and Zimbabwe), the Company is exposed to the exchange rate risk of the currencies in use in those countries. In order to address this risk, the contracts are celebrated in USD/EUR, whenever possible. The evolution of the kwanza, metical, Zambian kwacha, Malawian kwacha and Zimbabwean dollar currencies against the euro impact the consolidated 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 Group's indebtedness is indexed to an interest rate coverage. We are permanently monitoring this issue, in order to be able to take, in good time, the necessary measures to reduce the impact of this variable on Conduril's financing.

Evolution of the Euribor rate



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 Group. 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. In 2020, due to the additional uncertainty that COVID-19 brought to the financial markets, Conduril cautiously decided to adhere to the moratorium regime for some bank loans and obtained additional lines of credit within COVID-19 financial supports.

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 Group 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

	31.12.2020	31.12.2019
Exchange losses		
- Other expenses	10,328,365	12,850,335
TOTAL	10,328,365	12,850,335
Exchange gains		
- Other income	20,092,471	4,433,646
TOTAL	20,092,471	4,433,646

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

EXCHANGE DIFFERENCES IN EQUITY	
Balance as at 31.12.2019	(25,804,165)
Exchange losses	(35,120,910)
Exchange gains	-
BALANCE AS AT 31.12.2020	(60,925,075)

EXCHANGE DIFFERENCES IN EQUITY	
Balance as at 31.12.2018	(18,989,245)
Exchange losses	(6,814,920)
Exchange gains	-
BALANCE AS AT 31.12.2019	(25,804,165)

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 consolidated 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 10 March 2021. The Board of Directors believes that these consolidated financial statements are a true and proper representation of the operations of the companies belonging to the Group, as well as their 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 Group has a legal or contractual responsibility to prevent, reduce or repair environmental damage. To fulfil this obligation, the Group incurred in expenses that amounted to 188,139 euros (in 2019, they amounted to 97,227 euros) during the period ending on 31 December 2020.

To measure the environmental expenses incurred, the Group 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	188,139
TOTAL	188,139

17. INCOME TAXES

17.1. Main components of tax expense and income

	31.12.2020	31.12.2019
Current tax and adjustments:		
Current tax for the period	3,129,959	9,511,635
	3,129,959	9,511,635
Deferred taxes:		
Deferred taxes related to temporary differences	(980,807)	(45,328)
	(980,807)	(45,328)
INCOME TAXES EXPENSE	2,149,152	9,466,307

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 2020 and 2019, 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	31.12.2020	31.12.2019
Income before taxation	3,290,198	11,931,640
Income taxes expense	2,149,152	9,466,307
Effective tax rate	65.32%	79.34%
Nominal tax rate (21% in Portugal; 30% in Angola, in 2019, and 25%, in 2020; and 35% in Zimbabwe)	1,157,823	3,476,144
ADJUSTMENTS:		
Income deriving from the application of the equity method	(30,327)	158,405
Differentiated rates of taxation	980,910	565,026
Expenses not accepted as tax cost	408,188	3,537,842
Provisions not accepted as expense	96,118	7,833
Reversal of untaxed provisions	5,990	-
Tax refund	(60,829)	-
Other untaxed income	(2,923,952)	(3,859,857)
Tax loss deduction for the period	(232,693)	(286,121)
Tax losses for the period	5,151,697	3,063,930
Untaxed exchange differences	(1,458,112)	1,884,158
Autonomous taxation	449,127	477,293
Deferred taxes from previous financial years	(1,365,256)	(45,328)
Others	(29,532)	486,982
	991,329	5,990,163
INCOME TAXES EXPENSE	2,149,152	9,466,307

With reference to the period ending on 31 December 2020 and 2019, 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 2020, deferred tax assets and liabilities are the following:

DEFERRED TAX ASSETS	OPENING BALANCE	OTHER VARIATIONS	INCREASES	REVERSAL	CLOSING BALANCE
Warranty of works	65,867	-	-	-	65,867
Tax losses	-	-	-	-	-
Expenses not accepted	88,998	-	5,629,888	(22,906)	5,695,980
Others	71,415	(71,415)	-	-	-
TOTAL	226,280	(71,415)	5,629,888	(22,906)	5,761,847

DEFERRED TAX LIABILITIES	OPENING BALANCE	OTHER VARIATIONS	INCREASES	REVERSAL	CLOSING BALANCE
Revaluation surpluses	896,982	-	-	(154,657)	742,325
Taxable income	88,998	-	4,714,707	-	4,803,705
Depreciation not accepted	361,267	(141,669)	74,085	(7,960)	285,723
TOTAL	1,347,247	(141,669)	4,788,792	(162,617)	5,831,753

As at 31 December 2019, deferred tax assets and liabilities are the following:

DEFERRED TAX ASSETS	OPENING BALANCE	OTHER VARIATIONS	INCREASES	REVERSAL	CLOSING BALANCE
Warranty of works	62,597	540	3,067	(337)	65,867
Provisions not accepted	-	-	-	-	-
Tax losses	-	-	88,998	-	88,998
Others	601	-	71,415	(601)	71,415
TOTAL	63,198	540	163,480	(938)	226,280

DEFERRED TAX LIABILITIES	OPENING BALANCE	OTHER VARIATIONS	INCREASES	REVERSAL	CLOSING BALANCE
Revaluation surpluses	940,758	-	-	(43,776)	896,982
Taxable income	-	-	88,998	-	88,998
Depreciation not accepted	416,170	(56,083)	1,180	-	361,267
TOTAL	1,356,928	(56,083)	90,178	(43,776)	1,347,247

18. NON-CURRENT ASSETS AND LIABILITIES HELD FOR SALE

18.1. Non-current assets held for sale

As at 31 December 2020 and 2019, non-current assets held for sale are the following:

COMPANY	31.12.2020	31.12.2019
SPER - Sociedade Portuguesa para a Construção e Exploração Rodoviária, S.A. assets		
Participation	-	-
Loan	20,332,373	-
Planestrada - Operação e Manutenção Rodoviária, S.A. assets		
Participation	547,581	-
TOTAL	20,879,954	-

31.12.2020 COMPANY	CARRYING AMOUNT	TOTAL ASSETS	TOTAL SHAREHOLDERS' FUNDS	TOTAL PERIOD INCOME
SPER - Sociedade Portuguesa para a Construção e Exploração Rodoviária, S.A.	-	297,009,240	8,716,135	5,494,263
Planestrada - Operação e Manutenção Rodoviária, S.A.	547,581	3,715,121	2,336,006	971,448
TOTAL	547,581			

In December 2020, Conduril concluded a sales agreement of the SPER and Planestrada participations. The transaction depends on several preceding conditions, with its conclusion foreseen for the end of the first semester of 2021.

19. FINANCIAL INSTRUMENTS

19.1. Measurement bases

It is the Group'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 Group 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 a 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 Group 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 Group holds a financial instrument, the measurement policy will not be affected.

19.2. Financial assets and liabilities

Financial assets with recognition of impairment:

	31.12.2020		31.12.2019	
	CARRYING AMOUNT	ACCUMULATED IMPAIRMENT	CARRYING AMOUNT	ACCUMULATED IMPAIRMENT
Trade accounts receivable	85,113,548	-	101,265,037	-
Clients with guarantees	6,173,167	-	4,122,995	-
Doubtful debtors	2,672,509	(2,672,509)	2,965,209	(2,965,209)
TOTAL	93,959,224	(2,672,509)	108,353,241	(2,965,209)

19.3. Financing obtained

As at 31 December 2020 and 2019, the item “Financing obtained” is the following:

FINANCING OBTAINED	31.12.2020	31.12.2019
Escrow accounts	7,218,929	8,767,902
Bank loans	23,106,226	27,246,701
Commercial paper	23,300,000	20,800,000
Finance leases	22,615,141	6,174,910
Factoring	-	774,442
Contracted bank overdrafts	3,632,481	2,951,534
TOTAL	79,872,777	66,715,489

19.4. 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	31.12.2020	31.12.2019
Bank deposits and securities	2,805,829	2,693,237
Others	113	218
TOTAL	2,805,942	2,693,455

B. Interest expenses for financial liabilities:

FINANCIAL LIABILITIES	31.12.2020	31.12.2019
Financing	2,553,028	3,312,612
Finance leases	95,451	38,651
Others	51,938	66,622
TOTAL	2,700,417	3,417,885

19.5. 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 Group evaluated the respective impairment. From this evaluation, the Group was able to acquire objective evidence that the financial assets, shown in the following table, present impairment losses for the period:

FINANCIAL ASSETS	31.12.2020	
	INCREASES	REVERSALS
Clients	-	-
Other accounts receivable	-	-
Other financial assets	-	-
TOTAL	-	-

FINANCIAL ASSETS	31.12.2019	
	INCREASES	REVERSALS
Clients	65.457	(112.113)
Other accounts receivable	-	-
Other financial assets	-	-
TOTAL	65.457	(112.113)

19.6. Amount of share capital

As at 31 December 2020, the Company had a share capital of 10,000,000 euros, fully subscribed and paid-in.

19.7. Shares representing share capital

As at 31 December 2020, 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 2020, there were 123 employees enjoying post-employment benefits regarding benefit plans defined. On 31 December 2020, the operations related to the period are the following:

PENSION COSTS	31.12.2020	31.12.2019
Cost of current services	397,587	291,648
Interest cost	289,115	326,036
Actuarial gains and losses	-	-
Return on assets	-	-
Other variations	-	-
TOTAL	686,702	617,684

On 31 December 2020, there is a deficit of the amount of past responsibilities regarding the value of the existing fund in the amount of 3,038,863 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 3,113,050 euros (2019: 2,518,271 euros).

Assumptions used in the actuarial study of 2020 and 2019:

	ASSUMPTIONS 2020	ASSUMPTIONS 2019
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	swap curve as at 31/12/2020 plus 2.25% p.p.	swap curve as at 31/12/2019 plus 2.25% p.p.
Growth rate of wages	2.00%	2.00%
Growth rate of pensions	0.00%	0.00%
Participants	337	324
Beneficiaries	123	123

20.2. Social benefits

As at 31 December 2020, 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	31.12.2020
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
TOTAL	304,178

EXPENSES WITH CONDURIL ACADEMY PROGRAMMES	31.12.2019
PAAE (Literacy and School Acceleration Programme)	246,962
Technical and Vocational Training	172,873
Human and Cultural Training	24,696
RVCCP (Process for Recognition, Validation and Certification of Professional Skills)	49,393
TOTAL	493,924

21. OTHER INFORMATION

21.1. State and other public bodies

The item "State and other public bodies" as at 31 December 2020 and 2019 is the following:

ASSETS	31.12.2020	31.12.2019
Personal Income Tax	282	1,097
Value Added Tax	11,007,379	9,585,343
Social Security Contributions	1,524	10,124
Business Income Tax	3,592,290	3,192,145
Other taxation	3,036,930	2,873,489
TOTAL	17,638,405	15,662,198

LIABILITIES	31.12.2020	31.12.2019
Personal Income Tax	620,353	606,310
Value Added Tax	8,303,319	9,125,738
Social Security Contributions	788,752	590,211
Business Income Tax	5,840,797	8,712,293
Other taxation	568,385	643,059
TOTAL	16,121,606	19,677,611

21.2. Turnover

The turnover as at 31 December 2020 and 2019 is distributed as follows:

	31.12.2020	31.12.2019
Internal market	62,075,018	54,037,169
External market	61,885,631	100,737,864
TOTAL	123,960,649	154,775,033

21.3. External supplies and services

The item "External supplies and services" is the following, for the period ending on 31 December 2020 and 2019:

	31.12.2020	31.12.2019
Subcontracts	38,797,165	30,278,250
Specialised services	5,878,370	4,293,097
Materials	699,487	1,067,856
Energy and fluids	1,706,972	3,159,609
Travel, accommodation and transport	4,006,867	3,850,461
Rentals and leases	4,266,240	4,993,567
Communication	280,935	366,959
Insurances	1,065,124	936,462
Royalties	-	13,081
Legal and notary services	41,910	17,630
Representation expenses	7,626	28,568
Hygiene and comfort services	289,592	288,295
Other services	1,371,940	1,850,636
TOTAL	58,412,228	51,144,471

21.4. Personnel expenses

The item "Personnel expenses" is the following, for the period ending on 31 December 2020 and 2019:

	31.12.2020	31.12.2019
Remunerations of the management bodies	1,224,459	1,235,089
Personnel remunerations	28,267,945	29,451,301
Compensations	18,202	36,677
Post-employment benefits (Note 20.1)	686,702	617,684
Social charges	3,890,688	3,464,116
Insurance schemes for accidents at work and occupational diseases	1,093,711	1,065,717
Social welfare expenses	1,684,298	2,268,441
Others	569,350	643,594
TOTAL	37,435,355	38,782,619

21.5. Other income

The item "Other income" is the following, for the period ending on 31 December 2020 and 2019:

	31.12.2020	31.12.2019
Additional income	5,314,116	1,385,588
Cash discounts obtained	57,933	71,482
Exchange gains	20,092,471	4,433,646
Gains in inventories	8,758	12,935
Income and gains in the remaining non-financial assets	888,254	616,031
Interest received	2,805,942	2,693,455
Dividends earned	127,917	118,586
Corrections related to the previous periods	343,688	203,491
Contractual benefits	1,874	386,344
Others	1,127,355	78,572
TOTAL	30,768,308	10,000,130

21.6. Other expenses

The item "Other expenses" is the following, for the period ending on 31 December 2020 and 2019:

	31.12.2020	31.12.2019
Taxes	1,817,651	2,269,017
Cash discounts given	148	789,273
Exchange losses	10,328,365	12,850,335
Expenses and losses in remaining non-financial investments	91,843	16,987
Fines and penalties	212,134	249,473
Corrections related to previous periods	412,314	128,668
Others	51,784	900,902
TOTAL	12,914,239	17,204,655

21.7. Financial profit and loss account

The financial profit and loss are the following:

FINANCING EXPENSES AND LOSSES	31.12.2020	31.12.2019
Interest paid	2,648,479	3,351,263
Other financing expenses and losses	668,612	531,434
TOTAL	3,317,091	3,882,697

21.8. Deferrals

Deferred assets and deferred liabilities are the following:

DEFERRED ASSETS	31.12.2020	31.12.2019
Expenses to be recognised – insurances	679,397	374,581
Expenses to be recognised – other	-	3,447
Other deferrals	527,833	294,222
TOTAL	1,207,230	672,250

DEFERRED LIABILITIES	31.12.2020	31.12.2019
Income to be recognised – NCRF 19	1,473,019	768,092
Billing to be recognised	145,095	381,078
TOTAL	1,618,114	1,149,170

21.9. Other accounts payable and receivable

The item “Other accounts receivable” is the following, for the period ending on 31 December 2020 and 2019:

	31.12.2020	31.12.2019
Trade creditors – debit balances	1,036,692	642,092
Contract retentions	2,970,425	2,010,359
Debtors by accrued income	33,210,491	47,777,273
Payments on account	225,262	49,898
Personnel	35,905	424,727
Other debtors	15,288,851	17,242,870
TOTAL	52,767,626	68,147,219

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 2020 and 2019:

	31.12.2020	31.12.2019
Clients – credit balances	38,106	53,367
Personnel	1,535,638	2,430,029
Investment providers	1,394,002	59,011
Creditors by accrued expenses – remunerations	1,967,223	1,863,665
Creditors by accrued expenses – others	3,682,718	4,527,528
Other creditors	2,992,675	2,795,013
TOTAL	11,610,362	11,728,614

21.10. Proposal of application of net income

In compliance with the legal and statutory provisions, in pursuance of the policy of fair return on the invested capital and the increase in its solvency, the Board of Directors proposes that the net income for the period, in the amount of 1,136,131 euros, has the following distribution:

- Dividends: 540,000 euros, corresponding to 0.30 euros per share;
- Other reserves: 596,131 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

	31.12.2020	31.12.2019
Portugal	63,022,364	56,740,835
Angola	22,366,506	54,330,413
Mozambique	10,159,226	14,219,926
Zimbabwe	7,904,174	2,872,196
Zambia	7,941,134	20,727,294
Malawi	10,464,089	3,337,295
Gabon	2,103,156	2,547,074
TOTAL	123,960,649	154,775,033

22.2. Statutory Auditor fees

In 2020, the fees of the Statutory Auditor amounted to 30,250 euros (2019: 31,500 euros).

SECTION

04



**REPORT AND
OPINION OF
THE STATUTORY
AUDIT BOARD**

STATUTORY AUDIT BOARD

1. FINANCIAL YEAR OF 2020

Dear Shareholders:

In compliance with the legal provisions, the Statutory Audit Board submits its report and issues its opinion on the consolidated management report, consolidated balance sheet, consolidated 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 2020.

2. 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 consolidated management report presented by the Board of Directors, the consolidated balance sheet, the consolidated income statement, the

consolidated cash flows and the changes in consolidated equity for the financial year ended on 31 December 2020, 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 consolidated 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 consolidated management report, consolidated balance sheet, consolidated income statement, consolidated cash flows and changes in consolidated equity allow, in the whole, for a correct understanding of the consolidated financial situation of Conduril - Engenharia, S.A., on 31 December 2020, 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

3. OPINION

1. that the consolidated management report, consolidated balance sheet, consolidated accounts and its notes for the financial year ended on 31 December 2020 are approved;
2. that the proposal of application of net income included in the consolidated management report, in the terms presented by the Board of Directors is approved.

Ermesinde, 26 March 2021

THE STATUTORY AUDIT BOARD

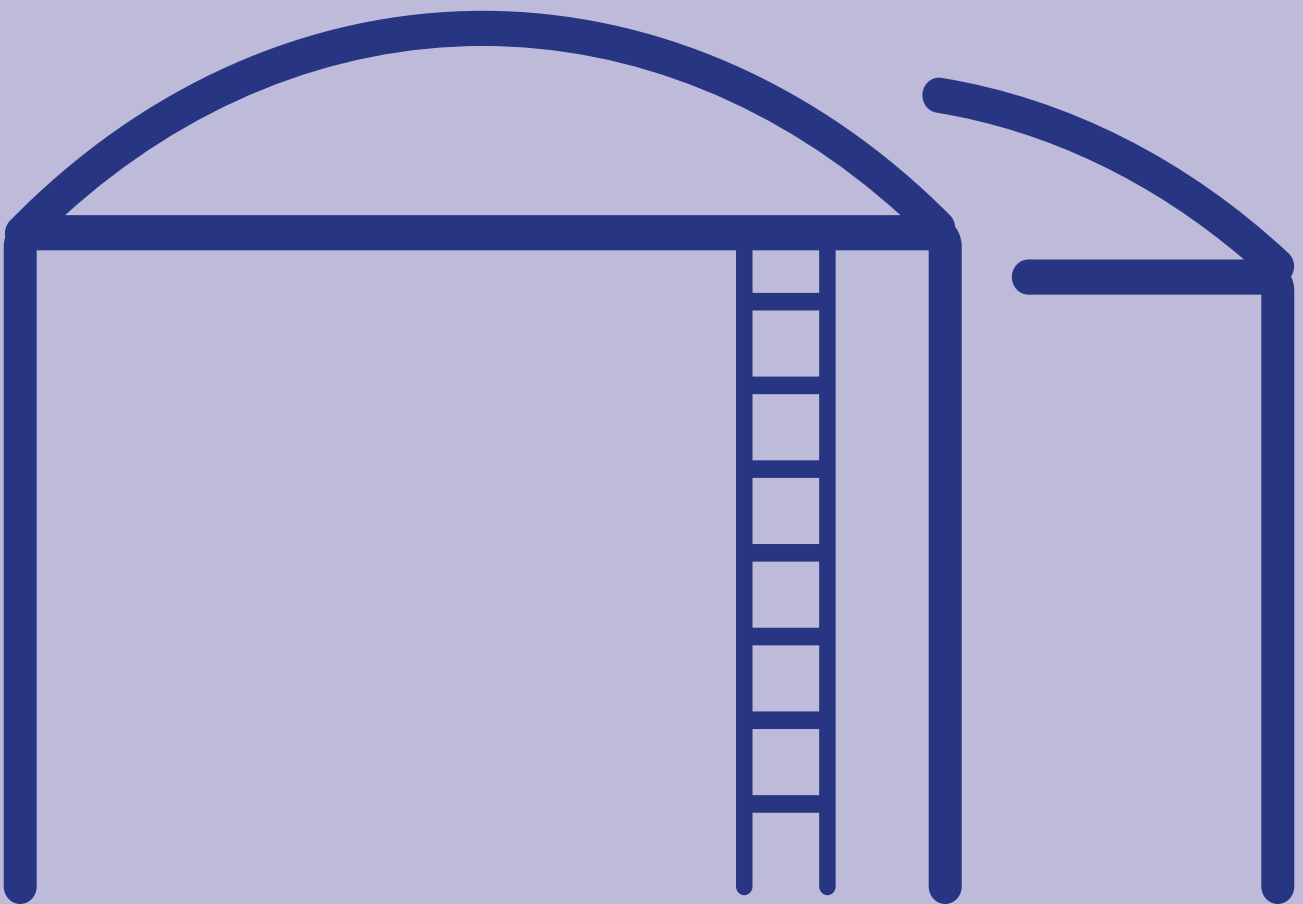
Ademar Américo Soares Paiva, President

Maria de Lourdes Lopes Chaves

Júlio Gales Ferreira Pinto

SECTION

05



**LEGAL
CERTIFICATION
OF
CONSOLIDATED
ACCOUNTS**

LEGAL CERTIFICATION OF ACCOUNTS

1. REPORTING ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Conduril - Engenharia, S.A. (the Group), which comprise the consolidated balance sheet on 31 December 2020 (which reflects a total of 377,031,776 euros and total equity of 178,292,712 euros, including a net income of 1,136,131 euros), the consolidated profit and loss account by nature, the consolidated statement of changes in equity and the consolidated cash flow statement for the year ended on that date, and the notes attached to the consolidated financial statements, comprising a summary of significant accounting policies.

In our opinion, the consolidated financial statements attached present a true and proper view, in all material aspects, of the consolidated financial position of Conduril - Engenharia, S.A. on 31 December 2020 and its consolidated 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.

Grounds 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 consolidated financial statements” below. We are independent from the entities belonging to the Group 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.

Emphasis

In Note 1 of the Notes to the Consolidated Financial Statements with reference to 31 December 2020, information regarding the impacts resulting from the COVID-19 pandemic reflected in the Group’s activity are disclosed, as well as the measures implemented to ensure the continuity of its operations. As mentioned in that note, there are relevant uncertainties regarding the effects on the future operations of the Group, due to the inability to predict the duration of the COVID-19 pandemic. Based on the information available, the Board of Directors considers that the assumption of continuity used in the preparation of the financial statements with reference to 31 December 2020, is still appropriate.

Our opinion is not affected by this matter.

Responsibilities of the management body and the supervisory body for the consolidated financial statements

The management body is responsible for:

- the preparation of the consolidated financial statements that present a true and proper view of the financial position, financial performance and cash flows of the Group, in accordance with the Accounting Standards and Financial Reporting adopted in Portugal through the Accounting Standardisation System;
- the preparation of the consolidated 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 consolidated 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 Group’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 Group.

Auditor's responsibilities for the audit of the consolidated financial statements

Our responsibility is to obtain a reasonable assurance if the consolidated 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 consolidated 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 Group;
- evaluate the appropriateness of the accounting policies used and reasonableness of accounting estimates and respective disclosures made by the management body;
- conclude on the appropriateness 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 Group'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 consolidated 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 take the Group to discontinue its activities;
- evaluate the presentation, structure and global contents of the consolidated financial statements, including the disclosures, and if those financial statements represent the underlying transactions and events in order to achieve an appropriate presentation;
- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or the activities inside the Group to express an opinion on the consolidated financial statements. We are responsible for the guidance, supervision and performance of the Group's audit, and we are ultimately responsible for our audit opinion;
- 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 consolidated management report with the consolidated financial statements.

2. REPORTING ON OTHER LEGAL RULES AND REGULATIONS

About the consolidated management report

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

Porto, 25 March 2021

HORWATH & ASSOCIADOS, SROC, LDA.
Represented by Ana Raquel Borges L. Esperança Sismeiro (ROC 1126)



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